

TECHPRECISION CORPORATION

AUDIT COMMITTEE CHARTER

I. INTRODUCTION

This charter governs the operations of the Audit Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of TechPrecision Corporation (the “*Company*”). The Company shall make this charter available on its website at <http://www.techprecision.com/>.

II. PURPOSE

The purpose of the Committee is to assist the Board with (a) oversight of: (i) the integrity of the Company’s financial statements, (ii) the Company’s compliance with legal and regulatory requirements, (iii) the Company’s independent auditor’s qualifications and independence, (iv) the performance of the Company’s independent auditor, and (v) the design and implementation of the Company’s internal audit function and (b) preparation of any reports required of the Committee under the rules of the Securities and Exchange Commission (“*SEC*”). The Committee may also perform such other activities consistent with this Charter, the Company’s Certificate of Incorporation, By-laws and governing law, as the Committee or the Board deems necessary or appropriate.

III. COMPOSITION

The Committee shall be composed of three or more directors, each of whom must satisfy the independence and experience requirements of Rule 10A-3 of the Securities Exchange Act of 1934, as amended, and any rules and regulations promulgated thereunder by the SEC and the listing rules of The NASDAQ Stock Market LLC (“*NASDAQ*”) (unless otherwise provided for, or permitted by, the rules of NASDAQ), in each case subject to any phase-in or cure period rules that may be applicable. Each member of the Committee must be financially literate, as determined by the Board, or must become financially literate within a reasonable period of time after his or her appointment. At least one member of the Committee must be an “audit committee financial expert,” as such term is defined in Item 407(d) of Regulation S-K.

Each member of the Committee shall be appointed annually by the Board. Any member of the Committee may be removed or replaced by the Board at any time. Any vacancy occurring in the Committee shall be filled by the Board. Unless a chair of the Committee (the “*Chair*”) is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee. The Chair (or in his or her absence, a member designated by the Chair) shall preside at all meetings of the Committee and set the agenda for each Committee meeting. A Secretary of the Committee may be appointed by the Chair of the Committee.

IV. MEETINGS

The Committee shall meet as often as it determines is necessary to carry out its responsibilities, but not less frequently than quarterly in advance of the release of the quarterly financial results. Additional meetings may be scheduled as needed and may be called by the Chair of the Committee or, if there is no such chair, by two members of the Committee. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with the provisions of the Company’s By-laws that are applicable to a committee of the Board. Except as otherwise provided by statute, a majority of the members shall represent a quorum of

the Committee for the transaction of business at any meeting. Formal action to be taken by the Committee shall be by unanimous written consent or by the affirmative vote of at least a majority of the members present (in person or by telephone conference call) at a meeting at which a quorum is present. The Committee shall meet with management and the independent auditor in separate executive sessions as appropriate. The Committee shall meet with the independent auditor and management on a quarterly basis to review the Company's financial statements and financial reports. The Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. A summary of all formal action taken by the Committee (or any subcommittee thereof) shall be reported at the next meeting of the Board following such action.

The Committee may, in its discretion, invite other directors of the Company, members of the Company's management or any other person, including, without limitation, outside counsel or the independent auditor, whose presence the Committee believes to be desirable and appropriate to attend and observe meetings of the Committee. The Committee may exclude from its meetings any person it deems appropriate.

V. RESPONSIBILITIES AND DUTIES

The Company's management is responsible for preparing the Company's financial statements and the independent auditor is responsible for auditing these financial statements. The Committee is responsible for overseeing the conduct of these activities by the Company's management and the independent auditor, and the integrity of the Company's financial statements. The financial management and the independent auditor of the Company have more time, knowledge and more detailed information on the Company than do Committee members. Consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements or any professional certification as to the independent auditor's work.

In carrying out its oversight responsibilities, the Committee shall perform the following functions:

A. Oversight of the Company's Independent Auditor

1. Be directly and solely responsible for the appointment, compensation, retention, termination and oversight of any independent auditor engaged by the Company for the purpose of preparing or issuing an audit report or performing other audit, review or attest services, with each such auditor reporting directly to the Committee.

2. Obtain and review annually a report from the independent auditor describing (i) the independent auditor's internal quality-control procedures, (ii) any material issues raised by the most recent internal quality-control review or peer reviews 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 such issues, and (iii) all relationships between the independent auditor and the Company or any of its subsidiaries; and to discuss with the independent auditor this report and any relationships or services that may impact the objectivity and independence of the auditor.

3. Evaluate annually the qualifications, performance and independence of the independent auditor, including (i) an evaluation of the lead audit partner, (ii) confirmation of the regular rotation of the lead audit partner responsible for reviewing the audit within the applicable time periods provided by law, (iii) a review of whether the independent auditor's quality-control procedures are adequate, and (iv) a review and evaluation of the lead partner of the independent auditor, taking into

account the opinions of management, and report to the Board on its conclusions, together with any recommendations for additional action.

4. Pre-approve all audited and permitted non-audit and tax services that may be provided by the Company's independent auditor or other registered public accounting firm pursuant to the Company's pre-approval policies.

5. Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit. Discuss with the independent auditor the responsibilities, budget and staffing of the audit functions.

6. Establish policies for the hiring of employees or former employees of the independent auditor who participated in any capacity in the audit of the Company, taking into account the impact of such policies on auditor independence.

7. Regularly review with the independent auditor any significant difficulties encountered during the course of the audit, any restrictions on the scope of work or access to required information and any significant disagreement among management and the independent auditor in connection with the preparation of the financial statements. Review with the independent auditor (i) any accounting adjustments that were noted or proposed by the independent auditor but that were "passed" (as immaterial or otherwise), (ii) any communications between the audit team and the independent auditor's national office respecting auditing or accounting issues presented by the engagement, (iii) any "management" or "internal control" letter or schedule of unadjusted differences issued, or proposed to be issued, by the independent auditor to the Company, and (iv) any other material written communication provided by the independent auditor to the Company's management.

