

## Audit Committee Charter

### **I. Purpose**

The Audit Committee (the "Committee") of ARC Group Worldwide, Inc. (the "Company") is appointed by the Board of Directors (the "Board") to assist the Board in (i) monitoring the quality, reliability, and integrity of the accounting policies and financial statements of the Company; (ii) overseeing the Company's compliance with legal and regulatory requirements; (iii) engaging and reviewing the independence, qualifications, and performance of the Company's internal (or equivalent) and external auditors; (iv) overseeing the performance of the Company's internal audit function (or equivalent) and independent auditors; and (v) preparing an audit committee report (the "Committee Report") as required by the Securities and Exchange Commission (the "SEC") to be included in the Company's annual proxy statement.

### **II. Composition**

The Committee shall be comprised of at least three members of the Board. The members of the Committee shall satisfy all applicable requirements then in effect for any stock exchange or national securities association on which the Company's securities are listed or quoted and any other applicable regulatory requirements, including without limitation requirements relating to director independence, financial literacy, nomination, and size of the Committee. No member of the Committee may serve on the audit committee of more than three public companies, including the Company, unless the Board (i) determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee; and (ii) discloses such determination in the annual proxy statement.

All members of the Committee shall have a working familiarity with basic finance and accounting practices (or acquire such familiarity within a reasonable period after his or her appointment) and at least one member must be an "audit committee financial expert" under the requirements of the Sarbanes-Oxley Act. Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement. At least one member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background that leads to financial sophistication. At least one member of the Committee must be an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K. A person who satisfies this definition of audit committee financial expert will also be presumed to have financial sophistication.

The Chairman and the members of the Committee shall be appointed by the Board and shall serve until such member's successor is duly elected and qualified or until such member's earlier resignation, retirement, removal from office, or death. The members of the Committee may be removed, with or without cause, by a majority vote of the Board.

The Chairman will chair all meetings of the Committee and set the agendas for Committee meetings. The Chairman shall establish an annual calendar with a proposed agenda of the audit, financial and other related matters to be addressed at each of the Committee's scheduled meetings during the year. Committee members are expected to make suggestions for agenda items.

Each member of the Committee shall be independent in accordance with the requirements of Rule 10A-3 of the Securities Exchange Act of 1934, as amended and the rules of the Nasdaq Stock Market. No member of the Committee can have participated in the preparation of the Company's or any of the Company's subsidiaries' financial statements at any time during the three years prior to such appointment.

The primary role of the Committee shall be to oversee the financial reporting and disclosure process of the Company.

### **III. Limitation of Audit Committee's Role**

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 and disclosures are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of

management and the independent auditor. Nor is it the duty of the Committee, separate from the Board, to conduct investigations, to resolve disagreements, if any, between management and the independent auditor, to assess risk on an enterprise wide basis, or to assure compliance with laws and regulations and the Company's Code of Conduct.

#### **IV. Duties and Responsibilities**

It shall be the duty and responsibility of the Committee to:

##### General:

1. Meet as often as the Committee determines advisable to fulfill its duties, but not less frequently than quarterly.
2. Meet separately on a periodic basis with management, the Company's internal auditor (or other persons responsible for the internal audit function), and the independent auditor to discuss any matters that the Committee or such groups believe should be discussed privately with the Committee.
3. Make regular reports to the Board, which should include, without limitation, reviews with the Board of 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 auditors, or the performance of the Company's internal audit function or equivalent.
4. Annually review the Committee's own performance and this Charter, discuss the results of the performance review with the full Board, and recommend to the Board any proposed changes to this Charter.
5. Individually as members of the Committee, through annual attendance at external seminars or by other means, remain informed regarding the accounting, legal, and other relevant developments that affect the duties and responsibilities of the Committee.

##### Financial Reporting:

6. Review and discuss with management and the independent auditor the Company's annual audited financial statements, including the Company's disclosures made in management's discussion and analysis, and recommend to the Board whether the audited financial statements should be included in the Company's Annual Report on Form 10-K.
7. Review and discuss with management and the independent auditor the Company's quarterly financial statements, including the Company's disclosures made in management's discussion and analysis, prior to the filing of the Company's Quarterly Report on Form 10-Q.
8. Review any disclosures made to the Committee by the Company's chief executive officer or chief financial officer during their certification process for the Company's Annual Report on Form 10-K or Quarterly Reports on Form 10-Q about significant deficiencies or material weaknesses in the design or operation of internal controls and any fraud involving management or other employees who have a significant role in the Company's internal controls.
9. Review and discuss with the Company's independent auditors (1) all critical accounting policies and practices to be used in the audit; (2) all alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the auditors; and (3) other material written communications between the auditors and management.
10. Review and discuss generally with management the Company's earnings press releases (including without limitation the use of "pro forma" or "adjusted" non-GAAP information), as well as financial information and earnings guidance, if any, provided to analysts. The Committee may discuss earnings press releases

from time to time, or the Committee may direct management to discuss these releases with the Committee prior to issuance by the Company.

