



## **BELDEN CDT INC. CHARTER - AUDIT COMMITTEE**

### **Purpose**

The Committee assists the Board in overseeing (i) the integrity of the Company's financial statements; (ii) all material aspects of the Company's reporting, control, and audit functions; (iii) the Company's compliance with legal and regulatory requirements; (iv) the qualifications and independence of the independent auditors and the Company's outside internal auditors; and (v) the performance of the Company's internal audit function and independent auditors. The Committee also coordinates with other Board Committees and maintains working relationships with management, the independent auditors, counsel, and other Committee advisors.

### **Membership**

The Board, on the recommendation of the Governance and Nominating Committee, shall appoint the Committee. The Committee shall consist of at least three directors, each of whom shall meet the independence and experience requirements of the New York Stock Exchange (the "NYSE"), Section 10A(m)(3) of the Securities Exchange Act of 1934 (the "Exchange Act") and the rules and regulations of the Securities and Exchange Commission (the "Commission"). In accordance with the NYSE's listing standards, each member shall be (or must become within a reasonable period of time) "financially literate," and at least one member shall have "accounting or related financial management expertise" as the Board interprets such qualifications in its business judgment. The Board intends that at least one member be an "audit committee financial expert" as defined by the Commission.

### **Operating Principles**

The Committee shall fulfill its responsibilities within the context of the following overriding principles:

- *Communications* – To strengthen the Committee's knowledge of relevant current and prospective business issues, the Chairperson and others on the Committee shall have contact throughout the year with senior management, other Committee Chairpersons, the independent auditors and other Committee advisors.
- *Annual Plan* - The Committee, with input from management and other key Committee advisors, shall develop an annual plan responsive to the "Primary Committee Responsibilities" detailed below.
- *Meeting Agenda* – The Chairperson, with input from other Committee members, shall develop Committee meeting agendas. The Chairperson may ask management, key Committee advisors, and others to participate in this process.

- *Committee Expectations and Information Needs* - The Committee shall communicate its expectations and the nature, timing, and extent of its information needs to management and external parties, including the independent auditors.
- *External Resources* – To fulfill its responsibilities, the Committee, in its sole discretion, shall have the right to retain its own legal, accounting and other advisors. The Committee shall have authority and appropriate funding for the retention of such advisors and for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Company must provide appropriate funding, as determined by the Committee, for payment of audit services performed by the independent auditors.
- *Committee Meetings and Attendees* – The Committee schedules quarterly meetings and, when necessary, additional meetings. To carry out its responsibilities, the Committee will request members of management, counsel, and the independent auditors, as applicable, to participate in Committee meetings. Periodically and at least annually, the Committee will meet in private session with only Committee members. The Committee also shall meet separately with management, with internal auditors (or those with responsibility for the internal audit function), and with the independent auditors. It shall be understood that the independent auditors, counsel, or members of management may, at any time, request a meeting with the Committee or Chairperson with or without management.

### **Relationship with Independent Auditors**

- The Committee shall have a clear understanding with management and the independent auditors that the independent auditors report directly to the Committee, as the representative of the Board and shareholders, and that the independent auditors are ultimately accountable to the Board and the Committee. The Committee shall have the sole authority and responsibility to hire, evaluate and, when deemed necessary or advisable, replace the independent auditors. The Committee shall directly oversee the work of the independent auditors. The Committee shall determine the appropriate compensation for the independent auditors and shall be responsible for resolving disagreements between management and the independent auditors regarding financial reporting. Annually, the Committee shall review and select the Company's independent auditors.
- The Committee shall discuss with the independent auditors the overall scope and plans for its external audit, including the adequacy of staffing and compensation. The Committee shall meet separately with the independent auditors, with and without management present, to discuss the results of their examinations.
- The Committee shall review with the independent auditors their assessment of the quality, not just the acceptability, of the Company's significant accounting principles and underlying estimates as applied in its financial reporting, and any important changes in accounting principles and the application thereof in both interim and

annual financial reports. As part of such review, the Committee shall review all critical accounting policies and practices used; 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 other material written communications between the independent auditors and management, such as management letters or schedule of unadjusted differences.

- The Committee shall pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by the independent auditors. As part of assessing whether to approve any non-audit services, the Committee will consider whether the non-audit services are compatible with the independence of the independent auditors.
- The audit partner of the independent auditors (having primary responsibility for the audit of the Company) will not continue in such role beyond five consecutive years. The independent auditors shall inform the Committee of any illegal act of which they become aware.

