

# **BARNES GROUP INC.**

## **CHARTER**

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

The Board of Directors of Barnes Group Inc. (the "Company") hereby sets forth a Charter for its Audit Committee, with membership and specific responsibilities as outlined below:

#### **Membership and Rules of Procedure**

In accordance with the bylaws of the Company and upon the nomination by the Corporate Governance Committee, the Board of Directors (the "Board") shall appoint the members of the Audit Committee (the "Committee") and the chairperson thereof, each of whom shall satisfy applicable independence requirements of the New York Stock Exchange and any other regulatory requirements, and otherwise be free from any relationship that, in the business judgment of the Board, would interfere with his or her exercise of business judgment as a Committee member. The Committee shall comprise not less than three such Directors. A Committee member shall not serve simultaneously on the audit committees of more than two other public companies. All members of the Committee shall be financially literate and at least one member shall have accounting or related financial management expertise, as each such qualification is interpreted by the Board of Directors in its business judgment. To the extent practicable, at least one Committee member shall be an "audit committee financial expert," as defined by the Securities and Exchange Commission ("SEC"). A Committee member may resign by delivering his or her written resignation to the Chairman of the Board, or may be removed by majority vote of the Board at any time. In the event of a vacancy on the Committee, the Board shall elect a Director who satisfies the foregoing qualifications, to replace the departed Director.

The Committee may fix its own rules of procedure; provided, that the Committee shall cause its proceedings to be recorded and minutes of Committee meetings shall be distributed to the Board of Directors. The Committee shall regularly report its findings, conclusions, recommendations and actions to the Board. The Committee may meet at such times (but not less than four times per year) and places as it shall determine. The majority of the members of the Committee shall constitute a quorum. A majority of the members present, if a quorum is present at the time, shall decide any question brought before the Committee. Any action required or permitted to be taken by the Committee may be taken by unanimous written consent in lieu of a meeting.

### **Responsibilities**

The Board of Directors intends the Audit Committee to serve as its focal point for the oversight of the Company's accounting policies and internal controls, financial reporting practices and legal and regulatory compliance, including, among other things:

- the integrity of the Company's financial statements;
- the Company's compliance with legal and regulatory requirements;
- review of the qualifications, independence, and performance of the independent registered public accounting firm (the "independent auditor");
- the effectiveness of the Company's internal control over financial reporting;  
and
- the performance of the Company's internal audit function.

Through regularly scheduled meetings, the Committee will facilitate open communication among the Board of Directors, the Company's independent and internal auditors and the Company's financial management. The Committee shall prepare the disclosures in SEC filings that it is required to make under Item 407(d)(3)(i) of Regulation S-K and any other applicable SEC rules and regulations.

Specifically, the Committee will, consistent with the Company's Corporate Governance Guidelines:

1. Review and discuss the annual audited financial statements and the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" with management, the Company's lead internal auditor (the "Lead Auditor"), and the independent auditor, and, based on such review, recommend to the Board whether the Company's audited financial statements should be included in the Company's annual report on Form 10-K for filing with the SEC. In connection with such review, the Committee will:
  - Discuss with the independent auditor the matters required to be discussed by Public Company Accounting Oversight Board (PCAOB) Auditing Standard No. 1301 (as it may be modified or supplemented) relating to the conduct of the audit.
  - Review significant changes in accounting or auditing policies.

- Review with the independent auditor any problems or difficulties encountered in the course of their audit, including any change in the scope of the planned audit work and any restrictions placed on the scope of such work and management's response to such problems or difficulties.
- Review (not less than annually) with the independent auditor, management and the Lead Auditor the adequacy and effectiveness of the Company's internal controls, including without limitation any significant changes and material weaknesses in internal controls reported to the Committee by the independent auditor, management or the Lead Auditor and recommendations with respect to such internal controls, as well as the Company's internal controls report and the independent auditor's attestation report prior to filing the Company's annual report on Form 10-K.
- Review reports required to be submitted by the independent auditor concerning: (a) all critical accounting policies and practices used; (b) all alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, the ramifications of such alternatives, and the accounting treatment preferred by the independent auditors; and (c) any other material written communications with management.
- Review and discuss with management and the independent auditor (a) major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls, any special audit steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting; and (b) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements and the effects of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
- Discuss with management, and as appropriate the independent auditor, earnings press releases (paying particular attention to any use of "non-GAAP financial measures," as defined by SEC rules, and any other "pro forma" or "adjusted"

non-GAAP information), and financial information and earnings guidance, if any, to be provided to analysts and rating agencies.

