

AMERICAN POWER CONVERSION CORPORATION

Charter of the Audit Committee of the Board of Directors

I. AUDIT COMMITTEE PURPOSE

The Audit Committee is appointed by the Board of Directors of American Power Conversion Corporation (the “Corporation”) to assist the Board in fulfilling its oversight responsibilities. The Audit Committee’s principle duties and responsibilities are to:

- Appoint, compensate and retain the Corporation’s independent public auditors, and oversee the work performed by the independent public auditors.
- Assist the Board of Directors in fulfilling its responsibilities by reviewing the financial reports provided by the Corporation to the Securities and Exchange Commission (“SEC”) and the Corporation’s stockholders.
- Monitor the integrity of the Corporation’s financial reporting process and systems of internal controls regarding finance, accounting, and legal compliance.
- Recommend, establish and monitor procedures designed to improve the quality and reliability of the disclosure of the Corporation’s financial condition and results of operations.
- Monitor the performance of the Corporation’s internal auditing function.
- Provide an avenue of communication among the independent auditors, management, internal auditors, and the Board of Directors.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and it has direct access to the independent auditors as well as anyone in the organization. The Audit Committee has the ability to retain, at the Corporation’s expense, special legal, accounting, or other consultants or experts it deems necessary in the performance of its duties.

II. AUDIT COMMITTEE COMPOSITION AND MEETINGS

The Audit Committee shall be comprised of at least three directors as appointed by the Board (i) who shall meet the independence, audit committee composition and other requirements promulgated by the SEC, National Association of Securities Dealers, any exchange upon which securities of the Corporation are traded, or any governmental or regulatory body exercising authority over the Corporation (each a “Regulatory Body” and collectively the “Regulatory Bodies”), and any other requirements as determined by the Board, as in effect from time to time, (ii) who shall not have participated in the preparation of the financial statements of the Corporation at any time during the past three years, and (iii) each of whom shall be free from any relationship that would interfere with the exercise of his or her independent judgment. Notwithstanding the foregoing, members of the Audit Committee are barred from accepting any consulting, advisory or other compensatory fee from the Corporation, other than in that member’s capacity as a member of the Board and any Board committee.

All members of the Committee shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements, including a balance sheet, cash flow statement and income statement, and at least one member of the Committee shall have (i) past employment experience in finance or accounting, (ii) requisite professional certification in accounting or (iii) any other comparable experience or background which results in the members' financial sophistication, including having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. The Committee shall ensure that all necessary and proper disclosures shall be made in all applicable filings with the SEC as to the composition of the Committee.

Audit Committee members shall be appointed by the Board and, if desired, may be appointed on recommendation of a Nominating Committee. The Audit Committee may have a Chair, appointed by the Board. If an audit committee Chair is not designated or present, the members of the Committee may designate a Chair by majority vote of the Committee membership.

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. A record of the Committee's proceedings will be kept. The Committee should meet privately in executive session at least annually with management, internal auditors, and the independent auditors and as a committee to discuss any matters that the Committee or each of these groups believe should be discussed.

III. AUDIT COMMITTEE RESPONSIBILITIES AND DUTIES

A. General

The primary responsibilities of the Audit Committee are to:

1. Oversee the financial reporting process and internal control systems.
2. Oversee the audit function, both independent and internal.
3. Oversee that the annual consolidated financial statements and quarterly financial statements are prepared in accordance with GAAP.
4. Oversee and supervise special investigations.
5. Appoint, retain, compensate and oversee the independent auditors and evaluate their independence.
6. Approve the audit plan of the internal audit function.
7. Constitute the Qualified Legal Compliance Committee (the "QLCC") and adopt and maintain guidelines for the QLCC as it deems necessary.

B. Review Procedures

1. Review and reassess the adequacy of this Charter at least annually, and update this Charter if and when appropriate. Submit the charter to the Board of Directors for approval and have the document published at least every three years in accordance with SEC regulations.

2. Review the Corporation's annual audited financial statements prior to filing as part of the Annual Report on Form 10-K or other public distribution. Review should include discussion with management and independent auditors of significant issues regarding accounting principles, practices and judgments. After such review and discussion, the Committee shall recommend to the Board whether such audited financial statements should be published in the Corporation's Form 10-K.
3. In consultation with the management, the independent auditors and the internal auditors, consider the integrity of the Corporation's internal control over financial reporting. Discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures. Review significant findings prepared by the independent auditors and the internal auditors together with management's responses.
4. Review with financial management and the independent auditors the Corporation's quarterly financial statements to be included in the Corporation's Form 10-Q filings. Discuss any significant changes to the Corporation's accounting principles and any items required to be communicated by the independent auditors in accordance with AICPA SAS 61. The Chair of the Committee may represent the entire Audit Committee for purposes of this review.

