



## **Audit Committee**

### **TERADYNE, INC. (THE "COMPANY") AUDIT COMMITTEE CHARTER**

#### **A. PURPOSE AND SCOPE**

The purpose of the Audit Committee (the "Committee") of the Board of Directors of Teradyne, Inc. (the "Company") is to assist the Board of Directors in fulfilling its responsibilities with respect to: (i) the integrity of the Company's financial statements; (ii) the independence, qualifications and performance of the Company's corporate and external auditors; (iii) the compliance with legal and regulatory requirements, as well as the Company's policies for conducting business, as established in the Company's Standards of Business Conduct; and (iv) the preparation of the Committee report for the inclusion in the annual proxy statement.

#### **B. COMPOSITION AND QUALIFICATIONS**

The Committee shall be comprised of a minimum of three directors, as appointed by the Board of Directors, who shall meet the independence and audit committee composition requirements promulgated by the Securities and Exchange Commission (SEC) and the New York Stock Exchange (NYSE), as in effect from time to time.

All members of the Committee shall either (i) be financially literate, as this qualification is interpreted by the Board of Directors in its business judgment or (ii) be able to become so within a reasonable period of time after appointment to the Committee. At least one member of the Committee shall have accounting or related financial management expertise and shall be an "audit committee financial expert" as defined by the SEC.

If any member of the Committee simultaneously serves on the audit committees of more than three public companies, then in each case, the Board of Directors must determine that such simultaneous service would not impair the ability of such member to serve on the Committee and disclose such determination in the Company's annual proxy statement (or, if the Company does not file a proxy statement, in its Form 10-K).

The members of the Committee shall be elected by the Board of Directors at the meeting of the Board of Directors following each annual meeting of stockholders and shall serve until their successors shall be duly elected and qualified or until their earlier resignation or removal. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

#### **C. MEETINGS AND MINUTES**

The Committee shall meet as often as it deems necessary to fulfill its responsibilities, but no less than four (4) times per year. The Committee shall establish its own rules of procedure, which shall be consistent with the Bylaws of the Company and this Charter. The Committee shall report regularly to the Board and shall keep written minutes of its meetings with the books and records of the Company.

#### **D. RESPONSIBILITIES**

To fulfill its responsibilities, the Committee shall:

##### **DOCUMENT REVIEW**

1. Review and discuss with management and representatives of the independent accounting firm (i) the Company's audited annual financial statements prior to their filing as part of the Annual Report on Form 10-K; (ii) the Company's unaudited quarterly financial statements prior to their inclusion in the Company's quarterly SEC filings on Form 10-Q; and (iii) the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" in such reports and other reports filed with the SEC consistent with Regulation S-K.
2. After review and discussion of the Company's audited financial statements, recommend to the Board of Directors whether or not such audited financial statements should be published in the Company's Annual Report on Form 10-K.
3. Review and discuss with management, the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.

#### INDEPENDENT ACCOUNTING FIRM

4. Be directly responsible for the appointment, compensation, retention (including the authority not to retain or to terminate), evaluation, and oversight of any independent accounting firms engaged by the Company for the purpose of preparing or issuing an audit report or performing audit-related work. The authority of the Committee shall include ultimate authority to approve all audit engagement fees and terms. Any independent accounting firm retained must report directly to the Committee. The Company shall provide appropriate funding, as determined by the Audit Committee, for payment of compensation for any independent accounting firm engaged by the Audit Committee.
5. Approve in advance any and all audit and non-audit services to be performed by the independent accounting firm and adopt and implement, as applicable, policies for such pre-approval.
6. Regularly review with the independent accounting firm any problems or difficulties the accounting firm encountered in the course of the audit work, including any restrictions on the scope of the independent accounting firm's activities or on access to requested information, management's response and any significant disagreements with management.
7. Be directly responsible for the resolution of any disagreements between management and the independent accounting firm regarding financial reporting matters.
8. On an annual basis, receive from the independent accounting firm a formal written statement identifying all relationships between the independent accounting firm and the Company consistent with the Public Company Accounting Oversight Board ("PCAOB") Rule 3526, Communication with Audit Committees Concerning Independence, as it may be modified or supplemented. The Committee shall actively engage in a dialogue with the independent accounting firm as to any disclosed relationships or services that may impact its independence. The Committee shall take other actions, as appropriate and necessary, to assist the Board of Directors with overseeing the independence of the independent accounting firm.
9. On an annual basis, obtain and review a report by the Company's independent accounting firm describing: the accounting firm's internal quality control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the accounting 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 accounting firm, and any steps taken to deal with such issues; and (to assess the auditor's independence) all relationships between the independent accounting firm and the Company.
10. On an annual basis, discuss with representatives of the independent accounting firm the matters required to be discussed by Auditing Standard No. 16, "Communication with Audit Committees" issued by the PCAOB, as such standard may be modified or supplemented.
11. Evaluate the qualifications, independence, and performance of the independent accounting firm (and its lead partner) and consider the discharge of the independent accounting firm when circumstances warrant.
12. Establish clear hiring policies for employees or former employees of the Company's independent accounting firm.

