

# **CIRCOR INTERNATIONAL, INC.**

## **AUDIT COMMITTEE CHARTER**

### **I. Composition; Appointment; Qualification of Members**

The Audit Committee of the Board of Directors of CIRCOR International, Inc. shall consist of a minimum of three directors. Members of the committee shall be appointed by the Board of Directors upon the recommendation of the Nominating and Corporate Governance Committee and may be removed by the Board of Directors in its discretion. Each member of the committee shall meet the independence requirements for audit committee members as set forth by the Sarbanes Oxley Act of 2002 and the applicable rules of the New York Stock Exchange and the Securities and Exchange Commission. In addition, all members shall be financially literate (as determined by the Board of Directors in its business judgment), and at least one member shall be an audit committee financial expert (as determined by the Board of Directors with reference to the standards issued by the Securities and Exchange Commission). Unless otherwise determined by the Board (in which case disclosure of such determination shall be made in accordance with applicable NYSE rules), no member of the Audit Committee may serve on the audit committee of more than two other public companies.

### **II. Purpose**

The purpose of the committee is (A) to assist the Board of Directors in the Board's general oversight and monitoring of (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the independence, qualifications and performance of the Company's registered public accounting firm, and (iv) the performance of the Company's internal auditors; and (B) to prepare the report required by the SEC's proxy rules to be included in the Company's annual proxy statement.

While the committee has the authority and responsibilities set forth in this Charter, it is not the duty of the committee to plan or conduct audits or to determine or certify that the Company's financial statements are complete, accurate, fairly presented and in accordance with generally accepted accounting principles, or to guarantee the independent auditors' reports. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Company and for establishing and maintaining adequate internal control over financial reporting. The independent auditors are responsible for auditing the Company's annual financial statements and internal control over financial reporting and for reviewing the Company's unaudited interim financial statements.

### **III. Authority and Responsibilities**

In furtherance of its purpose, the committee shall have the following authority and responsibilities:

1. To select the independent auditor to examine the Company's accounts, controls and financial statements. The committee shall have sole authority and responsibility for selecting, overseeing (including the resolution of any disagreements between

management and the independent auditors regarding financial reporting), evaluating and (if necessary) replacing the independent auditor and for approving all audit engagement fees and terms. The committee is empowered, without any further action by the Board, to cause the Company to pay the compensation of the independent auditor established by the committee. In addition, the committee, or the chairman of the committee, must pre-approve any audit service to be provided to the Company, whether by the independent auditor or other firms, and all other services (review, attest and non-audit) to be provided to the Company by the independent auditor, taking into consideration whether such service is compatible with the auditor's independence; provided, however, that de minimis non-audit services may instead be approved in accordance with applicable NYSE and SEC rules.

2. To review with management and the independent auditor the Company's annual audited financial statements and quarterly financial statements, and the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board (the "PCAOB") and the SEC. This review should include the auditors' assessment of the quality and consistency of the Company's accounting principles, any audit problems or difficulties and management's response, as well as the Company's major areas of financial risk and the Company's methods for monitoring, evaluating and minimizing these risks. In addition, review with the independent auditor any Critical Audit Matters ("CAMs") and related CAM disclosures to be included in the auditor's report. In furtherance of this review, the committee should meet periodically with the independent auditor, without management present, and should maintain a direct line of communication with the independent auditor.
3. To review with management and the independent auditor, as appropriate, all earnings press releases and any earnings guidance provided to shareholders and other outside parties.
4. To review with management and the independent auditor, prior to filing, the Company's quarterly reports on Form 10-Q and annual reports on Form 10-K, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
5. To recommend to the Board, based on its review of the audited financial statements and its discussions with management and the independent auditor regarding the audit, whether or not the audited financial statements should be included in the Company's annual report on Form 10-K.
6. To prepare and publish a report of the committee required to be included in the Company's proxy statement for its annual meeting of shareholders.
7. To periodically review and discuss with management and the independent auditor the adequacy of the Company's internal controls and compliance initiatives, to coordinate the Board's oversight of the Company's internal control over financial reporting, disclosure controls and procedures and code of business conduct and

ethics, and to receive and review the reports of the Chief Executive Officer and the Chief Financial Officer required by Rule 13a-14 under the Exchange Act.