- Discuss with management and the independent auditor any correspondence with regulatory or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.
2. Review and discuss the quarterly financial statements and the Company's specific disclosures provided in periodic quarterly reports including "Management's Discussion and Analysis of Financial Condition and Results of Operations" with management, the Lead Auditor, and the independent auditor.
  3. Oversee the external audit coverage. The Company's independent auditor is ultimately accountable to the Committee, which has the direct authority and responsibility to appoint, retain, compensate, terminate, select, evaluate and, where appropriate, replace the independent auditor. The independent auditor shall report directly to the Committee. In connection with its oversight of the external audit coverage, the Committee will:
    - Have sole authority to appoint and replace (subject to stockholder approval or ratification, if deemed advisable by the Board of Directors) the independent auditor.
    - Have authority to approve the engagement letter and the fees to be paid to the independent auditor.
    - Pre-approve all audit, internal control-related and non-audit services to be performed by the independent auditor and the related fees for such services, in accordance with the Company's Policy for Pre-Approval of External Auditor Services which the Committee shall review periodically and, as necessary, modify.
    - Obtain confirmation and assurance as to the independent auditor's independence, including ensuring that they submit on a periodic basis (not less than annually) to the Committee a formal written statement delineating all relationships between the independent auditor and the Company, consistent with PCAOB Rule 3526(as it may be modified or supplemented). The Committee is responsible for actively engaging in a dialogue with the independent auditor with respect to any disclosed relationships or services that

may impact the objectivity and independence of the independent auditor and for taking appropriate action in response to the independent auditor's report to satisfy itself of their independence.

- At least annually, obtain and review a report by the independent auditor describing: the firm's internal quality-control procedures; 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 preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and, to assess the independent auditor's independence, all relationships between the independent auditor and the Company.
  - Review and evaluate the performance of the independent auditor, as the basis for a decision to reappoint or replace the independent auditor.
  - Set clear Company hiring policies for employees or former employees of the independent auditor, considering, among other things, the requirements of all applicable laws and listing rules.
  - Assure regular rotation of the lead audit partner, as required by SEC rules, and consider whether rotation of the independent auditors is required to ensure independence.
  - Discuss with the independent auditor material issues on which the national office of the independent auditor was consulted.
4. Oversee the internal audit function. In connection with its oversight responsibilities, the Committee will:
- Review and approve the appointment or replacement of the Lead Auditor.
  - Review, in consultation with management, the independent auditor and the Lead Auditor, the plan and scope of internal audit activities.
  - Review and approve internal audit activities, budget and staffing.
  - Review significant reports to management prepared by the internal audit department and management's responses to such reports.

- Periodically review (not less than annually) reports prepared by the Lead Auditor on the expense accounts of the Chairman of the Board and the Company's executive officers.
5. Resolve any differences between management and the independent auditor regarding financial reporting.
  6. Establish procedures for (i) receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
  7. Discuss policies and guidelines to govern the process by which risk assessment and risk management are handled, including assigning responsibility with respect to particular risks to other committees of the Board, such as compensation risk management to the Compensation and Management Development Committee. Meet periodically with management to review and assess the Company's major financial risk exposures and the manner in which such risks are being monitored and controlled.
  8. Meet periodically (not less than annually) in separate executive session with each of the Chief Financial Officer, the Lead Auditor, and the independent auditor, and have such other direct and independent interaction with such persons from time to time as the Committee deems appropriate.
  9. Review periodically with the Company's General Counsel (i) legal and regulatory matters which may have a material effect on the financial statements, and (ii) the Company's Corporate Compliance Program. Obtain from the independent auditor assurance that Section 10A(b) of the Securities Exchange Act of 1934 has not been implicated, such Section 10A(b) requiring *inter alia* the independent auditor, if it detects or becomes aware of any illegal act, to assure that the Committee is adequately informed and to provide a report if the independent auditor has reached specific conclusions with respect to such illegal acts.
  10. Annually, evaluate the performance of this Committee, including a review of the Committee's compliance with this Charter. Annually, review and assess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

11. In addition to the Committee's responsibilities described in Section 4 above, the Chairperson of the Committee will periodically (not less than annually), review the expense accounts of the Chairman of the Board and the Chief Executive Officer.
12. Perform such other activities as are requested from time to time by the Board.

The Committee shall have all powers and authority that are necessary or appropriate to fulfill its duties and responsibilities, including without limitation:

- a. To retain, at its discretion and at the Company's expense, without the approval of the Board, outside legal, accounting and other advisors, and approve the terms of engagement including the fees of such advisors.
- b. To incur ordinary administrative expenses that are necessary or appropriate to carrying out its duties, at the Company's expense.

While the Committee has the responsibilities and powers set forth in this Charter, 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 GAAP and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

Amended and Approved by the Board of Directors: 10/20/2017