

ACETO CORPORATION
AUDIT & RISK COMMITTEE CHARTER

Purpose of the Committee

The purpose of the Audit & Risk Committee (“Committee”) is to assist the Board of Directors of Aceto Corporation (“Company”) in performing its oversight responsibilities with respect to the financial management and internal and external reporting of the Company. These responsibilities include reviewing the financial information which will be provided to the Company’s shareholders and others, the quality of the Company’s accounting policies and reporting practices, the systems of internal disclosure controls which management and the Board of Directors have established, compliance with the Company’s Code of Ethics for Financial Management, and the internal and external audit processes. The Committee is to assist the Board in maintaining compliance by the Company and its subsidiaries with all legal and regulatory requirements. In addition, the Committee shall assist the Board of Directors in performing its oversight responsibilities relating to the Company’s processes and policies with respect to identifying, monitoring, assessing, reporting on, managing and controlling the Company’s business and financial risks.

In fulfilling its purpose, it is the responsibility of the Committee to provide an open avenue of communication between the Board of Directors, management and the independent auditors. The Committee is to be the Board’s principal agent in ensuring the independence and objectivity of the independent auditors, the integrity of management, and the adequacy of disclosure to shareholders. The independent auditors are ultimately accountable to the Board of Directors and the Committee, as representatives of the Company’s shareholders.

The Committee members are not acting as professional accountants or auditors, and their functions are not intended to duplicate or substitute for the activities of management and the independent auditors. The Committee serves a Board-level oversight role in which it provides advice, counsel and direction to management and the independent auditors on the basis of information it receives, discussion with the accountants and the experience of the Committee’s members in business, financial and accounting matters.

The Company’s management is responsible for managing the Company’s risk function, including the Company’s processes and policies with respect to identifying, monitoring, assessing, reporting on, managing and controlling the Company’s business and financial risk. The Committee serves a Board-level oversight role with respect to these processes and policies.

Authority of the Committee

The Committee has the authority to investigate any activity of the Company within its scope of responsibilities, and shall have direct, independent and unrestricted access to members of management (including, but not limited to, the Chairman of the Board, the CEO, and the President of the Company, who has been designated as the Company’s Chief Risk Officer, the Chief Financial Officer of the Company (the “members of management”) and other management individuals responsible for managing risk) and all information relevant to its responsibilities. All employees are directed to cooperate with members of the Committee. The Committee is

empowered to retain persons and/or firms having special competence as necessary to assist the Committee in fulfilling its responsibilities.

Composition of the Committee

The Committee shall be comprised of at least three members, all of whom shall meet the independence requirements and experience qualifications of the United States Securities and Exchange Commission (the “SEC”) and The NASDAQ Stock Market, Inc. (“NASDAQ”). The Committee, once constituted by the Board of Directors on an annual basis, will elect one of its members to serve as Chairman for the following year.

Specifically, each Audit & Risk Committee member shall: (i) be “independent”, as defined in NASDAQ Rule 4200; (ii) meet the criteria for independence set forth in Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”); (iii) not have participated in the preparation of the financial statements of the Company at any time during the past three years; and (iv) be able to read and understand fundamental financial statements, including a company’s balance sheet, income statement, and cash flow statement.

In addition, at least one member of the Audit & Risk Committee shall be an “Audit Committee Financial Expert” as defined by the SEC, and otherwise meet the experience requirements of NASDAQ Rule 4350(d)(2)(A).

Meetings of the Committee

The Audit & Risk Committee shall meet, either in person or telephonically, at least four times during each fiscal year. Prior to each meeting, the Chairman of the Committee may communicate with the Chief Financial Officer and/or the independent auditors to review the agenda and solicit input on any additional topics that should be covered. The Committee shall meet in executive sessions with each of (i) members of management, (ii) the internal audit staff and (iii) the Company’s independent auditors as the Committee deems appropriate. Such executive sessions may occur contemporaneously with Committee meetings, including during, immediately before or immediately following any such Committee meeting.

