



## **CHARTER OF THE AUDIT COMMITTEE**

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### **PURPOSE OF THE COMMITTEE**

The purposes of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of Hexcel Corporation (the "Company") shall be to assist the Board's oversight of the integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the Company's Independent Auditor's qualifications, independence and performance, and the Company's internal audit function.

### **COMPOSITION OF THE COMMITTEE**

The Committee shall consist of three or more directors appointed by the Board. Each member of the Committee shall be qualified to serve on the Committee pursuant to the requirements of the New York Stock Exchange (the "NYSE") and any additional requirements that the Board deems appropriate. In addition, at least one member of the Committee must be designated by the Board to be the "audit committee financial expert," as defined by the Securities and Exchange Commission (the "SEC") pursuant to the Sarbanes-Oxley Act of 2002. No director may serve as a member of the Committee if such director serves on the audit committee of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on the Committee.

If the Board does not designate a chair of the Committee, the members of the Committee shall designate a chair.

The Board shall fill any vacancy on the Committee. No member of the Committee shall be removed except by the Board.

### **MEETINGS AND PROCEDURES OF THE COMMITTEE**

The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but no less frequently than once every fiscal quarter.

The Committee shall meet separately on a periodic basis with management, the internal auditors and the Independent Auditor.

The Committee may form subcommittees of two or more members and may delegate to subcommittees such authority as the Committee deems appropriate, but the Committee shall not delegate any authority required by any law, regulation, the NYSE or Board resolution to be exercised by the Committee as a whole.

A majority of the members of the Committee shall constitute a

**SELECTION,  
COMPENSATION  
AND OVERSIGHT  
OF THE  
COMPANY'S  
INDEPENDENT  
AUDITOR**

quorum.

The Committee shall maintain minutes of its meetings and regularly deliver to the Board a report, which may be oral, on its activities.

The Committee shall:

Be directly responsible for the appointment, compensation, retention and oversight of the work of any independent registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (the "Independent Auditor"). The Independent Auditor is engaged by the Committee and reports directly to the Committee.

Evaluate the independence of the Independent Auditor and recommend for ratification by the stockholders the appointment of the Independent Auditor.

Have sole authority to approve the Independent Auditor's annual audit engagement letter.

Have sole authority to approve all non-audit engagements between the Company and the Independent Auditor. In such review, the Committee shall engage in a dialogue with the Independent Auditor to consider the impact of non-audit engagements and other relationships on the objectivity and independence of the Independent Auditor.

Review the performance of the Independent Auditor, including the lead partner.

Obtain at least annually from the Independent Auditor and review a report describing:

- the independence of the Independent Auditor;
- the Independent Auditor's internal quality-control procedures;
- any material issues raised by the most recent internal quality-control or peer review of the Independent Auditor, or by any inquiry or investigation by any governmental or professional authority, within the preceding five years, respecting one or more independent audits carried out by the Independent Auditor, and any steps taken to deal with any such issues; and

**OVERSIGHT OF  
ANNUAL AUDIT  
AND QUARTERLY  
REVIEWS**

- all relationships between the Independent Auditor and the Company.

The Committee shall:

Review and discuss with the Independent Auditor their annual audit plan, including the timing and scope of audit activities, and monitor such plan's progress and results during the year.

Review with management and the Independent Auditor:

- the Company's annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and any major issues related thereto;
- major issues regarding accounting principles and financial statements presentations, including any significant changes in the Company's selection or application of accounting principles;
- any significant assumptions and judgments made by management in connection with the preparation of the financial statements and any significant financial reporting issues, including the effects of alternative generally accepted accounting principles methods on the Company's financial statements;
- any off balance sheet structures or significant contingent liabilities of the Company; and
- the effect of regulatory and accounting initiatives on the financial statements of the Company.

Resolve all disagreements between the Independent Auditor and management regarding financial reporting.

Review on a regular basis with the Independent Auditor any problems or difficulties encountered by the Independent Auditor in the course of any audit work, including management's response, any restrictions on the scope of the Independent Auditor's activities or on access to requested information, and any significant disagreements with management.

Recommend to the Board whether the Company's financial statements should be included in the Annual Report on Form 10-K

**OVERSIGHT OF  
THE FINANCIAL  
REPORTING  
PROCESS AND  
INTERNAL  
CONTROLS**

The Committee shall:

Review:

- the adequacy and effectiveness of the Company's accounting and internal control policies and procedures on a regular basis, including the responsibilities, budget and staffing of the Internal audit function, through inquiry and discussions with the Independent Auditor, management and internal audit function; and
- the annual report prepared by management and the attestation of the Independent Auditor regarding the Company's internal control over financial reporting.

Review with the chief executive officer, chief financial officer and Independent Auditor:

- all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
- any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Discuss guidelines and policies governing the process by which senior management of the Company and the relevant departments of the Company assess and manage the Company's exposure to risk, as well as the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

Review with management the progress and results of all internal audit projects and assign additional internal audit projects to the internal audit function as it may deem appropriate.

Review the type and presentation of information to be included in the Company's earnings press releases (especially the use of "pro forma" or "adjusted" information not prepared in compliance with generally accepted accounting principles), as well as financial information and earnings guidance provided by the Company to analysts and rating agencies.

**ADDITIONAL  
DUTIES AND  
RESPONSIBILITIES**

The Committee shall:

Establish clear hiring policies by the Company for employees or former employees of the Independent Auditor.

Prepare the report required by the rules of the SEC to be included in the Company's annual proxy statement.

Review at least annually the Company's program to monitor compliance with the Company's Code of Business Conduct and applicable law and meet periodically with the Company's Compliance Officer to discuss compliance matters and the implementation and effectiveness of the program, it being understood that the General Counsel has express authority to communicate personally with the chair of the Committee about any material legal or compliance matter involving the Company. In appropriate circumstances, the Committee may approve proposed transactions between the Company and any executive officer, director or related person or waive any other application of the Code of Business Conduct to any executive officer or director.

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.

Report regularly to the Board, including on 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 qualifications, performance and independence of the Independent Auditor, or the performance of the internal audit function, or on whether there should be a regular rotation of the Independent Auditor.

**EVALUATION OF  
THE COMMITTEE**

The Committee shall, on an annual basis, evaluate its performance and deliver to the Board a report, which may be oral, setting forth the results of its evaluation, including any recommended changes to this Charter or to the Committee's composition, policies or procedures.

**INVESTIGATIONS  
AND STUDIES;  
OUTSIDE  
ADVISERS**

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may retain, at the Company's expense, such independent counsel or other consultants or advisers as it deems necessary.

**RELIANCE ON  
OTHER PERSONS**

The Committee is not responsible for preparing or certifying the financial statements, for planning or conducting the audit or for determining whether the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. The Committee shall be entitled to rely on the integrity of those persons and organizations within and outside the Company from which it receives information and the accuracy of the financial and other information provided to the Committee, in either instance absent actual knowledge to the contrary.