

## Audit Committee Charter

### **WESTINGHOUSE AIR BRAKE TECHNOLOGIES CORPORATION** **AUDIT COMMITTEE CHARTER**

**(As Amended December, 2008)**

#### **Organization**

This charter governs the operations of the audit committee. The committee shall review and reassess the charter at least annually and shall forward all amendments to the Nominating and Governance Committee for approval by the board of directors. The committee shall be members of the board of directors and shall comprise at least three directors, each of whom is independent of management and the Company. Members of the committee shall be considered independent as long as they do not accept any consulting, advisory, or other compensatory fee from the Company or any subsidiary thereof (other than in his or her capacity as a member of the board or of the audit committee or any other board committee) and are not an affiliated person of the Company or its subsidiaries. An affiliated person is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with the Company. Control is the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the Company, whether through ownership of voting securities, by contract or otherwise. Members must also meet the other independence requirements of the SEC and the NYSE. All committee members shall be financially literate as interpreted by the Board of Directors in its business judgment, and at least one member shall be a “financial expert,” as defined by SEC regulations. The committee members and the Chairperson shall be nominated by the Nominating and Governance Committee for approval by the full Board at its first meeting after the annual meeting of shareholders.

#### **Purpose**

The audit committee shall provide assistance to the board of directors in fulfilling their oversight responsibility to the shareholders, potential shareholders, the investment community, and others relating to: the integrity of the Company’s financial statements; the financial reporting process; the systems of internal accounting and financial controls; the performance of the Company’s internal audit function and independent auditors; the independent auditor’s qualifications and independence; and the Company’s compliance with ethics policies and legal and regulatory requirements. The committee shall prepare the report required by the SEC proxy rules to be included in the Company’s annual proxy statement. In so doing, it is the responsibility of the committee to maintain free and open communication between the committee, the independent auditors, the internal auditors, and management of the Company.

In discharging its oversight role, the committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and has the authority to engage independent counsel and other advisers, including accountants, as it determines necessary to carry out its duties.

The company shall provide for appropriate funding to the committee to perform its duties.

### *Duties and Responsibilities*

The primary responsibility of the audit committee is to oversee the Company's financial reporting process on behalf of the board and regularly report the results of its activities to the board. While the audit 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 are complete and accurate and are in accordance with generally accepted accounting principles. Management is responsible for the preparation, presentation, and integrity of the Company's financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Company. The independent auditors are responsible for auditing the Company's financial statements and for reviewing the Company's unaudited interim financial statements.

The committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The committee should take appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices, and ethical behavior. The following shall be the principal duties and responsibilities of the audit committee. These are set forth as a guide with the understanding that the committee may supplement them as appropriate.

The committee shall be directly responsible for the appointment and termination, compensation, and oversight of the work of the independent auditors, including resolution of disagreements between management and the auditor regarding financial reporting. The committee shall approve all audit and non-audit services provided by the independent auditors in accordance with the Pre-Approve Policy established by the committee and shall not engage the independent auditors to perform the specific non-audit services prohibited by law or regulation.

At least annually, the committee shall obtain and review a report by the independent auditors 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.

Prior to engaging a new independent auditor and annually thereafter, obtain written disclosures from the independent auditor required by the Public Company Accounting Oversight Board concerning the independence of the auditor, review such communication and discuss with the auditor the independence of the auditor.

In addition, the committee shall set clear hiring policies for employees or former employees of the independent auditors that meet the SEC regulations and NYSE rules.

The committee shall discuss with the internal auditors and the independent auditors the overall scope and plans for their respective audits, including the adequacy of staffing and compensation. Also, the committee shall discuss with management, the internal auditors, and the independent auditors the adequacy and effectiveness of the accounting and financial controls, including the Company's policies and procedures to assess, monitor, and manage business risk, and legal and ethical compliance programs.

The committee shall meet separately periodically with management, the internal auditors, and the independent auditors to discuss issues and concerns warranting committee attention. The committee shall provide sufficient opportunity for the internal auditors and the independent auditors to meet privately with the members of the committee. The committee shall review with the independent auditor any audit problems or difficulties and management's response.

The committee shall receive regular reports from the independent auditor on the critical accounting policies and practices of the Company, and alternative treatments of financial information within generally accepted accounting principles that have been discussed with management.

The committee shall review management's assertion on its assessment of the effectiveness of internal controls as of the end of the most recent fiscal year and the independent auditors' report on management's assertion.

The committee shall review and discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.

The committee shall review the interim financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations with management and the independent auditors prior to the filing of the Company's Quarterly Report on Form 10-Q. Also, the committee shall discuss the results of the quarterly review and any other matters required to be communicated to the committee by the independent auditors under generally accepted auditing standards. The chair of the committee may represent the entire committee for the purposes of this review.

The committee shall review with management and the independent auditors the financial statements and 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 (or the annual report to shareholders if distributed prior to the filing of Form 10-K), including their judgment about the quality, not just the acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements. Also, the committee shall discuss the results of the annual audit and any other matters required to be communicated to the committee by the independent auditors under generally accepted auditing standards.

The committee shall establish procedures for the receipt, retention, and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

The committee shall receive corporate attorneys' reports of evidence of material violations of securities laws, breaches of fiduciary duty or similar laws.

The committee will discuss policies with respect to risk assessment and risk management.

The committee also prepares its report to be included in the Company's annual proxy statement, as required by SEC regulations.

The committee shall perform an evaluation of its performance at least annually to determine whether it is functioning effectively.