



## Audit Committee Charter

### Organization

1. *Appointment.* The Board of Directors (the "Board") of Colfax Corporation (the "Company") will appoint an Audit Committee (the "Audit Committee"), which will be composed of at least three directors. The Board also will appoint a chairman of the Audit Committee. Audit Committee members may be replaced by the Board.
2. *Qualifications.* The members of the Audit Committee must satisfy the requirements of the New York Stock Exchange, the rules and regulations of the Securities and Exchange Commission (the "SEC") and applicable law relating to independence, financial literacy and experience.

### Statement of Purpose

1. *Oversight Responsibility.* The purpose of the Audit Committee is to oversee the accounting and financial reporting processes of the Company and the audits of the Company's financial statements. This oversight responsibility includes oversight relating to: (1) the integrity of the Company's financial statements and financial reporting process; (2) the Company's systems of disclosure controls and procedures and internal control over financial reporting; (3) the performance of the Company's internal audit function; (4) the annual independent audit of the Company's financial statements, the engagement and retention of the registered independent public accounting firm (the "Independent Auditors") and the evaluation of the qualifications, independence and performance of the Independent Auditors; (5) the Company's compliance with legal and regulatory requirements and its ethics program as established by management and the Board including the Company's Code of Business Conduct and Ethics; and (6) the fulfillment of the other responsibilities set forth in this Charter.
2. *Other Matters.* It is not the role of the Audit Committee to plan or conduct audits, to guarantee the accuracy of the Company's audits and financial statements or to determine that the audits and financial statements are in accordance with generally accepted accounting principles and applicable laws and regulations. These are the responsibilities of management, the Independent Auditors and the internal auditors.

### Operation

1. *Open Communication.* The Audit Committee will maintain regular and open communication among the constituent directors, the Independent Auditors, the internal auditors and management.
2. *Reports to the Board of Directors.* The Audit Committee will review with the Board any issues that arise within the scope of the oversight responsibility of the Audit Committee as described above, will regularly report committee actions to the Board, will submit to the Board the minutes of its meetings, and may make appropriate recommendations for action by the Board.
3. *Meetings.* The Audit Committee will meet as often as it determines but no less than quarterly. The Audit Committee will establish a schedule of meetings to be held each year and may schedule additional meetings as it determines. In planning the annual schedule of meetings, the Audit Committee will ensure that sufficient opportunities exist for its members: (1) to meet separately, periodically, with the Independent Auditors and the head of internal audit (or internal audit service providers), without management present; (2) to meet separately with management or with the general counsel, without the Independent Auditors and the head of internal audit (or internal audit service providers) present; and (3) to meet with only the Audit Committee members present.
4. *Procedures.* The Audit Committee may adopt such procedures relating to the conduct of its proceedings as it deems appropriate.
5. *Access to Records, Advisers and Others.* The Audit Committee will have full authority: (1) to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company; (2) to retain independent legal, accounting or other advisers, as it determines to be necessary in the Audit Committee's sole reasonable opinion to carry out its duties, to advise the Audit Committee; and (3) to request any officer or employee of

the Company, the Company's external counsel, the internal auditors or the Independent Auditors to attend meetings of the Audit Committee or to meet with any members of, or advisers to, the Audit Committee. The Audit Committee may retain advisers without seeking approval of such retention by the Board. The Company will provide appropriate funding, as determined by the Audit Committee in its sole reasonable opinion, for payment of the compensation of the Independent Auditors and of any independent advisers retained by the Audit Committee, as well as reasonable ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

6. *Delegation.* The Audit Committee may delegate any of its responsibilities to a subcommittee composed of one or more members of the Audit Committee to the extent permitted by applicable law and listing standards.