#### FINANCIAL REPORTING PROCESSES

13. In consultation with the independent accounting firm and management, review periodically, but at least annually, the adequacy and effectiveness of the Company's internal controls over financial reporting.
14. In consultation with the independent accounting firm and management, regularly review (i) major issues regarding accounting principles, practices and judgments and (ii) the effect of regulatory and accounting initiatives on the financial statements of the Company.
15. Regularly review the Company's critical accounting policies and accounting estimates resulting from the application of these policies and inquire at least annually of both the Company's internal auditors and the independent accounting firm as to whether either has any concerns relative to the quality or aggressiveness of management's accounting policies.
16. Discuss policies with respect to financial risk assessment and management.

#### CORPORATE AUDIT ACTIVITIES

17. Regularly review the plan and scope of the Company's internal audit activities and the budget and staffing of the Company's internal audit function.
18. Review on a periodic basis with the internal auditor(s), the progress of the proposed corporate audit plan, including any deviations from the original plan, any difficulties encountered in the course of the audits; and any restrictions on the scope of the internal audit work or access to required information.
19. Review with management any significant findings in the internal audit reports and management's response to such reports.

#### COMPLIANCE

20. Engage outside advisors, including but not limited to independent counsel, independent accounting consultants, and/or other experts ("Advisors"), as it determines necessary to carry out its responsibilities. The Company shall provide appropriate funding, as determined by the Audit Committee, for payment of compensation for such Advisors engaged by the Audit Committee, and for other ordinary administrative expenses of the Committee.
21. Review the Company's business ethics and compliance policies, compliance procedures, related reports and training programs, as appropriate.
22. Establish procedures for (a) the receipt, retention, and treatment of complaints 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.
23. Conduct or originate an investigation into any matter within the scope of the Committee's responsibilities.

#### REPORTING

24. Prepare, in accordance with the rules of the SEC, as modified or supplemented from time to time, a written report of the Committee to be included in the Company's annual proxy statement for each annual meeting of stockholders.
25. Instruct the Company's management to disclose in its annual proxy statement for each annual meeting of stockholders, in its Form 10-K and in any Form 10-Q, the approval by the Committee of any non-audit services performed by the independent accounting firm, and review the substance of any such disclosure and the considerations relating to the compatibility of such services with maintaining the independence of the accounting firm.

#### MISCELLANEOUS

26. Review and assess the adequacy of this Charter periodically as conditions dictate, but at least annually (and update this Charter if and when appropriate).
27. Review and assess the performance of the Committee periodically as conditions dictate, but at least annually.

28. Meet separately on a periodic basis with management, the Company's internal auditors (or other personnel responsible for the internal audit function) and with the Company's independent accounting firm.
29. Report regularly to the Board of Directors and, in particular, review with the Board of Directors any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent accounting firm or the performance of the internal audit function.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the responsibility 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. Management is responsible for preparing the Company's financial statements and the external auditors are responsible for auditing those financial statements. Nor is it the responsibility of the Committee to assure compliance with the laws and regulations and the Company's Standards of Business Conduct. The Committee shall be entitled to rely on (i) the judgment of those persons and organizations internal and external to the Company that it receives information from and (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations.