



## *Foster Wheeler AG*

### *Audit Committee Charter*

#### *Purpose*

The purpose of the Audit Committee (the "Committee") of the board of directors (the "Board") of Foster Wheeler AG (the "Company") is (1) to assist the oversight by the Board of (a) the integrity of the Company's financial statements, (b) the Company's compliance with legal and regulatory requirements, (c) the independent auditors' qualifications and independence, (d) the effectiveness of the Company's internal control over financial reporting and (e) the performance of the Company's internal audit function and independent auditors; and (2) to prepare the report of the Committee to be included in the Company's annual proxy statement.

#### *Membership*

The Committee shall be composed of three or more directors (i.e., members of the Board), each of whom shall be "independent", as that term is defined in Section 10A(m) (3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Rules and Regulations (the "Regulations") of the Securities and Exchange Commission (the "Commission") under the Exchange Act, and shall meet the independence and financial literacy requirements of NASDAQ. At least one member of the Committee shall be an "audit committee financial expert", as that term is defined in the Regulations, and shall have accounting or related financial management expertise, as the Board interprets such qualification in its business judgment. The members of the Committee and its Chairperson are selected by the Board upon the recommendation of the Governance and Nominating Committee. Committee members shall not simultaneously serve on the audit committees of more than two other public companies. Members of the Committee are prohibited from accepting any compensation from the Company other than director's fees for board or committee service. Members of the Committee must not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years.

#### *Meetings*

The Committee will meet at least four times per year. The Chairperson will preside, when present, at all meetings of the Committee. The Chairperson shall report the Committee's actions to the Board, including any recommendations of the Committee to be approved or otherwise acted upon by the full Board.

Any director may attend and participate in discussions of the Committee, although formal Committee action will only be through the vote of the appointed Committee members.

### ***Minutes***

Minutes of each meeting of the Committee will be sent to Committee members and to all Board members. The original minutes will be filed in the corporate archives.

### ***Responsibilities***

The Committee is charged by the Board with the responsibility to:

1. With regard to the Company's independent auditors:
  - (a) propose to the Board "a publicly supervised auditor" (as the term is defined in Art. 727b of the Swiss Code of Obligations and in the Federal Law on the admission and supervision of audit firms) for election as the Company's Swiss independent auditor by the Company's shareholders;
  - (b) appoint, subject to ratification by the Company's shareholders in a consultative vote, a "registered public accounting firm (as that term is defined in Section 2(a) of the Sarbanes-Oxley Act of 2002) to serve as the Company's U.S. independent auditor (the U.S. independent auditor may, but need not be, an affiliate of the Swiss independent auditor, and the U.S. independent auditor and Swiss independent auditor are sometimes referred to herein as the "independent auditors");
  - (c) provide for the compensation of the independent auditors, oversee the work of the independent auditors (including resolution of any disagreements between management and the independent auditors regarding financial reporting), evaluate the qualifications and performance of the independent auditors and, if so determined by the Committee, replace the independent auditors subject to approval by shareholders with respect to the Swiss independent auditor; it being acknowledged that the independent auditors are ultimately accountable to the Board and the Committee, as representatives of the shareholders.
2. Obtain and review, at least annually, a report by the U.S. and Swiss independent auditors describing (a) the independent auditors' internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, 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 independent auditors, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditors and the Company. The Committee shall also ensure the receipt of, and evaluate the written disclosures and the letter that the U.S. independent auditor submits to the Committee regarding the auditor's communications with the Committee concerning independence in accordance with the applicable requirements of the Public Company Accounting Oversight Board; discuss such reports with the U.S. independent auditor. The Committee must satisfy itself as to the independence of the independent auditors and, if so determined by the Committee in response to such reports, take appropriate action to address issues raised by such evaluation.

3. Discuss with the U.S. independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, and restrictions on the scope of activities or access to requested information, and any significant disagreements with management, as it may be modified or supplemented.
4. Instruct the independent auditors and the internal auditor to advise the Committee if there are any subjects that require special attention.
5. Instruct the U.S. independent auditor to report to the Committee on all critical accounting policies of the Company, all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the U.S. independent auditor, and other material written communication between the U.S. independent auditor and management, and discuss these matters with the U.S. independent auditor and management.
6. Meet with management and the U.S. independent auditors, together and separately, to discuss the annual financial statements, including disclosures made in management's discussion and analysis, and the reports of the U.S. independent auditors thereon, and to discuss significant issues encountered in the course of the audit work, including, but not limited to: any restrictions on the scope of the U.S. independent auditors' activities or on access to requested information and any significant disagreements with management; the adequacy of internal controls, including any special steps adopted in light of any significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting identified during the course of the annual audit, and the adequacy of disclosures about changes in internal control over financial reporting; the adequacy of the disclosure of off-balance sheet transactions, arrangements, obligations and relationships in reports filed with the Commission; the types of information to be disclosed and the type of presentation to be made in earnings releases, as well as financial information and earnings guidance; and the appropriateness of the presentation of any non-GAAP

financial measures (as defined in the Regulations) included in any report filed with the Commission or in any public disclosure or release.

