

CEMTREX

Audit Committee Charter

Purpose of the Committee

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Cemtrex, Inc. (the Company) is to carry out and perform the responsibilities and duties set forth in this Charter

Committee Membership

The Committee shall consist of non-employee Directors and each member of the Committee shall be financially literate.

The members of the Committee are appointed by the Board and serve until their successors are duly appointed or until their retirement, resignation, death or removal by the Board. The Chairman of the Committee shall be designated by the Board or by majority vote of the Committee members.

Committee Authorities and Responsibilities

The Committee has the following responsibilities and duties:

1. Review the annual audited financial statements with management and the independent auditor, including the Company’s disclosures under Management’s Discussion and Analysis of Financial Condition and Results of Operations, significant issues and judgments regarding accounting and auditing principles and practices, and the effect of regulatory and accounting initiatives on the Company’s financial statements, and recommend to the Board whether the financial statements should be included in the Form 10-K.
2. Review and discuss with management and the independent auditor the Company’s quarterly financial statements prior to filing the Form 10-Q, including the results of the independent auditor’s review of them and the Company’s disclosures under Management’s Discussion and Analysis of Financial Condition and Results of Operations.
3. Review significant issues and changes to the Company’s auditing and accounting principles and practices as suggested by the independent auditor or management, and analyses setting forth significant financial reporting issues and judgments, including analyses of the effects of alternative GAAP methods on the financial statements, and the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
4. Discuss policies with respect to risk assessment and risk management, including appropriate guidelines and policies to govern the process, as well as the Company’s

major financial and business risk exposures and the steps management has undertaken to monitor and control such exposures.

5. The Committee shall be directly responsible, in its capacity as a committee of the Board, for the appointment, compensation, retention and oversight of the work of the independent auditor, including resolution of disagreements between management and the independent auditor regarding financial reporting. In this regard, the Committee shall appoint (and seek shareholder ratification of such appointment) and retain, compensate, evaluate, and terminate when appropriate, the independent auditor, which shall report directly to the Committee.
6. Pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor and establish policies and procedures for the engagement of the independent auditor to provide auditing and permitted non-audit services.
7. Annually review the independent auditor's internal quality-control procedures, and any material issues raised by the most recent internal quality-control review, or peer review, or by any inquiry or investigation by governmental or professional authorities.
8. Consider at least annually the independence of the independent auditor and receive from and discuss with the independent auditor the auditor's report regarding its independence. Discuss with the independent auditor the matters required to be discussed under Statement on Auditing Standards No. 61, as amended. Review the experience and qualifications of the lead partner each year and determine that all partner rotation requirements are executed. Also consider whether there should be rotation of the independent auditor itself. The Audit Committee may remove the independent auditor if circumstances warrant based upon its review of the performance and independence of the independent auditor.
9. Prepare the Report of the Audit Committee as required by the rules and regulations of the Securities and Exchange Commission for inclusion in the Company's annual proxy statement. This report must (i) describe the review of the audited financial statements and that the Committee has discussed with the independent auditor the matters required to be discussed under generally accepted auditing standards; (ii) state that the Committee has received the written disclosures and the letter from the independent auditor required by applicable requirements of the Public Company Accounting Oversight Board and has discussed with the independent auditor the independent auditor's independence; and (iii) state that as a result of the review and discussions described in the report, the Committee has recommended that the financial statements be included in the Company's Form 10-K.
10. Review with the independent auditor the results of the annual audit examination, and any issues the auditor may have encountered in the course of its audit work and management's response. This review should include, among other things, any management letter, and any restrictions on the scope of activities or access to requested information and any significant disagreements with management.
11. The Audit Committee shall solicit the input of department representatives as necessary to review the accuracy of public disclosures related to issues within their expertise, including, without limitation: (i) accounting policies, (ii) operations, enterprise risks, and compliance matters that may have a material impact on the Company's operational performance, financial health, balance of risk, stability, liquidity, or (iii) any other matter required to be disclosed under state and federal securities laws and regulations.

12. All Company employees shall be required to cooperate with Audit Committee investigations. Any failure to cooperate shall be grounds for discipline by the Board, including, but not limited to, termination, in the sole discretion of the Board. This applies to all Company employees, including, but not limited to, the CEO, CFO, and the Chairman of the Board.
13. The Audit Committee shall receive annually a report listing all trades in Cemtrex securities engaged in by Section 16 officers.
14. Discuss with management the Company's earnings press releases and corporate policies with respect to the type and presentation of information to be included in earnings releases (paying particular attention to any use of "pro forma" or "adjusted" non-GAAP financial information), and the Company's financial information and earnings guidance provided to analysts and rating agencies.
15. Receive reports from the independent auditor and management regarding, and review the adequacy and effectiveness of, the Company's internal controls, including any significant deficiencies in internal controls and significant changes in such controls reported to the Audit Committee by the independent auditor or management, and any special audit steps adopted in light of material deficiencies. Receive reports from management regarding the adequacy and effectiveness of the Company's disclosure controls and procedures. Receive reports from management regarding compliance with the Company's Code of Ethics and Business Conduct.
16. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the submission by employees of concerns regarding questionable accounting or auditing matters.
17. Establish clear policies for hiring employees and former employees of the independent auditor.
18. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Ethics and Business Conduct.
19. Review with the Company's General Counsel and independent auditor (1) legal matters that may have a material impact on the financial statements, (2) any fraud involving management or other employees who have a significant role in the Company's internal controls, (3) compliance policies, and (4) any material reports or inquiries received from regulators, governmental agencies or employees that raise material issues regarding the Company's financial statements and accounting or compliance policies.
20. Review this Charter annually and recommend any changes to the Board for approval.
21. Report its activities to the Board regularly, specially addressing 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 auditor.

Meetings and Procedures of the Committee

The Committee shall meet at least four times per year or more frequently as circumstances dictate. The Committee should meet at least annually with the independent accountants in a separate executive session to discuss any matters that the Committee or each of these groups

believes should be discussed privately. In addition, the Committee should meet with the independent accountants and management quarterly to review the Company's financials.

A majority of the members of the Committee shall constitute a quorum and the Committee shall maintain minutes of its meetings. . In the event the Chairman is not present at a meeting, the Committee members present at that meeting shall designate one of its members as the acting chair of such meeting. The Committee may, in its discretion, form and delegate authority to subcommittees, including a single member, when appropriate and consistent with applicable law.

Clarification of the Committee's Role

The Committee's Role is one of oversight. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor. Therefore, each member of the Committee shall be entitled to rely on the statements and submissions of management and the independent auditor in exercising their business judgment.

Committee Resources

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including retaining outside counsel, accountants and any other consultants or advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have sole authority to retain and terminate any such counsel, accountants, consultants or advisors, including sole authority to approve its fees and other retention terms.