

## BLONDER TONGUE LABORATORIES, INC.

### AUDIT COMMITTEE CHARTER

#### I. PURPOSE

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing: (i) the financial reports and other financial information provided by the Company to any governmental body or the public; (ii) the Company's systems of internal controls regarding finance, accounting, legal compliance and ethics that management and the Board have established and may establish from time to time; (iii) the Company's auditing, accounting and financial reporting practices generally; and (iv) all potential conflict of interest situations, including those arising from any related-party transactions. Consistent with this function, the Audit Committee should encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Audit Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to oversee and monitor the accounting and financial reporting processes, internal control system, and the audit of the financial statements of the Company.
- Analyze and approve conflict of interest transactions and investigate any violations of the Company's Code of Ethics and complaints regarding accounting or auditing matters.
- Appoint, compensate, retain and oversee the work of the independent auditors employed for the purpose of preparing or issuing an audit report with respect to the Company or preparing other audit, review or attest services for the Company, and also review and appraise the qualifications and performance of the Company's independent auditors and internal auditing department.
- Provide an open avenue of communication among the independent auditors, financial and senior management, the internal auditing department and the Board of Directors.

The Audit Committee will primarily fulfill these responsibilities by being authorized and directed to do the following:

- (a) To directly appoint, compensate, retain, evaluate, terminate and oversee the work of the independent auditors employed for the purpose of preparing or issuing an audit report with respect to the Company or preparing other audit, review or attest services for the Company; such independent auditors shall be duly registered with the Public Accounting Oversight Board and shall be instructed to report directly to the Audit Committee. In connection therewith, the Audit Committee shall annually (i) receive, evaluate and discuss with the independent auditors a formal written report from them setting forth all consulting or other relationships with the Company, which shall include specific representations and discussions as to their objectivity and independence as required by Independence Standards Board Statement No. 1, (ii) actively engage in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors, and (iii) take, or recommend that the full Board take, appropriate action to oversee the independence of the independent auditors;
- (b) To meet with the Company's independent auditors, including private meetings as necessary, (i) to review the arrangements for and scope of the annual audit and any special audits; (ii) to discuss any matters of concern relating to the Company's financial statements, including any adjustments to such statements recommended by the auditors, or other results of said audit(s); (iii) to consider the independent auditors' comments with respect to the Company's financial policies, procedures

- and internal accounting controls and management's responses thereto; and (iv) to review the form of opinion the independent auditors propose to render to the Board of Directors and shareholders;
- (c) To review as a committee, with management and the independent auditors, the audited financial statements to be included in the Company's Annual Report on Form 10-K to be filed with the Securities and Exchange Commission (including disclosures made in the "Management's Discussion and Analysis" portion of the Form 10-K), and the matters required to be discussed by Public Company Accounting Oversight Board Auditing Standard ("AS") No. 16-Communications with Audit Committees;
  - (d) To review as a committee, or through the Audit Committee chairman, with the independent auditors, the Company's interim financial results to be included in the Company's quarterly reports on Form 10-Q to be filed with the Securities and Exchange Commission (including disclosures made in the "Management's Discussion and Analysis" portion of the Form 10-Q), and the matters required to be discussed by AS No. 16-Communications with Audit Committees;
  - (e) To consider the effect upon the Company of any changes in accounting principles or practices proposed by management or the independent auditors;
  - (f) To review the fees charged by the independent auditors for audit and non-audit services;
  - (g) To report its activities to the full Board of Directors on a regular basis and to make such recommendations with respect to the above and other matters as the Audit Committee may deem necessary or appropriate;
  - (h) To act as a liaison between the Company's independent auditors and the full Board of Directors;
  - (i) To review, evaluate and pre-approve any non-audit services the independent auditors may perform for the Company (except where such prior approval is not required for services described in pre-approval policies and procedures and for certain de minimis non-audit services), and, to the extent required by applicable regulations, disclose such approved non-audit services in reports to stockholders and periodic reports filed with the Securities and Exchange Commission. In connection therewith, the Audit Committee shall have the authority to establish pre-approval policies and procedures for the engagement of the independent auditors to provide audit and permissible non-audit services;
  - (j) As required by law, the Audit Committee shall assure the regular rotation of the lead, concurring and other audit partners, and consider whether there should be a regular rotation of the independent auditors;
  - (k) To review and discuss with the independent auditors all necessary accounting policies and practices to be used, all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management and the risks of using such alternative treatments, and other material written communications between the independent auditors and management;
  - (l) To review and discuss the types of presentation and information to be included in earnings press releases, and any additional financial information and earning guidance generally provided to analysts and rating agencies;
  - (m) To review and discuss the form and content of the certification documents for the quarterly reports on Form 10-Q and the annual report on Form 10-K with the general auditor, the independent auditors, the chief financial officer and the chief executive officer;
  - (n) To prepare, review and approve the annual proxy disclosure regarding the activities and report of the Audit Committee for the year;
  - (o) To establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, as well as for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