## **Responsibilities**

The following will be the principal responsibilities of the Audit Committee:

1. *Engagement of Independent Auditors.* The Audit Committee will have the sole authority to appoint, determine funding for, and oversee the Independent Auditors. The Audit Committee will directly engage the Independent Auditors and directly oversee, evaluate and, where appropriate, replace the Independent Auditors. The Independent Auditors will report directly to the Audit Committee.
2. *Pre-Approval of Audit and Non-Audit Services.* The Audit Committee will approve in advance (1) all audit, review and attest services, all internal control related and all non-audit services provided to the Company by the Independent Auditors and (2) all fees payable by the Company to the Independent Auditors for such services, all as required by applicable law or listing standards. The Audit Committee may adopt a pre-approval policy consistent with applicable law and listing standards.
3. *Independence of Independent Auditors.* The Audit Committee will consider matters relating to the independence of the Independent Auditors. The Audit Committee will ensure that the Independent Auditors submit, on a periodic basis, to the Audit Committee formal written statements delineating all relationships between the Independent Auditors and the Company, as required by the Independence Standards Board (or any successor body), will discuss with the Independent Auditors any such disclosed relationships and their impact on the Independent Auditors' independence and will take appropriate action in response to the Independent Auditors' statements to satisfy itself of the Independent Auditors' independence.
4. *Performance of Independent Auditors.* The Audit Committee will review the performance of the Independent Auditors annually. In connection with this evaluation, the Audit Committee will consult with management and will obtain and review a report by the Independent Auditors describing their internal quality control procedures, issues raised by their most recent internal quality control review or peer review (if applicable) or by any inquiry or investigation by governmental or professional authorities for the preceding five years, and the response of the Independent Auditors to any such review, inquiry or investigation, including any steps taken to deal with any such issues. The Audit Committee will consider whether it is appropriate to adopt a policy of rotating Independent Auditors on a periodic basis.
5. *Performance of Internal Auditors.* The Audit Committee will annually review the experience and qualifications of the senior members of the internal auditors and the quality control procedures of the internal auditors. If the internal audit services are outsourced, the Audit Committee will be responsible for the engagement, evaluation and termination of the internal audit service providers, and will approve fees paid to the internal audit service providers. As part of its responsibility to evaluate any internal audit service providers, the Audit Committee will review the quality control procedures applicable to the service providers. The Audit Committee also will obtain and review not less frequently than annually a report of the service providers addressing such service providers' internal control procedures, any material issues raised by their most recent internal quality control review or by any inquiry or investigation by governmental or professional authorities for the preceding five years, and the response of such service providers to any such review, inquiry or investigation, including any steps taken to deal with any such issues.
6. *Audits.* The Audit Committee will discuss with the internal auditors or internal audit service providers and the Independent Auditors the overall scope and plans for their respective audits, including the adequacy of staffing and other factors that may affect the effectiveness and timeliness of such audits. In this connection, the Audit Committee will discuss with management, the internal auditors or internal audit service providers and the Independent Auditors the Company's major risk exposures (whether financial, operating or otherwise), the adequacy and effectiveness of the accounting and financial controls, and the steps management has taken to monitor and control such exposures and manage legal compliance programs, among other considerations that may be relevant to their respective audits. The Audit Committee will review with management and the Independent Auditors management's annual internal control report, including any attestation of such internal control report by the Independent Auditors. The Audit Committee will obtain and review periodic reviews from management and the internal auditors or internal audit service providers regarding any significant deficiencies in the design or operation of the Company's internal controls, material weaknesses in internal controls and any fraud (regardless of materiality) involving persons having a significant role in the internal controls, as well as any significant changes in internal controls implemented by management during the most recent reporting period of the

Company.

