

**ACTUANT CORPORATION**  
**AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**

**CHARTER**

The Audit Committee Charter was adopted by the Board of Directors (the “Board”) of Actuant Corporation (the “Company”) on May 2, 2017.

**I. PURPOSE**

The main function of the Audit Committee is to assist the Board in its oversight of: (i) the integrity of the Company's financial statements and related internal controls over financial reporting, (ii) the independence, qualifications and performance of the Company's independent external auditors and the performance of the internal auditors and (iii) the Company's compliance with legal and regulatory requirements regarding financial reporting practices. Consistent with this function, the Audit Committee should encourage continuous improvement in, and should strive to foster adherence to, the Company's policies, procedures and practices at all levels.

While the Committee has the responsibilities set forth in this charter, it is not the duty of the Committee to (i) plan or conduct audits; (ii) 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 legal, accounting and other requirements or (iii) determine that the Company's disclosure controls and procedures and internal controls over financial reporting are effective. These functions are the responsibility of the Company's management and the Company's independent auditors.

**II. COMPOSITION AND GOVERNANCE ISSUES**

The Committee shall be composed of three or more Directors appointed by the Board. Committee members shall not be officers or employees of the Company or one of its affiliates and shall, in the opinion of the Board, meet the independence and financial literacy requirements of the listing requirements of the New York Stock Exchange and applicable law and regulations. Under these requirements, each member of the Committee shall be free from any relationship that would interfere with the exercise of independent judgment as a Committee member. All members of the Committee shall have a familiarity with basic financial and accounting practices, and at least one member of the Committee shall have accounting or related financial management experience, as required by the listing requirements of the New York Stock Exchange, and at least one member shall be a financial expert, as defined by regulations issued by the Securities and Exchange Commission.

The members of the Committee shall be annually elected by the Board at a meeting of the Board and shall maintain such positions until their successors shall be duly elected and qualified. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership

### **III. MEETINGS**

The Committee shall meet at least quarterly and more frequently as the Committee determines. To the extent not prohibited by law, regulation or listing standards, the Committee may designate any member thereof for purposes of receiving reports, performing review and pre-approving non-audit services, provided that a report on such activities shall be presented to the full Committee at its next meeting and may delegate its activities and authority as deemed appropriate.

### **IV. RESPONSIBILITIES**

The following principal responsibilities of the Committee are set forth as a guide with the understanding that the Committee may supplement them as appropriate.

#### **A. Internal Control Over Financial Reporting**

- Oversee the Company's internal audit function, including review of the annual internal audit plan and audit results and discussion with independent accountants and management with responsibilities on budget and staffing of the internal audit function.
- Evaluate whether management is properly and adequately emphasizing the importance of internal control measures throughout the organization;
- Review with management the adequacy and effectiveness of the Company's systems of internal control over financial reporting to, among other things, provide reasonable assurance that assets are safeguarded, prescribed policies and procedures are followed and transactions are properly recorded and reported.
- Focus on the extent to which the Company and its external auditors or other designees review the effectiveness and security of the Company's computer systems and applications, and the need for and adequacy of contingency plans for processing financial information in the event of a systems failure;
- Inquire of the external auditors about fraud, illegal acts, deficiencies in internal controls, and other matters affecting internal controls within the Company and the integrity of the Company's financial information, special steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting;
- Review whether internal control recommendations made by the Company's financial management, internal and external auditors have been implemented by management; and
- Review and discuss with management and the Company's external auditor the Company's internal control reports, including both ongoing internal audit reports and the Company's annual assessment of internal control over financial reporting.

## B. Financial Reporting

### 1. General

- Review significant accounting and reporting issues, including issued and pending professional and regulatory pronouncements and understand their impact, or potential impact, on the Company's financial statements operations and internal control over financial reporting;
- Receive reports of the external auditors on the critical policies and practices of the Company and all alternative treatments of financial information within generally accepted accounting principles discussed with management, including ramifications of the use of alternative disclosures and treatments (if any).
- Inquire of management and the external auditors as to the existence of any significant financial, accounting or reporting risks or exposures and the Company's plans to address such risks.
- Seek the external auditor's judgment about the quality of the Company's accounting and reporting practices, including the clarity and accuracy of the Company's financial disclosures and the degree of aggressiveness or conservatism of the Company's accounting policies and underlying estimates; and
- Review annually and quarterly "Management's Discussion and Analysis of Financial Condition and Results of Operation" with management and the external auditors.

