

## **RTI INTERNATIONAL METALS, INC.**

### **AUDIT COMMITTEE CHARTER**

The Board of Directors shall appoint annually the Audit Committee which shall have the responsibility and authority and shall perform the functions as described below.

#### **Composition**

1. The membership of the Committee will consist of at least three members of the Board of Directors. Each member of the Committee must meet the independence criteria of (a) the rules of the New York Stock Exchange, as such requirements are interpreted by the Board in its business judgment and (b) applicable law, including Section 301 of the Sarbanes-Oxley Act of 2002 and any rules promulgated thereunder by the Securities and Exchange Commission ("SEC"). Each Committee member shall receive as compensation from the Company only director's fees (which include all forms of compensation paid to directors of the Company for service as a director or member of a Board committee). An Audit Committee member may not accept, directly or indirectly, any professional or consulting fees or any other type of compensation or fees, other than director's fees, from the Company. Additionally, if a Committee member simultaneously serves on the Audit Committee of more than two other public companies, the Board must determine that such simultaneous service would not impair the ability of such member to effectively serve on the Committee. The Company shall disclose any such determination in its annual proxy statement. Each member of the Audit Committee must be "financially literate" as that term is defined in the commentary to NYSE 303A (6), or become financially literate within a reasonable period of time after appointment to the Audit Committee. Additionally, at least one member of the Committee shall meet the criteria of a "financial expert" within the meaning of applicable law, including Section 407 of the Sarbanes-Oxley Act of 2002 and any rules promulgated thereunder by the SEC.

The Board will determine, in its business judgment, whether a member of the Committee meets the financial literacy requirement and whether at least one member meets the financial expert criteria. The designation or identification of a person as a financial expert shall not (a) impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Audit Committee and Board of Directors in the absence of such designation or identification or (b) affect the duties, obligations or liability of any other member of the Audit Committee or Board of Directors. The Board appoints Committee members and the Committee Chair upon the

recommendation of the Nominating and Corporate Governance Committee.

2. Attendance by a majority of the Committee will constitute a quorum for conducting a Committee meeting. Pursuant to the Code of Regulations of the Company, members of the Committee may participate in any meeting of such Committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting shall constitute presence in person at such meeting.

### **Purposes of the Committee**

The primary purpose of the Committee is oversight. The Committee shall assist the Board of Directors in fulfilling its responsibility to oversee:

1. Management's conduct of the Company's financial reporting process;
2. The integrity of the financial statements and other financial information provided by the Company to the SEC and the public;
3. The Company's system of internal and accounting and financial controls;
4. The Company's compliance with legal and regulatory requirements;
5. The quality, independence and performance of the Company's internal audit function; and
6. The retention, termination and oversight of the Company's independent accountants, including the approval of fees and other terms of their engagement, and the approval of non-audit relationships with the independent accountants.

The Committee shall also prepare the Committee's report to be included in the Company's annual proxy statement pursuant to the Securities Exchange Act of 1934.

The Company's management is responsible for preparing the Company's financial statements. The independent accountants are responsible for auditing those financial statements. Management, including the internal audit function, and the independent accountants, have more time, knowledge, and detailed information about the Company than do Committee members. The function of the Audit Committee is oversight. 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 accountants' work, including with respect to independent accountants' independence. Each member of the Committee shall be entitled to

rely on the integrity of people and organizations from whom the Committee receives information and the accuracy of such information, including representations by management and the independent accountants regarding non-audit services provided by the independent accountants.

### **Resources and Authority**

The Audit Committee shall have the resources and authority appropriate, in the discretion of the Committee, to discharge its responsibilities and carry out its duties as required by law, including the authority to engage independent accountants for special audits, reviews and other procedures and to engage independent counsel and other advisors, experts or consultants. The Committee is granted the authority to investigate any matter or activity involving financial accounting, reporting and internal controls of the Company, and all employees shall be directed to cooperate with respect thereto as requested by members of the Committee. The Committee shall have sole authority to approve related fees and retention terms.

The Committee shall have the authority, subject to applicable law and the listing requirements of the New York Stock Exchange, to delegate its responsibilities to subcommittees, composed solely of members of the Audit Committee, as the Committee may deem appropriate.