8. To periodically review and discuss with management and the independent auditor any material contingent liabilities of the Company.
9. To periodically review with management (including the Company's in-house legal counsel) the Company's compliance with legal and regulatory requirements and any material litigation to which the Company is a party.
10. To periodically review and discuss with management and the independent auditor the Company's financial reporting and accounting policies, any significant changes in accounting policies or their application, and key accounting decisions affecting the Company's financial statements, including alternatives to and rationale for decisions made.
11. To periodically review and discuss with management and the independent auditor material written communications with management such as the independent auditor's management letter and unadjusted audit differences, and all other matters required to be communicated by the independent auditor to the Audit Committee under the standards of the PCAOB.
12. To discuss with management and the independent auditor all major issues regarding financial reporting, judgments, and presentation, including material off-balance sheet transactions or other relationships, as well as the effect of regulatory and accounting initiatives and off-balance sheet structures on the financial statements of the Company.
13. To review and investigate any matters that relate to or have the likelihood to affect the integrity of the Company's financial statements, financial reporting process or internal controls, and to review with the independent auditor any audit problems or difficulties the independent auditor encountered in the course of the audit work and management's response, including any restrictions on the scope of the independent auditor's activities or on access to requested information and any significant disagreements with management; major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; and analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.
14. To obtain annually from the independent auditor a written report describing the auditing firm's internal quality control procedures, any material issues raised by the most recent internal quality-control review, or peer review, 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, and any steps taken to deal with any such issues.

15. To annually assess the independence of the independent auditor. In connection with this assessment, the committee shall obtain and review a report by the independent auditor describing all relationships between the independent auditor and the Company, including all audit and non-audit services and the written disclosures and the letter from the independent auditor required by applicable requirements of the PCAOB regarding the independent auditor's communications with the Audit Committee concerning independence, and shall discuss with the independent auditor any disclosed relationships or services that might impact the objectivity and independence of the auditor.
16. To review and approve the scope, staffing and budget for the Company's internal audit function, maintain a direct reporting line with the internal auditors, and to review with the internal auditors and management the results of all internal audits.
17. To review the adequacy of this charter and the performance of the committee on an annual basis. The committee shall conduct and present to the Board of Directors an annual performance evaluation of the committee.
18. To establish procedures for (A) the receipt, retention, and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters; and (B) the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters, and to periodically review reports made through the established procedures that relate to financial reporting improprieties.
19. To establish clear policies relative to the company's ability to hire employees or former employees of the independent auditors. In this regard, the committee has adopted a policy whereby the Company may not hire employees or former employees of the independent auditors without prior approval of the committee.
20. To assist the Board of Directors, as required, in connection with the Board of Directors' assessment and management of risk, including responsibility for the oversight of cybersecurity risk.
21. To review and approve all related-party transactions required to be disclosed according to SEC Regulation S-K, Item 404, and to discuss with management the business rationale for the transactions and whether appropriate disclosures have been made.

The committee shall have full authority to retain such outside counsel, experts and other advisors as it may deem appropriate in its sole discretion including full authority to approve the fees and other terms related to any such engagement and to receive funds from the Company for the payment of such fees. The committee is empowered, without further action by the Board of Directors, to cause the Company to pay the ordinary administrative expenses of the committee that are necessary or appropriate in carrying out its duties.

The committee shall meet as often as it deems necessary in order to perform its responsibilities. The committee, periodically, shall meet separately with management, the independent auditors and the internal auditors and shall make a report to the full Board of Directors after each such meeting.