C. Independent Auditors

1. The Committee shall have the sole authority and be directly responsible for the appointment, compensation, retention (including the authority to retain or terminate) and oversight of any independent audit firms engaged by the Corporation for the purpose preparing or issuing an audit report or related work. The Committee shall have the ultimate authority to approve all audit engagement fees and terms. The Committee shall be directly responsible for the resolution of any disagreements between management and the independent auditors regarding financial reporting matters.
2. Determine the funding necessary for compensation of any independent audit firm and notify the Corporation of anticipated funding needs of the Committee.
3. Approve in advance any and all audit and non-audit services to be performed by the independent audit firm and adopt and implement policies for such pre-approval.
4. On an annual basis, the Committee should review and discuss with the independent auditors all significant relationships they have with the Corporation that could impair the auditors' independence. The Committee shall actively engage in a dialogue with the independent audit firm as to any disclosed relationships or services that may impact its independence. The Committee shall take appropriate action to oversee the independence of the independent audit firm.
5. Evaluate the performance of the independent audit firm and consider the discharge of the independent audit firm as circumstances warrant.
6. Review the independent auditor's audit plan – discuss scope, staffing, locations, reliance upon management and internal audit and general audit approach.

7. Discuss the results of the audit with the independent auditors. Discuss certain matters required to be communicated to audit committees in accordance with AICPA SAS 61.
8. Review the Corporation's critical accounting policies and accounting estimates resulting from the application of these policies and inquire at least annually of both the Corporation's internal auditors and independent audit firm as to whether either has any concerns relative to the quality or aggressiveness of management's accounting policies.

D. Internal Audit Process and Legal Compliance

1. Review the plan, changes in plan, activities, organizational structure, and qualifications of the internal auditors, as needed.
2. Review significant reports prepared by the internal auditors together with management's response and follow-up to these reports.
3. Review the appointment, performance and replacement of the senior internal audit executive or third-party service provider, if outsourced.
4. Determine funding necessary for ordinary administrative expenses of the Committee and for compensation of any outside advisors to be engaged by the Committee and notify the Corporation of anticipated funding needs of the Committee.
5. Establish procedures for the (a) receipt, retention, and treatment of complaints regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
6. When and where appropriate, the Corporation's general counsel and outside counsel may be asked to meet with the Audit Committee to review matters that may have an impact on the financial statements.
7. Ensure, when required by law for the first fiscal year ending after June 15, 2004, that the Corporation's chief executive officer and chief financial officer submit to the Committee prior to the filing of the Form 10-K, a report (dated in close proximity to the date of filing of the Form 10-K) evaluating the design and operation of Corporation's internal control over financial reporting and disclosing (a) any significant deficiencies discovered in the design and operation of the internal controls over financial reporting which could adversely affect the Corporation's ability to record, process, summarize, and report financial data; and (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls over financial reporting. The Committee shall direct the actions to be taken and/or make recommendations to the Board of Directors of actions to be taken to the extent such report indicates the finding of any significant deficiencies in internal controls over financial reporting or fraud.
8. Investigate any allegations that any officer or director of the Corporation, or any other person acting under the direction of such person, took any action to fraudulently influence, coerce, manipulate or mislead any independent public or certified auditor engaged in the performance of an audit of the financial statements of the Corporation

for the purpose of rendering such financial statements materially misleading and take or recommend to the Board appropriate disciplinary action.

9. Engage outside advisors, including but not limited to counsel, independent audit consultants and/or other experts, as needed, to review any matter under its responsibility.

E. Other Audit Committee Responsibilities

1. The Audit Committee will comply with all regulations of the Regulatory Bodies as they relate to disclosures and corporate governance.
2. Prepare, in accordance with the rules of the SEC as modified or supplemented from time to time, a written report of the audit committee to be included in the Corporation's annual proxy statement for each annual meeting of stockholders.
3. Instruct the Corporation's management to disclose in its Form 10-K and/or Proxy Statement the approval by the Committee of any non-audit services performed by the independent audit firm, and review the substance of such disclosure.
4. Perform any other activities consistent with this Charter, the Corporation's By-laws and governing law, as the Committee or the Board deems necessary or appropriate.
5. Maintain minutes of meetings and periodically report to the Board of Directors on significant results of the foregoing activities.