- (p) To receive, investigate and recommend an appropriate response to the receipt of written correspondence from an attorney representing the Company that reports pursuant to Section 307 of the Sarbanes-Oxley Act that they have become aware of evidence of a material violation of securities laws or a material breach of fiduciary duty by the Company or any of its directors, officers, employees or agents;
- (q) To perform all duties delegated to it under the Company's Code of Ethics and pursuant to paragraphs (o) and (p) above (including any procedures adopted pursuant such paragraphs), including without limitation, the review and approval of potential conflict of interest situations and investigation of accounting and auditing complaints; and
- (r) To receive appropriate funding from the Company, as determined by the Audit Committee, for payment of: (i) compensation to any independent auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; and (ii) compensation to any advisers employed by the Audit Committee under Article IV below; and (iii) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

## **II. COMPOSITION**

The Audit Committee shall consist of three or more Directors as determined by the Board, and shall be comprised solely of independent directors, as such term is defined in Section 803A of the Rules of the NYSE MKT, except as otherwise set forth in such Rules, and subject to any exceptions therein. Each member of the Audit Committee shall also meet the criteria for independence set forth in Section 10A(m)(3) of the Securities Exchange Act of 1934 ("Act") and Rule 10A-3 thereunder, subject to any exceptions therein.

All members of the Audit Committee shall be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement. In addition, at least one member of the Audit Committee shall have accounting or related financial management expertise such that he or she is deemed to be "financially sophisticated" (as determined by Rule 803B of NYSE MKT). These requirements are intended to satisfy the Act and NYSE MKT Rules relating to the composition of Audit Committees, and shall be construed accordingly.

The members of the Audit Committee shall be elected by the Board at the annual organizational meeting of the Board or until their successors shall be duly elected and qualified. Unless a Chair is elected by the full Board, the members of the Audit Committee may designate a Chair by majority vote of the full Audit Committee membership.

## **III. MEETINGS**

The Audit Committee shall meet on a regular basis, at least quarterly, and is empowered to hold special meetings as circumstances require. The Audit Committee shall meet at least annually with management, the Chief Financial Officer of the Company and the independent accountants in separate sessions to discuss any matters that the Audit Committee or each of these groups believe should be discussed privately. Meetings may be by teleconference.

## **IV. RESOURCES**

The Audit Committee shall have the resources and authority appropriate to discharge its responsibilities, including, but not limited to, funding as determined by the Audit Committee and the authority to retain special counsel and other experts, consultants and advisers at the expense of the Company.

## **V. AUTHORITY OF AUDIT COMMITTEE; DELEGATION**

In addition to all other responsibilities and authority granted to the Audit Committee pursuant to this Audit Committee Charter, the Audit Committee shall have all responsibilities and authority required by Rule 10A-3 of the Securities Exchange Act of 1934, as amended. Any responsibility or authority of the Audit Committee, including, but not limited to, the authority to pre-approve all permitted non-audit services, may be delegated to one or more members of the Audit Committee.

## **VI. ANNUAL CHARTER REVIEW**

The Audit Committee shall review this Charter at least annually and recommend any changes to the full Board of Directors.