### 2. Annual Financial Reports

- Review and discuss with management and the Company's external auditor the external auditor's attestation/opinion contained in the annual report prior to filing the Company's Form 10-K.
- Review the annual financial statements and determine whether they are complete and consistent with the information known to Committee members, and assess through inquiry whether the financial statements reflect appropriate accounting principles and recommend to the Board whether such annual audited financial statements should be included in the Form 10-K;
- Review all complex and/or unusual transactions such as restructuring charges, impairments, acquisitions, divestitures, income tax planning matters and derivative disclosures that are material to the Company's financial statements;

- Understand the basis for the Company's accounting in material, judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of obsolete or slow-moving inventory, goodwill/intangibles assets, warranty, product and environmental liabilities, litigation reserves; and other commitments and contingencies;
- Meet with management and the external auditors to review the financial statements, reports, and other material written communications between the external auditors and management, such as any management or "internal control" letters, or schedule of unadjusted differences, and the results of the audit and other matters required to be communicated to the Committee by the external auditors under generally accepted auditing standards; and
- Review management's handling of proposed audit adjustments identified by the external auditors.

### 3. Interim Financial Statements

- Gain an understanding as to how management develops and summarizes quarterly financial information and the extent to which the external auditors review quarterly financial information; and
- Review with management and the external auditors the quarterly financial results of the Company before such results are released.

### 4. Earnings Guidance

- Discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies (this may be a discussion of types of information and presentations, rather than specific releases, information and guidance).

## C. Review of Compliance

- Review the Company's financial code of conduct and activities designed to ensure compliance, if applicable.
- Review and approve, in accordance with the Company's code of conduct, all "related party transactions" requiring disclosure under SEC Regulation S-K, Item 404.
- Review management reports on employee compliance, including compliance with the code of conduct, Foreign Corrupt Practices Act, and other key compliance areas to guard against significant conflicts of interest and dishonest, unethical or illegal activities;
- If applicable, review the results of management's investigation and follow-up

(including disciplinary action) on any fraudulent acts, unethical conduct, criminal conduct or accounting irregularities;

- Be satisfied that compliance matters have been considered in the preparation of the financial statements; and
- Review the findings of any examinations or reviews by regulatory agencies such as the Securities and Exchange Commission.

D. External Audit

- Review the qualifications, performance, independence and quality controls of the external auditors, including the lead audit partner, and approve the appointment or discharge of the external auditors;
- Develop procedures to prevent the engagement of external auditors to perform non-audit services not permissible by law or regulation;
- Pre-approve all engagements for non-audit services to be provided by external auditors;
- Review the external auditors' proposed audit scope and approach;
- Review and approve all audit fees of the external auditors;
- Review with external auditors and management any problems or difficulties that the external auditors may have encountered in the course of their audit work, and management response thereto, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
- Set policies for hiring employees and former employees of the external auditors that comply with law, regulations and listing standards; and
- At least annually, obtain and review a report by the external auditors describing:
  - The external auditors' internal quality control procedures;
  - Any material issues raised by the most recent internal quality control review, or peer review, of the external auditors, 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 external auditors' firm and any steps taken to deal with any such issues; and

- All relationships between the external auditor and the Company (to assess the auditors' independence).

E. Other Responsibilities

- Create an honest, fact-based avenue of communication among the internal and external auditors, financial and senior management, and the Board.
- Ensure that significant findings and recommendations made by the external auditors are received and discussed on a timely basis;
- Review, with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements;
- If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist;
- Perform other oversight functions as requested by the full Board;
- Review and reassess the adequacy of this charter on an annual basis and receive approval of changes from the Board;
- Establish procedures, including an anonymous whistleblower hotline, for the receipt and treatment of complaints regarding accounting, internal controls or auditing matters, or other irregularities and the confidential anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- Discuss guidelines and policies used by management to identify, evaluate, and mitigate enterprise-wide risks; and
- Evaluate the performance of the Audit Committee.

F. Reporting Responsibilities

- Regularly update the Company's Board about Committee activities and make appropriate recommendations; and
- Prepare its report for inclusion in the Company's annual proxy statement, as required by Securities and Exchange Commission regulations.

G. Authority

- The Audit Committee shall have the authority to retain and obtain advice from legal, accounting or other advisors, as appropriate.
- The Committee shall have authority to investigate any matter within its scope of responsibilities with full access to all Company books, records, facilities

and personnel. The Committee may request any officer, employee of the Company, the Company's outside counsel or external auditor to attend a meeting of the Committee or meet with any members or consultants.

## **V. COMMITTEE ACTION**

A majority of the members present will decide any question brought before the Committee. The actions by the majority may be expressed either by a vote at a meeting or in writing without a meeting. A majority of the members will constitute a quorum.

## **VI. PROCEDURES**

The Chairperson of the Committee will work with the Committee to establish an annual calendar and rules of governance that are appropriate for the conduct of the business of the Committee. The Chairperson will appoint as secretary a person who may, but need not, be a member of the Committee. A certificate of the secretary of the Committee setting forth the names of the members of the Committee, or actions taken by the Committee will be sufficient evidence at all times as to the persons constituting the Committee, or such actions taken.