7. *Review of Disclosure Controls and Procedures.* The Audit Committee will review with the Chief Executive Officer, the Chief Financial Officer and the General Counsel the Company's disclosure controls and procedures and will review periodically, but no less frequently than quarterly, management's conclusions about the efficacy of such disclosure controls and procedures, including any significant deficiencies in, or material non-compliance with, such controls and procedures.
8. *Review of Internal Control Over Financial Reporting.* The Audit Committee will review and discuss with management and the Independent Auditor any material issues as to the adequacy of the Company's internal control over financial reporting, any special steps adopted in light of significant deficiencies or material weaknesses and the adequacy of disclosures about changes in internal controls over financial reporting. The Audit Committee will review and discuss with management and the Independent Auditor the Company's internal controls report and the Independent Auditors' attestation of the report prior to the filing of the Company's Annual Report on Form 10-K with the SEC.
9. *Consultation with Independent Auditors.* The Audit Committee will obtain and review timely reports from the Independent Auditors on the following: (1) all critical accounting policies and practices to be used by the Company in preparing its financial statements; (2) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of these alternative disclosures and treatments, and the treatment preferred by the Independent Auditors; and (3) other material communications between the Independent Auditors and management, such as any management letter or schedule of unadjusted differences. The Audit Committee will review with the Independent Auditors any problems or difficulties the Independent Auditors may have encountered in connection with the annual audit or otherwise and any management letter provided by the Independent Auditors and the Company's response to that letter. This review will address any difficulties encountered by the Independent Auditors in the course of the audit work, including any restrictions on the scope of activities or access to required information, any disagreements with management regarding generally accepted accounting principles and other matters, and any adjustments to the financial statements recommended by the Independent Auditors, regardless of materiality.
10. *Review of Regulatory and Accounting Initiatives.* The Audit Committee will review with management and the Independent Auditors the effect of new or proposed regulatory and accounting initiatives on the Company's financial statements and other public disclosures.
11. *Review of Annual SEC Filings.* The Audit Committee will review and discuss with management and the Independent Auditors the audited financial statements and the other financial information, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," to be included in the Company's Annual Report on Form 10-K filed with the SEC. The Audit Committee also will discuss the results of the annual audit and any other matters required to be communicated to the Audit Committee by the Independent Auditors under generally accepted auditing standards, applicable law or listing standards, including matters required to be discussed by Statement on Auditing Standards No. 61, as amended from time to time. Based on such review and discussion, the Audit Committee will make a determination whether to recommend to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K.
12. *Review of Quarterly SEC Filings and Other Communications.* The Audit Committee will review and discuss with management and the Independent Auditors the quarterly financial information, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," to be included in the Company's Quarterly Reports on Form 10-Q filed with the SEC. In connection with this review, the Audit Committee will discuss the results of the Independent Auditors' review of the Company's quarterly financial information conducted in accordance with Statement on Auditing Standards No. 71. The Audit Committee also will discuss any other matters required to be communicated to the Audit Committee by the Independent Auditors under generally accepted auditing standards, applicable law or listing standards. The Audit Committee will discuss the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and ratings agencies, to the extent required by applicable law or listing standards.
13. *Proxy Statement Report.* The Audit Committee will prepare the report required by the rules of the SEC to be included in the Company's annual proxy statement.
14. *Hiring Guidelines.* The Audit Committee will approve guidelines for the Company's hiring of former employees of the Independent Auditors, which will meet the requirements of applicable law and listing standards.
15. *Establishment of Whistleblowing Procedures.* The Audit Committee will establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
16. *Review of Legal and Regulatory Compliance.* The Audit Committee will periodically review with management, including

the General Counsel, and the Independent Auditors any correspondence with, or other action by, regulators or governmental agencies and any employee complaints or published reports that raise concerns regarding the Company's financial statements, accounting or auditing matters or compliance with the Company's Code of Business Conduct and Ethics. The Committee also will meet periodically and separately with the General Counsel to review material legal affairs of the Company and the Company's compliance with applicable law and listing standards.

17. *Review of Risk Management Policies.* The Audit Committee will review the Company's policies with respect to risk assessment and risk management.
18. *Code of Business Conduct and Ethics.* The Audit Committee will consider and act upon any amendments to the Company's Code of Business Conduct and Ethics and upon any request by executive officers for waivers under the Code of Business Conduct and Ethics.
19. *Annual Evaluation.* There will be an annual performance evaluation of the Audit Committee.
20. *Other Responsibilities.* The Audit Committee also will carry out such other duties that may be delegated to it by the Board from time to time.

### **Charter**

1. *Annual Review.* The Audit Committee will review and assess the adequacy of this Charter on an annual basis and recommend any proposed changes to the Board for approval.