8. Review with the independent auditor the critical accounting policies and practices used by the Company, alternative treatments of financial information within generally accepted accounting principles ("**GAAP**") that the independent auditor has discussed with management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor.

B. Oversight of the Company's Internal Audit Function

1. The quality and adequacy of the Company's internal accounting controls.
2. The organization of the internal audit department, the adequacy of its resources and the competence and performance of the internal audit staff.
3. The audit risk assessment process and the proposed scope of the internal audit department for the upcoming year, the coordination of that scope with the independent auditor, and any significant changes to the internal audit plan.
4. Results of the independent auditor's examination of internal controls, including summaries of inadequate reports issued and/or management improprieties together with management's response thereto.

C. Review of Financial Reporting, Policies and Processes

1. Review and discuss with management and the independent auditor the Company's annual audited financial statements, interim financial statements and any certification, report,

opinion or review rendered by the independent auditor, and recommend to the Board whether the financial statements and related notes should be included in the Company's annual report on Form 10-K and quarterly reports on Form 10-Q; and prepare the Committee's report required by the rules of the SEC to be included in the Company's annual proxy statement.

2. Review and discuss with management and the independent auditor the Company's disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" appearing in the Company's periodic reports, and consider with the independent auditor the matters required to be discussed by the applicable Auditing Standards issued by the Public Company Accounting Oversight Board.

3. Review and discuss with management and the independent auditor the Company's earnings press releases as well as any financial information and earnings guidance provided to analysts and ratings agencies, in each case, including the type of information to be included and its presentation and the use of any pro forma or adjusted non-GAAP information.

4. Review with management and the independent auditor any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.

5. Review quarterly with management its assessment of the effectiveness and adequacy of the Company's internal control structure and procedures for financial reporting ("**Internal Controls**") and any special steps taken in light of a deficiency, review annually with the independent auditor the attestation to and report on the assessment made by management, if any, and consider whether any changes to the Internal Controls are appropriate.

6. Review with management its evaluation of the Company's disclosure controls, and consider whether any changes are appropriate.

7. Review with management and the independent auditor the effect of regulatory and accounting initiatives on the financial statements, as well as any off-balance sheet structures. Review any major issues regarding accounting principles and financial statement presentations, including any significant changes in selection of an application of accounting principles. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the independent auditor or management.

D. Related Party Transactions

1. Implement and administer standards to be applied by the Board in making its determination as to related party transactions that may present actual, potential or perceived conflicts of interest or may raise questions as to whether such transactions are consistent with the best interests of the Company and its stockholders.

2. Review and ratify any related party transactions based on the standards set forth in the Company's Related Party Transaction Policy.

E. Risk Management, Legal Compliance and Ethics

1. Review with the chief executive officer and chief financial officer of the Company any report on significant deficiencies in the design or operation of the Internal Controls that could adversely affect the Company's ability to record, process, summarize or report financial data, any

material weaknesses in the Internal Controls identified to or by the auditor, and any fraud, whether or not material, that involves management or other employees who have a significant role in the Internal Controls.

2. 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. Adopt, as necessary, appropriate remedial measures or actions with respect to such complaints or concerns.

3. Consider and present to the Board for adoption a Code of Business Conduct and Ethics for all employees and directors, which meets the requirements of Item 406 of the SEC's Regulation S-K (or any successor disclosure item), and provide for prompt disclosure to the public of any change in, or waiver of, such Code of Business Conduct and Ethics. Review such Code of Business Conduct and Ethics periodically and recommend such changes to such Code of Business Conduct and Ethics as the Committee shall deem appropriate, and adopt procedures for monitoring and enforcing compliance and investigating non-compliance with such Code of Business Conduct and Ethics.

4. Discuss guidelines and policies to govern the process by which risk assessment and management is undertaken and handled. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

5. Review with the Company's counsel and report to the Board on litigation, material government investigations and compliance with applicable legal requirements and the Company's Code of Business Conduct and Ethics.

6. Produce and provide to the Board on an annual basis a performance evaluation of the Committee's performance of its duties under this Charter. The performance evaluation shall be conducted in such a manner as the Committee deems appropriate. Any member of the Committee may present the evaluation to the Board either orally or in writing.

7. Regularly report to the Board on the Committee's activities, recommendations and conclusions.

8. As appropriate, review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.

IV. RESOURCES; ACCESS TO RECORDS

The Committee shall have the resources and authority necessary to discharge its duties and responsibilities. In carrying out its duties and responsibilities, the Committee shall have full access to any relevant records, facilities and employees of the Company and may retain experts and outside consultants to advise the Committee. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors. The Committee shall have sole authority to engage, terminate and determine the compensation and terms of engagement of any experts, outside consultants, external legal, accounting or other advisors in connection with the Committee's responsibilities and functions as set forth herein. The Committee may also request that any officer or other employee of the Company, the Company's counsel or any other person meet with any members of, or consultants to, the Committee. The fees, expenses or compensation owed any person retained by the Committee and any ordinary administrative expenses of the Committee incurred in carrying out its duties and responsibilities shall be borne by the Company.

Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company and the Committee will take all necessary steps to preserve the privileged nature of those communications.

IV. DELEGATION OF DUTIES

The Committee shall be entitled to form and delegate any or all of its duties or responsibilities to a subcommittee of the Committee, to the extent consistent with the Company's Certificate of Incorporation and By-laws and all applicable laws, regulations and rules of markets in which the Company's securities then trade, as applicable.