

## **BENCHMARK ELECTRONICS, INC.**

### **Charter of the Audit Committee of the Board of Directors**

#### **Mission Statement**

The primary purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Benchmark Electronics, Inc. (the “Company”) is:

(A) to assist the Board in fulfilling its responsibility to oversee (i) management’s conduct of the Company’s financial reporting process (including management’s development and maintenance of systems of internal accounting and financial controls), (ii) the integrity of the Company’s financial statements, (iii) the Company’s compliance with legal and regulatory requirements and ethical standards, (iv) the qualifications and independence of the Company’s outside auditors and (v) the performance of the Company’s internal audit function and the outside auditors; and

(B) to prepare the audit committee report required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s annual proxy statement.

#### **Membership**

The Committee shall consist of at least three directors, the exact number to be determined from time to time by the Board.

The Committee’s composition shall meet the independence and expertise requirements for audit committees imposed by the listing standards of the New York Stock Exchange (the “NYSE”), Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) and any applicable rules or regulations of the SEC, in each case as in effect from time to time. The Board shall endeavor to have at least one member of the Committee be a financial expert as defined by the SEC.

The members of the Committee shall be appointed by a majority vote of the Board from among its members based on the recommendations of the Nominating/Governance Committee and shall serve until such member’s successor is duly appointed and qualified or until such member’s resignation or removal by a majority vote of the Board.

No member of the Committee may serve simultaneously on the audit committees of more than two other public companies, unless the Board determines that such simultaneous service would not impair such director’s ability to serve effectively on the Committee and such determination is disclosed in the Company’s annual proxy statement.

#### **Authority and Responsibilities**

The Committee’s function is not to replace the Company’s management, internal auditors and outside auditors, but rather one of oversight. It is the responsibility of the Company’s management to prepare the Company’s financial statements and to develop and maintain adequate systems of internal accounting and financial controls, and it is the internal and outside auditors’ responsibility to review, and when appropriate, audit or attest to these financial statements and internal controls. The Committee recognizes that the financial management and the internal and outside auditors have more knowledge and information about the Company than do Committee members. Consequently, in carrying out its oversight responsibilities, the Committee cannot provide any expert or special assurance as to the Company’s financial statements or internal controls or any professional certification as to the outside auditors’ work.

In carrying out its oversight responsibilities, the Committee shall undertake the following activities and have the following authority (in addition to any others that the Board may from time to time delegate to the Committee):

Relationship with Auditors

1. The Committee shall have sole authority and be directly responsible for the retention, compensation, oversight, evaluation and termination (subject, if applicable, to shareholder ratification) of the work of the Company's outside auditors performed for the purpose of preparing or issuing an audit report or related work. The Company's outside auditors shall report directly to the Committee.
2. The Committee shall review and pre-approve (a) all auditing services (including those performed for purposes of providing comfort letters and statutory audits) and (b) all non-auditing services rendered to the Company by its outside auditors (other than de minimus non-audit services as defined in Section 10A(i)(1)(B) of the Exchange Act which shall be approved prior to completion of the outside auditors' audit), in each case including fees.
3. The Committee shall receive from the outside auditors, at least annually, a written report describing: (a) the outside auditors' internal quality-control procedures; (b) any material issues raised by the most recent internal quality-control review or peer review of the outside auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, with respect to any independent audit carried out by the outside auditors, and any steps taken to deal with any such issues; and (c) all relationships between the outside auditors and the Company, including the matters covered by Independence Standards Board Standard Number 1 and any services that may impact the objectivity and independence of the outside auditors.
4. After reviewing the foregoing report and the outside auditors' work and taking into account the opinions of such persons and taking such additional actions as the Committee deems appropriate, the Committee shall evaluate the outside auditors' qualifications, performance and independence (including a review and evaluation of the lead partner) and present its conclusions to the Board.
5. The Committee should consider whether, in order to assure the continuing independence of the outside auditors, there should be regular rotation of the lead and reviewing audit partners (in addition to the rotation every five years required pursuant to Section 10A(j) of the Exchange Act) or of the outside audit firm.
6. The Committee shall establish clear hiring policies with respect to employees and former employees of the outside auditors, including a prohibition, as required pursuant to Section 10A(l) of the Exchange Act, against the Company's chief executive officer, chief financial officer, controller or chief accounting officer (or any person serving in an equivalent position) having worked on the Company's audit as an employee of the outside auditors during the one year period preceding the initiation of the current audit.
7. The Committee shall discuss with management, the outside auditors, and the internal auditors and review the performance and adequacy of the Company's internal audit function, including the internal auditors' responsibilities, work assignments, schedules, budget, staffing and any proposed changes, by either management or the Audit Committee, in the audit scope, plan or procedures from the prior period.

8. The Committee shall review and approve the appointment, replacement, reassignment or dismissal of the director of the Company's internal audit function and periodically review his or her performance.