### **Functions**

The functions of the Audit Committee shall be to:

1. Have the sole authority to:
  - 1.1. Appoint, retain, compensate, evaluate and terminate the Company's independent accountants, who shall report directly to the Committee;
  - 1.2. Approve all audit engagement fees, terms and services; and
  - 1.3. Approve all non-audit engagements with the Company's independent accountants in accordance with applicable law. The Committee may delegate the authority to grant any pre-approvals required by applicable law to one or more members of the Committee as it designates, subject to the delegated member or members reporting any such pre-approvals to the Committee at its next scheduled meeting.
2. Review and approve the audit plan of the independent accountants, including the steps planned for a review of the Company's electronic data processing procedures and controls.
3. Review and discuss with the internal auditors the plans for and the scope of their ongoing audit activities, including adequacy of staffing and

4. Ensure that there are no unjustified restrictions or limitations on the activities of the internal auditors and review the effectiveness of the internal audit function, including compliance with the Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing.
5. Appoint, replace or dismiss the head of internal audit if the function is performed internally and if the function is outsourced appoint, replace or dismiss the internal auditing firm.
6. At least annually, obtain, review and discuss a report by the independent accountants describing:
  - 6.1. Such firm's internal quality control procedures;
  - 6.2. Any material issues raised by the most recent internal quality control review, or peer review, of such 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 such firm; and
  - 6.3. Any steps taken to deal with any such issues.
7. Set hiring policies for employees or former employees of the independent accountants, which include the restrictions set forth by applicable law.
8. Review and discuss with the independent accountants the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, as well as any audit problems or difficulties and management's response, including:
  - 8.1. any restriction on audit scope or on access to requested information;
  - 8.2. any significant disagreements with management; and
  - 8.3. significant issues discussed with the independent accountants' national office. The Committee is to decide all unresolved disagreements between management and the independent accountants regarding financial reporting.
9. Review the adequacy and effectiveness of the Company's accounting policies and procedures as well as financial and accounting management through observations and discussions with the independent accountants, internal auditors and appropriate officers of the Company.
10. Review and discuss with the independent accountants, the internal auditors, the General Counsel and, if and to the extent deemed appropriate by the

11. Review and discuss with internal audit recommendations made by them as well as such other matters, if any, as such persons or other officers of the Company may desire to bring to the attention of the Committee.
12. Review and discuss with the independent accountants:
  - 12.1 The report of their annual audit, or proposed report of their annual audit;
  - 12.2 The accompanying management letter, if any;
  - 12.3 The reports of their reviews of the Company's interim financial statements conducted in accordance with Statement on Auditing Standards No. 71; and
  - 12.4 The reports of the results of such other examinations outside of the course of the independent accountants' normal audit procedures that the independent accountants may from time to time undertake. The foregoing shall include the reports required by applicable law and, as appropriate:
    - 12.4.1 A review of major issues regarding:
      - 12.4.1.1 Accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles; and
      - 12.4.1.2 The adequacy of the Company's internal controls and any special audit steps in light of material control deficiencies.
    - 12.4.2 A review of analyses prepared by management and/or the independent accountants setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; and

12.4.3 A review of the effect of regulatory and accounting initiatives, as well as off-balance sheets structures, on the financial statements of the Company.

13. Obtain assurance from the independent accountants that in the course of conducting the audit, there have been no acts detected or that have otherwise come to the attention of the audit firm that require disclosure to the Committee under applicable law.
14. Discuss policies with respect to risk assessment and risk management to assess, manage, and, where possible, mitigate the Company's exposure to risk. The Committee should discuss the Company's major financial risk exposures and the steps management has taken to monitor and control these exposures. The Audit Committee is not required to be the sole body responsible for risk assessment and management, but the Committee will discuss guidelines and policies to govern the Company's processes by which risk assessment and risk management are undertaken. The Committee's responsibility is to ensure that management has instituted processes to identify major risks and has developed plans to deal with such risks. The Committee should discuss with management the specific risks facing the Company and management's plans for addressing risks and mitigating their potential effects.
15. Monitor compliance with the Company's Code of Business Conduct including but not limited to the following areas:
  - Conflicts of interest
  - Corporate opportunities
  - Confidentiality
  - Fair dealing
  - Protection and proper use of corporate assets
  - Compliance with laws, rules and regulations, and
  - Encouragement of the reporting of illegal or unethical behavior
16. Discuss with management and the independent accountants any correspondence with regulators or governmental agencies and any complaints or concerns regarding the Company's financial statements or accounting policies.
17. Monitor compliance with procedures for:
  - 17.1 The receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters;

- 17.2 The confidential, anonymous submission by the employees of the Company of concerns regarding questionable accounting or auditing matters as required by applicable law.