11. Review major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material weaknesses in internal control over financial reporting, if any.
12. Review analyses prepared by management or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including analyses of the effects of alternative GAAP methods on the financial statements, and discuss such analyses with management and the independent auditor.
13. Review and discuss with management and the independent auditor the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements.
14. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management guidelines and policies as they apply to financial risk exposures.
15. Review with the independent auditor matters relating to the conduct of the audit, including matters required to be communicated to the Committee under the standards of the Public Company Accounting Oversight Board and the requirements of the SEC.
16. Review and approve the Committee Report that SEC rules require to be included in the Company's annual proxy statement.

Oversight of the Company's Relationship with the Independent Auditor:

17. Have the sole authority to appoint or replace the independent auditor (subject, if applicable, to shareholder ratification) and set the compensation of such independent auditor. The independent auditor shall report directly to the Committee, and the Committee shall be directly responsible for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing related work. The Committee shall consult with management, but shall not delegate the responsibilities set forth in this paragraph.
18. Pre-approve all auditing services, internal control-related services, and permitted non-audit services (including the terms of such services) to be performed for the Company by the independent auditor.
19. Obtain and review a report from the independent auditor, at least annually, regarding (i) the auditor's internal quality-control procedures; (ii) any material issues raised by the most recent 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; (iii) any steps taken to deal with any such issues, and, in order to assess the auditor's independence; and (iv) all relationships between the independent auditor and the Company.
20. Review and evaluate with the independent auditor the experience, performance and independence of the lead partner of the independent auditor, and, if deemed advisable, the other senior members of the independent auditor team. The Committee shall verify the regular rotation of the lead partner of the independent auditor.
21. Evaluate the qualifications, performance and independence of the independent auditor, taking into account the opinions of management and the Company's internal auditor (or other personnel responsible for the internal audit function). The Committee shall present its conclusions with respect to the independent auditor to the Board and, if so determined by the Committee, recommend that the Board take additional action to satisfy itself of the qualifications, performance and independence of the auditor.

22. Set policies for the Company's hiring of employees or former employees of the current or former independent auditor.
23. Review the scope-and-approach of the annual audit with the independent auditor prior to the commencement of the audit.
24. Ensure the Committee's receipt from the independent auditors of a formal written statement delineating all relationships between the independent auditor and the Company, actively engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor and take, or recommending that the full board take, appropriate action to oversee the independence of the auditor.

Oversight of the Company's Internal Audit Function or Equivalent:

25. Ensure through reports of the independent auditor, the internal auditor, or equivalent, and otherwise as deemed appropriate by the Committee that the Company has an internal audit function and internal controls and procedures, which must at least consist of an appropriate control process for reviewing and approving the Company's internal transactions and accounting.

Compliance Oversight Responsibilities:

26. Establish procedures for (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting, internal controls or auditing matters; and (iii) the communication of complaints and concerns to the Committee Chairman. These procedures may include, but need not be limited to, establishing and promoting the availability of a confidential toll-free hotline for communication to the Committee Chairman.
27. Obtain reports from management and the internal auditor (or equivalent) that the Company is in conformity with applicable legal requirements, and advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations. Review reports and disclosures of insider and affiliated party transactions.
28. Discuss promptly with management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
29. Review quarterly with the Company's legal advisors and others any legal, tax or regulatory matters that may have a material impact on the Company's operations, financial statements or compliance policies, and develop policies or processes to remedy any such matters that are identified.
30. Review and assess the Company's processes for administering its Code of Ethics, as the same may be amended from time to time, and recommend changes as necessary.
31. Review annually with the internal auditor (or equivalent) its review of employee compliance with the Code of Ethics, as the same may be amended from time to time.
32. Review all transactions with related persons, as defined in Item 404 of Regulation S-K, or in which a related person has a direct or indirect interest, and, after reviewing the related person's interest in the transaction and the material facts, determine whether to ratify or approve the transaction, which transaction may only be ratified or approved if the Committee determines that the transaction is fair to the Company or that approval or ratification of the transaction is in the interest of the Company.

## V. Other Provisions

33. The Committee shall have the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall have unrestricted access to members of management and all information relevant to its responsibilities. The Committee shall be empowered to retain independent counsel, accountants, or others to assist in the conduct of any investigation.
34. The Committee shall have the authority, to the extent it deems necessary or appropriate and without seeking Board approval, to retain outside legal, accounting, or other consultants to advise the Committee. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.
35. The Committee shall receive appropriate funding from the Company, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report or performing other audit, review or attest services, payment of compensation to any advisors employed by the Committee, and payment of expenses of the Committee that are necessary or appropriate in carrying out its duties.
36. The Committee may form and delegate authority to subcommittees as appropriate. However, the Board may not allocate the responsibilities of this Committee to any other committees
37. The Committee may designate a non-member to serve as secretary at Committee meetings to keep meeting minutes.
38. A current version of this Charter will be included on the Company's website.

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