Financial Reporting Process and Financial Statements: Risk Management

9. The Committee shall meet periodically (and, in any event, not less than quarterly) in separate sessions with (a) the management of the Company, (b) the Company's internal auditors and (c) the outside auditors.
10. The Committee shall review and discuss with management and the outside auditors (a) the audited financial statements to be included in the Company's Annual Report on Form 10-K (or the Annual Report to Shareholders if distributed prior to the filing of the Form 10-K), (b) the quarterly financial statements to be included in the Company's Quarterly Reports on Form 10-Q and (c) in each case, the Company's disclosures in the related "Management's Discussion and Analysis of Financial Condition and Results of Operation".
11. The Committee shall review:
  - (a) major issues regarding accounting principles and financial statement presentations, including any changes in the selection or application of accounting principles;
  - (b) analyses prepared by management and/or the outside auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements; and
  - (c) the effect of regulatory or accounting initiatives, as well as off-balance sheet transactions, on the financial statements.
12. In connection with the annual audit and review by the outside auditors of the financial information included in the Company's Quarterly Reports on Form 10-Q, the Committee shall prior to the release of earnings or the filing of the Form 10-K or Form 10-Q, as applicable, discuss with the outside auditors the matters required to be discussed by Statement on Auditing Standards No. 61, as amended or supplemented, including receiving from the outside auditors timely reports concerning:
  - (a) all critical accounting policies and practices to be used;
  - (b) all alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with the management of the Company, the ramifications of the use of such alternative treatments and the treatment preferred by the outside auditors; and
  - (c) other material written communications between the outside auditors and the management of the Company (such as any management or internal control letter or schedule of unadjusted differences).

13. The Committee shall regularly review with the outside auditors and the internal auditors any audit problems or difficulties encountered and management's response (including any restrictions on access, any accounting adjustments noted or proposed but passed as immaterial or for other reasons, any communications between the outside audit team and the outside auditor's national office and any management or internal control letters proposed to be but never issued by the outside auditor to the Company). The Committee shall be responsible for the resolution of disagreements among the Company's management, the outside auditors and the internal auditors regarding financial reporting.
14. The Committee shall discuss with management, the internal auditors and the outside auditors the quality and adequacy of the Company's internal controls, including reviewing any management internal control report, any significant internal control deficiencies or material weaknesses, any fraud involving management or others significantly involved in the Company's internal controls and procedures and any changes implemented in light of material control deficiencies or weaknesses.
15. Based on the above review and discussions, the Committee shall determine whether to recommend to the Board that the Company's audited financial statements be included in the Company's Annual Report on Form 10-K.
16. The Committee shall prepare the report of the audit committee required by the rules of the SEC to be included in the Company's annual proxy statement.
17. The Committee shall discuss with management the Company's policies with regard to the types of information to be disclosed and the types of presentation to be made (including the use of "pro forma" or "adjusted" non-GAAP information) in earnings press releases and with respect to financial information and earnings guidance provided to rating agencies or analysts or otherwise made public, and review particular releases or guidance to the extent the Committee deems advisable.
18. The Committee shall discuss with management and, to the extent appropriate, the internal auditors and the outside auditors the Company's policies with respect to risk assessment and risk management, the Company's major financial risk exposures and the steps management has taken to monitor and control these exposures.

#### Compliance with Laws, Regulations and Ethical Standards

19. The Committee shall confirm with the outside auditors that they are not aware of any matters that might fall under Section 10A(b) of the Exchange Act.
20. The Committee shall receive reports on legal and regulatory compliance and litigation matters.
21. The Committee shall establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, auditing or internal accounting control matters and (b) the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.
22. The Committee shall make recommendations to the Board regarding the adequacy of the Company's written conduct and ethics policies and the Company's procedures for ensuring proper distribution, education and compliance with such policies. The Committee shall also assist the Board in reviewing and, when appropriate, granting any requests by a director or executive officer for a waiver from compliance with any such policies.

23. The Committee shall review and make recommendations to the Board concerning the Company's policies and procedures with regard to affiliate or related party transactions.

#### Performance Evaluation

24. The Committee shall review its own performance and reassess the adequacy of this Charter at least annually in such manner as it deems appropriate and submit such evaluation, including any recommendations for change, to the full Board for review, discussion and approval.

#### Access to Advisors; Investigations

25. The Committee shall have the authority to obtain advice and assistance from internal or external legal, accounting or other advisors, without having to seek Board approval.
26. The Committee shall determine funding by the Company for the payment of the Company's outside auditors and any advisors retained by the Committee.
27. The Committee shall have the authority to conduct or authorize investigations into or studies of any matters within the Committee's scope of responsibilities.

#### Structure and Operations

The Committee shall designate one member of the Committee to act as its chairperson. The Committee shall meet in person or telephonically at least quarterly at such times and places determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson. The chairperson, with input from the other members of the Committee and, where appropriate, members of management and outside advisors, shall set the agendas for Committee meetings.

The Committee may request that any directors, officers or other employees of the Company, or any other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Committee may exclude from its meetings any persons it deems appropriate.

The Committee may form and delegate authority to subcommittees. In particular, the Committee may delegate to one or more of its members the authority to pre-approve audit and/or non-audit services, provided that the decisions of any member(s) to whom pre-approval authority is delegated shall be presented to the Committee at the next Committee meeting.

The Committee shall maintain minutes or other records of its meetings and shall give regular reports to the Board on these meetings and such other matters as required by this Charter or as the Board shall from time to time specify.

Except as expressly provided in this Charter, the Company's by-laws or the Company's Corporate Governance Guidelines, or as required by law, regulation or NYSE listing standards, the Committee shall set its own rules of procedure.

## **Compensation**

No member of the Committee may receive, directly or indirectly, any compensation from the Company other than (i) fees paid to directors for service on the Board (including customary perquisites and other benefits that all directors receive), (ii) additional fees paid to directors for service on a committee of the Board (including the Committee) or as the chairperson of any committee and (iii) a pension or other deferred compensation for prior service that is not contingent on future service on the Board. In addition, payments in connection with ordinary course commercial business relationships determined by the Board to be immaterial and received from the Company to an entity with which a director has a relationship will not preclude such director from serving as a member.