Attendance at Meetings of the Committee

Members of the Committee are expected to use all reasonable efforts to attend each meeting. The Chairman may request that members of management, and/or other individuals who are responsible for managing risk and preparation of financial reports, the Company’s internal and/or external legal counsel, the independent auditor and/or members of the internal audit staff to attend any meeting of the Committee or meet with any members of, or consultants to, the Committee.

Minutes of Meetings of the Committee; Reporting to Board of Directors

Minutes of each meeting shall be prepared under the direction of the Chairman of the Committee and circulated to Committee members for review and approval. Copies of Committee minutes so approved shall be delivered to each member of the Board of Directors and the Company’s General Counsel. The Committee shall report its actions and any

recommendations to the Board of Directors after each Committee meeting. Such reporting may be by means of delivering copies of approved Committee minutes to each member of the Board of Directors. Copies of Committee minutes shall also be made available to the independent auditors and the Company's Chief Financial Officer.

Specific Responsibilities of the Committee

General Financial Matters

The Committee shall:

1. Oversee the work and compensation of the independent auditors in connection with the preparation by the independent auditors of their audit report.
2. Review the scope of the independent auditors' audit examination, including their engagement letter prior to the annual audit. Review and approve the audit fees agreed upon by management. Approve any permitted non-audit services to be provided by the independent auditors. The Chairman has the authority to make specific pre-approvals in his or her sole good faith discretion; provided that for services with an estimated cost in excess of \$10,000, the specific pre-approval of such services must be subsequently considered and ratified by the entire Committee.
3. Subject to shareholder ratification, have the authority to hire and retain the independent auditors. The independent auditors and the executive responsible for the Internal Audit function shall report directly to the Audit & Risk Committee.
4. Have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Company shall provide for appropriate funding as determined by the Audit & Risk Committee for payment of compensation to the experts engaged for the purpose of rendering or issuing a report.

Financial Statement and Disclosure Matters

The Committee shall:

1. Review and discuss with management and the independent auditors the annual audited financial statements, including related footnotes and disclosures made in Management's Discussion and Analysis included in any SEC filing and recommend to the Board that the audited financial statements should be included in the Company's Annual Report on Form 10-K.
2. Review and discuss with management and the independent auditors the Company's quarterly financial statements prior to the filing of its Quarterly Report on Form 10-Q, including the results of the independent auditors' review of the quarterly financial statements.
3. Discuss with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, as amended by Statement on Auditing Standards No. 99, relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant

disagreements with management.

4. Discuss with management and the independent auditors significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls including information technology security and control and any special steps adopted in light of material control deficiencies, if any.

5. Review and discuss quarterly reports from the independent auditors on: (i) all critical accounting policies and practices to be used; (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors; and (iii) other material written communications between the independent auditors and management, such as any schedule of unadjusted differences.

6. Discuss with management the Company's earnings press releases including the use of "pro forma" or adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies

7. Discuss with management and the independent auditors the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements, if any.

8. Review disclosures, if any, made to the Audit & Risk Committee by the Company's CEO and CFO during their certification process for the Company's Annual Report on Form 10-K and Quarterly Report on Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.

Oversight of the Company's Relationship with the Independent Auditor

The Committee shall:

1. Review and evaluate the lead partner of the independent auditor team.
2. Obtain and review a report from the independent auditor at least annually regarding (i) the independent auditors' internal quality-control procedures, (ii) any material issues raised by the most recent internal quality-control review, or peer review (including any findings by the Public Company Accounting Oversight Board ("PCAOB")), of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the firm, (iii) any steps taken to deal with any such issues, and (iv) all relationships between the independent auditor and the Company. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and the provisions of the permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of management. The Audit & Risk Committee shall present its conclusions with respect to the independent auditor to the Board.