The current procedure is as follows: (a) complaints or concerns regarding accounting or auditing matters may be communicated, anonymously and confidentially if desired, by employees via RTI's Corporate Compliance hotline 1-800-447-5174 (such communications will be forwarded, anonymously and confidentially if appropriate, by the hotline operator to the head of internal audit if there is one or RTI's General Counsel if internal audit is outsourced; (b) complaints or concerns regarding accounting or auditing matters which are received by directors, officers, or other Company personnel will be directed to the head of internal audit if there is one or to RTI's General Counsel. The head of internal audit or the General Counsel, as appropriate, will review with the Audit Committee the number, nature and resolution of such complaints or concerns.

18. Review and discuss with appropriate officers of the Company and the independent accountants the annual audited and quarterly financial statements of the Company, including:
  - 18.1 The Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations;" and
  - 18.2 The disclosures regarding internal controls and other matters required to be reported to the Committee by applicable law.
19. Review the findings of any examinations by the SEC of any of the Company's filings, and any observations of the independent accountants relative thereto.
20. Review and discuss earnings and other financial press releases (including any use of "pro forma" or "adjusted" non-GAAP information, as well as any non-GAAP financial measures) as well as financial information and earnings guidance provided to analysts and rating agencies.
21. Arrange for periodic reports from management, the independent accountants and the internal auditors to assess accounting or reporting developments proposed by the FASB or the SEC, or any other significant matters that may have a bearing on the financial statements or the annual examination.
22. Review and approve any material accounting changes.

23. Review and approve the Company's annual financial statements, Form 10-K and annual report to shareholders with management and the independent accountants.
24. Supervise and direct any special projects or investigations that the Committee considers necessary.
25. Discuss with the Company's general counsel, and outside counsel, when appropriate, legal matters which may have a significant impact on the Company's financial statements or the Company's compliance policies.
26. Consider in-house policies and procedures for regular review of officers' expenses and perquisites, including any use of corporate assets and inquire as to the results of the review.
27. The Committee should periodically meet privately with (a) the independent public accountants, (b) the internal auditors, and (c) management, to request their opinion on various matters including the quality of financial and accounting personnel.
28. In connection with the retention of the Company's independent accountants, the Committee shall, at least annually, review and discuss the information provided by management and the independent accountants relating to the independence of the audit firm, including, among other things, information related to the non-audit services provided and expected to be provided by the independent accountants. The Committee is responsible for:
  - 28.1 ensuring that the independent accountants submit at least annually to the Committee a formal written statement delineating all relationships between the independent accountants and the Company consistent with Public Company Accounting Oversight Board ("PCAOB") Rule 3526, *Communication with Audit Committees Concerning Independence*;
  - 28.2 actively engaging in dialogue with the independent accountants with respect to any disclosed relationship or services that may impact the objectivity and independence of the independent accountants; and
  - 28.3 taking appropriate action in response to the independent accountants' report to satisfy itself of the independent accountants' independence. In connection with the Committee's evaluation of the independent accountants' independence, the Committee shall also review and evaluate the lead partner of the independent accountants and ensure that he or she is rotated every five years.

29. Review and discuss such other matters that relate to the accounting, auditing and financial reporting practices and procedures of the Company as the Committee may, in its own discretion, deem desirable in connection with the review functions described above.
30. Report its activities to the Board of Directors at its meeting following a meeting or meetings of the Committee.
31. Review and reassess, with the assistance of management and the independent accountants, the adequacy of this Charter at least every two years and recommend any changes to the Board.
32. Conduct and review with the Board of Directors annually an evaluation of the Committee's performance with respect to the requirements of this Charter. The Committee may conduct this performance in such manner as the Committee, in its business judgment, deems appropriate.
33. Prepare, with the assistance of management and the independent accountants, a report for inclusion in the Company's proxy statement relating to the annual meeting of stockholders at which directors are to be elected in accordance with the rules of the Securities and Exchange Commission.

### **Meetings**

The Committee shall meet in person or telephonically at least quarterly, or more frequently as it may determine necessary, to comply with its responsibilities as set forth herein. The Chair of the Committee shall, in consultation with the other members of the Committee, the Company's independent accountants and the appropriate officers of the Company, be responsible for calling meetings of the Committee, establishing agenda therefore and supervising the conduct thereof. The Committee may also take any action permitted hereunder by unanimous written consent.

Adopted by the Board of Directors on January 30, 2009.