7. Meet with management and the Swiss independent auditors, together and separately, to discuss the annual financial statements included in the Annual Report as required under Swiss law, and the report of the Swiss independent auditors thereon, the additional financial statement disclosures and commentary required by Swiss law, and to discuss significant issues encountered in the course of the audit work, including, but not limited to: any restrictions on the scope of the Swiss independent auditors' activities or on access to requested information and any significant disagreements with management; and the existence of an adequate system of internal controls.
8. Review and discuss with management and the U.S. independent auditor management's report on internal control over financial reporting, and the U.S. independent auditor's audit of the effectiveness of the Company's internal control over financial reporting and its attestation report, prior to the filing of the Form 10-K.
9. Following review and discussions of the annual financial statements, recommend to the Board that the annual financial statements be included in the Company's Annual Report as required under Swiss law and the Annual Report on Form 10-K, if so determined by the Committee.
10. Meet at least quarterly with management and the U.S. independent auditor to discuss quarterly financial statements, including disclosures made in management's discussion and analysis, and approve, prior to the filing of the Form 10-Q.
11. Meet periodically (and no less frequently than once each year) in separate executive sessions with management (including the Chief Executive Officer, Chief Financial Officer, the Controller, the head of Internal Audit, the Chief Corporate Compliance Officer, the General Counsel and Secretary) and the independent auditors to discuss matters that any of them or the Committee believes could significantly affect the financial statements and should be discussed privately.
12. Review the Company's earnings press releases prior to their release to the public. The chair of the Audit Committee or any "audit committee financial expert" on the Audit Committee may represent the entire Audit Committee for purposes of this review.
13. Have such direct and independent interaction with members of management, including the Company's Chief Financial Officer, the Controller and Chief Accounting Officer, as the Committee believes appropriate.
14. Set policies for the hiring of employees or former employees of the independent auditors.

15. Discuss guidelines and policies with respect to risk assessment and risk management; discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
16. Review significant changes to the Company's accounting principles and practices proposed by management, the independent auditors, or the internal auditor, if any.
17. Discuss with the U.S. independent auditors, internal auditor, and management, the internal audit department responsibilities, budget and staffing, and review the scope and results of internal audits.
18. Evaluate the performance of the internal auditor and, if so determined by the Committee, recommend to the Board of Directors the replacement of the internal auditor.
19. Obtain and review periodic reports on the internal auditor's significant recommendations to management and management's responses.
20. Conduct or authorize such inquiries into matters within the Committee's scope of responsibility as the Committee deems appropriate.
21. Provide minutes of Committee meetings to the Board, present to the Board the Committee's conclusions with respect to the qualifications, performance and independence of the independent auditors and review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, its compliance with legal or regulatory requirements regarding financial statements, the performance of the independent auditors or the performance of the internal audit function.
22. At least annually, review the Company's tax position with the VP – Corporate Tax.
23. Prepare the Committee report required by the Regulations to be included in the Company's annual proxy statement.
24. Monitor the Company's Code of Business Conduct and Ethics and establish a procedure for receipt, retention and treatment of any complaints received by the Company about its accounting, internal accounting controls or auditing matters and for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
25. Approve, in accordance with Sections 10A(h) and (i) of the Exchange Act, the Regulations and the Auditing Standards of the Public Company Accounting Oversight Board, all professional services, to be provided to the Company by its U.S. independent auditor and member firms within its global network, provided that the Committee shall not approve any non-

audit services proscribed by Section 10A(g) of the Exchange Act in the absence of an applicable exemption. The Committee may adopt policies and procedures for the approval of such services which may include delegation of authority to a designated member or members of the Committee to approve such services so long as any such approvals are disclosed to the full Committee at its next scheduled meeting.

26. Conduct appropriate reviews of any related party transactions for potential conflicts of interest pursuant to SEC Regulation S-K, Item 404.
27. Approve an Internal Audit Charter and review its applicability no less frequently than every three years.

### ***Authority***

By adopting this Charter, the Board delegates to the Committee full authority in its discretion to:

1. Perform each of the responsibilities of the Committee described above.
2. Engage and oversee independent counsel and other advisers as the Committee determines necessary to carry out its responsibilities.
3. Cause the officers of the Company to provide such funding as the Committee shall determine to be appropriate for payment of compensation to the Company's independent auditors and any legal counsel or other advisers engaged by the Committee, and payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

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

While the Committee has responsibilities and power set forth in this Charter, the Committee's responsibilities are limited to oversight and the Committee is not responsible for determining whether the Company's financial statements are complete and accurate or in accordance with generally accepted accounting principles and applicable laws, rules and regulations or planning or conducting audits. Management of the Company is responsible for the preparation, presentation and integrity of the Company's financial statements as well as the Company's financial reporting process, accounting policies, internal audit function, and internal control over financial reporting.

### ***Annual Performance Evaluation***

At least annually, the Committee will evaluate its performance and report such evaluation to the Board.

***Audit Committee Charter Review***

The Committee will review and reassess this Charter annually and if appropriate, recommend changes to the Board.

**Approved by the Board,  
Zug, August 5, 2009**