3. Ensure that the independent auditors provide information to the Audit & Risk Committee about the independent auditors' independence and affirm its independence, all in accordance with PCAOB Rule 3526, the Exchange Act and the requirements of NASDAQ.
4. Oversee the rotation of the audit partners as required by law.
5. Meet with the independent auditor to discuss the planning and staffing of the audit.
6. Approve guidelines for the Company's hiring of former employees of the independent auditors, which shall meet the requirements of applicable law and listing standards.

Compliance Oversight Responsibilities

The Committee shall:

1. Obtain from the independent auditor assurance that to its knowledge Section 10A(b) of the Exchange Act has not been implicated.
2. Review management's monitoring of the Company's compliance with its Code of Ethics. Review reports and disclosures of insider and affiliated party transactions.
3. Review on an on-going basis for potential conflicts of interest, and approve if appropriate, all "Related Party Transactions" of the Company as required by NASDAQ Rule 4350(h). For purposes of this Charter, "Related Party Transactions" shall mean those transactions required to be disclosed pursuant to Item 404 of Regulation S-K of the Exchange Act.
4. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by the employees of concerns regarding questionable accounting or auditing matters.
5. Discuss with management and the independent auditors any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.
6. Discuss with the Company's General Counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies.
7. Review the status and functioning of the Company's internal audit function. The internal auditor will functionally report directly to the Audit & Risk Committee. The Committee and the Chief Financial Officer will jointly recommend any compensation or title changes planned for the Company's executive responsible for the internal audit, as well as approve decisions regarding the appointment and removal of the executive responsible for the internal audit. The Committee will ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the executive responsible for the internal audit. Internal auditors will exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors will make a balanced assessment of all the relevant circumstances and

not be unduly influenced by their own interests or by others in forming judgments. The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. The Company's executive responsible for the internal audit will periodically report to senior management and the Committee on the internal audit activity's purpose, authority, and responsibility, as well as performance relative to its plan. Reporting will also include significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by senior management and the Committee.

8. The Committee shall review with management the Company's policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by the internal auditor or the independent auditors.

Oversight Responsibilities Relating to Processes and Policies Regarding Risk

The Committee shall:

1. Oversee, review, monitor and assess (including through regular reports by, and discussions with, members of management, and other management individuals responsible for managing risk) the Company's processes and policies for risk identification, risk assessment, risk tolerance, reporting on risk, risk management and risk control (including with respect to risks arising from the Company's compensation policies and practices and in connection with the business and operations of its subsidiaries) and the steps that management has taken to manage the risk function.

2. Discuss with members of management, and other management individuals responsible for managing risk, the balancing of risk versus reward to the Company (including with respect to risks arising from the Company's compensation policies and practices and in connection with the business and operations of its subsidiaries).

3. Discuss with members of management and other management individuals responsible for managing risk, areas of specific risk identified by management and/or the Committee (including with respect to risks arising from the Company's compensation policies and practices and in connection with the business and operations of its subsidiaries).

Reporting to Stockholders

The Committee shall prepare the Committee report required by Item 407 of Regulation S-K of the Exchange Act (or any successor provision) to be included in the Company's annual proxy statement.

The proxy statement shall either include the full text of this charter at least once every three years and after any significant modification is approved by the Board, or disclose annually where the full text of this charter can be found on the Company's website.

Limitation of Audit & Risk Committee's Role

While the Audit & Risk Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit & Risk Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with the generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor. Similarly, it is not the duty of the Committee to manage the Company's risk function, including the Company's processes and policies with respect to identifying, monitoring, assessing, reporting on, managing and controlling the Company's business and financial risk. This is the responsibility of management.

The Audit and Risk Committee will review and reassess the adequacy of this charter on an annual basis. Charter revisions will be shared with the Chief Financial Officer and the executive of the Company responsible for the Company's internal audit function and the Chief Risk Officer. Charter revisions, if any, will be submitted to the Board of Directors for approval. The Audit and Risk Committee will evaluate the Committee's performance and effectiveness on an annual basis.