### **Primary Responsibilities**

- *Risk Management* – In reliance on management’s representations and the independent auditor’s review, the Committee shall discuss the Company’s business risk management process, including insurance coverage and the scope thereof, and the adequacy of the Company’s overall control environment and controls in selected areas representing significant financial and business risks.
- *Annual and Quarterly Reports and Other Major Regulatory Filings* – The Committee shall discuss the annual financial statements and quarterly financial statements with management and the independent auditors, including the Company’s disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A"). The Committee also shall discuss other information that the Committee deems necessary in advance of filings or disclosures and shall recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K pursuant to the Exchange Act regulations.
- *Earnings Press Releases* – The Committee shall discuss with management and the independent auditors earnings press releases and other material, non-routine public disclosures, as well as financial information and earnings guidance provided to analysts and rating agencies. Particular attention should be given to the quality and integrity of the results, including discussing the adequacy of reserves and accruals. The Committee also shall determine that the independent auditors are satisfied with the quarterly results and the disclosure and content of the proposed press release.
- *Internal Controls and Regulatory Compliance* – In reliance on management’s representations and the independent auditor’s review, the Committee shall

periodically review and assess the Company's system of internal controls for detecting accounting and reporting financial errors, fraud and defalcations, legal violations, noncompliance with the Company's code of ethical conduct, and significant conflicts of interest and related-party transactions.

- *Internal Audit Responsibilities* – The Committee shall review and assess (i) the annual internal audit plan and the process used to develop the plan; (ii) the status of activities, significant findings, recommendations, and management's response; and (iii) the internal audit performance and changes in internal audit leadership or key financial management.
- *Independent Auditor Report on Internal Quality Controls* – At least annually, the Committee shall obtain and review a report of the independent auditors describing: (i) the firm's internal quality control procedures; and (ii) 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 past five years, respecting one or more independent audits of the firm, and any steps taken to deal with any such issues.
- *Regulatory Examinations* – The Committee shall review and assess any SEC inquiries and the results of examinations by other regulatory authorities in terms of important findings, recommendations, and management's response.
- *Independence of Auditors* – The Committee shall review and assess the auditor's independence, the matters included in the written disclosures required by the Independence Standards Board, the overall scope and focus of the annual audit and the scope and level of involvement with unaudited quarterly or other periodic information. The Committee will take appropriate action in response to such review and assessment to satisfy itself of the independence of the independent auditors.
- *Financial Reporting and Controls* – The Committee shall review and assess any financial statement issues and risks that may have a material impact or effect on reported financial information, the processes used by management to address such matters, related auditor views, and the basis for audit conclusions. In connection therewith, the Committee shall review the matters required to be discussed by SAS 61 (Codification of Statements on Auditing Standards). The Committee shall review material conclusions on audit work in advance of the public release of financials.
- *Auditor Recommendations and Audit Problems and Management's Response* – The Committee shall review and assess important independent auditor's and internal auditor's recommendations or audit problems or difficulties with respect to financial reporting, controls, other matters, and management's response with respect to such matters. In connection therewith, the Committee shall consider the views of management and auditors on the overall quality of annual financial reporting.

- *Complaint Procedures* – The Committee shall establish procedures for addressing, on a confidential basis, complaints received by the Company regarding accounting, internal controls or other matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- *CEO and CFO Certifications* – The Committee shall review and assess any disclosures made to the Committee by the Company’s CEO and CFO during their certification process for the Form 10-K and Form 10-Q regarding any significant deficiency in the design or operation of internal controls or material weaknesses therein, any fraud involving management or other employees who have a significant role in the Company’s disclosure controls, or other matters.
- *Hiring Policies* – The Committee shall oversee that the Company will not engage an accounting firm to conduct audit services if the Company's CEO, controller, or CFO was employed by the accounting firm and participated in the audit of the Company during the one-year period prior to the date of the initiation of the audit.
- *Reporting to the Board of Directors* – The Committee shall report to the full Board after Committee meetings.
- *Proxy Statement Report* – The Committee shall prepare the report that the SEC rules require be included in the Company's annual proxy statement.
- *Evaluation* – The Committee shall conduct a self-performance evaluation annually.

### **Limitation of Audit Committee's Role**

While the Committee has the responsibilities and powers noted above, it is not the duty of the Committee to plan or conduct audits or to determine that the Company’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles. Such matters are the responsibility of management and the independent auditors. Nor is it the duty of the Committee to conduct investigations or to assure compliance with laws, regulations and the Company’s code of ethical conduct.

### **Charter Review**

The Committee will annually review and reevaluate the adequacy of its Charter. Where appropriate, the Committee will revise the Charter and seek the review and approval of the Board for such revisions.