

Bel Fuse Inc.

**AUDIT COMMITTEE CHARTER
(Updated November 7, 2018)**

The Audit Committee is appointed by the Board of Directors of Bel Fuse Inc. (“Bel” or the “Company”) to assist the Board in fulfilling its oversight responsibilities. The Audit Committee’s primary duties and responsibilities are to:

- Oversee the integrity of the Company’s financial statements and the Company’s accounting and financial reporting processes and financial statement audits.
- Assume direct responsibility for the appointment, compensation, retention and oversight of the work of the Company’s independent auditors engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, including resolution of any disagreements that may arise between the Company’s management and the Company’s independent auditors regarding the Company’s financial reporting.
- Cause the independent auditors to report directly to the Audit Committee.
- Oversee the registered public accounting firm’s (independent auditor’s) qualifications, independence and performance.
- Oversee the integrity and effectiveness of the Company’s systems of internal controls regarding finance, accounting, and legal and regulatory compliance and oversee the audits of the Company’s financial statements.
- Oversee the Company’s systems of disclosure controls and procedures.
- Provide an avenue of communication among the independent auditors, management and the Board of Directors, and the internal audit function.
- Encourage adherence to, and continued improvement of, the Company’s accounting policies, procedures, and practices at all levels; review potential significant financial risk to the Company; and monitor compliance with legal and regulatory requirements.
- Oversee and review all related party transactions of the type required to be disclosed pursuant to Item 404(a) of Regulation S-K (a "Related Party Transaction").
- Oversee the performance of the Company’s internal audit function.
- Oversee the Company’s compliance with ethical standards adopted by the Company.



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The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent auditors as well as anyone in the organization. The Audit Committee has the authority to retain, at the Company's expense, independent legal, accounting, or other consultants or experts as it determines to be necessary to carry out its duties. The Audit Committee shall assure that the Company provides for appropriate funding, as determined by the Audit Committee, in its capacity as a committee of the Company's board of directors, for payment of: (i) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the listed issuer; (ii) compensation to any advisers employed by the audit committee; and (iii) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties

Pursuant to this Charter:

1. THE COMMITTEE

All Audit Committee members shall be members of the Company's Board of Directors who meet the applicable independence requirements of The Nasdaq Stock Market ("NASDAQ"), the Securities and Exchange Commission (the "SEC") and the Sarbanes-Oxley Act of 2002 (the "Act"). The Audit Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be independent (as defined by applicable rules of NASDAQ and the SEC) directors, free from any relationship that would interfere with the exercise of his or her independent judgment, and no Audit Committee member may, other than in the capacity of an Audit Committee or board member, accept any consulting, advisory, or other compensatory fee from the Company or its subsidiaries or be an affiliated person of the Company or its subsidiaries. None of the members of the Audit Committee shall 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. All members of the Audit Committee shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement. It is the intention of the Board to assure that at least one member of the Audit Committee shall satisfy the requirements of a "financial expert" (as defined under the Act and pursuant to regulations of the SEC) and shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. The Company will endeavor to provide members of the Audit Committee with annual continuing education opportunities in financial reporting and other areas relevant to serving on the Audit Committee.

Audit Committee members shall be appointed by the Board. If an Audit Committee Chair is not designated or present, the members of the Audit Committee may designate a Chair by majority vote of the Audit Committee membership.

The Audit Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Audit Committee Chair shall prepare and/or approve an agenda in advance of each meeting. Each regularly scheduled meeting will conclude with an executive session of the committee absent members of management. Such sessions shall include the Director of Internal Audit and the



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Independent Auditors separately. Executive sessions may also be held with members of management. In addition, the Audit Committee shall meet quarterly with the independent auditors and management to discuss the annual audited financial statements or quarterly financial statements as applicable, including the Company's disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations.

The Audit Committee shall report the results of its deliberations to the Board.

2. SCOPE

The Committee serves at the pleasure of the Board of Directors.

3. FUNCTIONS OF THE COMMITTEE

The Committee will satisfy its responsibilities by completing the following functions:

Review Procedures

Reporting, Accounting and Information Review

- a) Review and reassess the adequacy of this Charter at least annually. Submit this Charter and any recommended amendments to the Board of Directors for approval and have the Charter published in accordance with SEC regulations.
- b) Approve the provision of non-audit services that have not been pre-approved by the Audit Committee, but only to the extent that such non-audit services qualify under the de minimus exception set forth in Section 10A(i)(1)(B) of the Securities Exchange Act of 1934. Record in its minutes and report to the Board all approvals of audit services and non-audit services granted by the Audit Committee.
- c) Review the Company's annual audited financial statements prior to filing or distribution. Such review shall include discussion with management and independent auditors of significant issues regarding accounting principles, practices and judgments, including without limitation critical accounting policies and practices.
- d) Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls and auditing matters and for the confidential anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters.
- e) Review with management the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
- f) Approve any proposed Related Party Transaction and monitor all existing Related Party Transactions.



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- g) Within the time periods required by the Act and the regulations promulgated thereunder, establish, review and update periodically a Code of Ethics (the “Code”) that complies with all applicable laws and regulations and that applies to the Company’s principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions.
- h) Review the Company’s major financial and accounting risk exposures and the steps that management has undertaken to control them.
- i) Review, with the Company’s counsel, any legal matter that could have a significant impact on the Company’s consolidated financial statements.
- j) Investigate or consider such other matters within the scope of its responsibilities and duties as the Audit Committee may, in its discretion, determine to be advisable.
- k) Discuss separately with management and the independent auditor any audit problems or difficulties and management’s responses to those issues.
- l) Periodically review the adequacy and effectiveness of the Company’s disclosure controls and procedures and the Company’s internal controls over financial reporting, including any significant deficiencies and significant changes in internal controls.

Independent Auditor

- a) Require the independent auditors to advise the Audit Committee in advance in the event that the independent auditors intend to provide any professional services to the Company other than services provided in connection with an audit or a review of the Company’s financial statements (“non-audit services”).
- b) Review and pre-approve all audit and non-audit services provided by the Company’s auditors and obtain confirmations from time to time from the Company’s outside auditing firm that such firm is not providing to the Company (i) any of the non-auditing services listed in Section 10A(g) of the Securities Exchange Act of 1934, or (ii) any other non-audit service or any auditing service that has not been approved in advance by the Audit Committee.
- c) Establish policies and procedures for the Committee’s pre-approval of permitted services by the Company’s independent auditors or other registered public accounting firms on an on-going basis
- d) In consultation with the management and the independent auditors, consider the integrity of the Company’s financial reporting processes and internal control structure and procedures and internal controls over financial reporting. Discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures. Review significant findings prepared by the independent auditors together with management’s responses.



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- e) Review Bel's quarterly financial results prior to the release of earnings and/or the Company's quarterly financial statements prior to filing or distribution. Discuss any significant changes to the Company's accounting principles and any items to be communicated by the independent auditors in accordance with applicable accounting guidelines.

- f) Review the independence and performance of the independent auditors and annually appoint the independent auditors or approve any discharge of auditors when circumstances warrant, it being understood that the independent auditors are ultimately accountable to the Audit Committee. The Audit Committee shall require the independent auditors to submit, on an annual basis, a formal written statement delineating all relationships between the independent auditors and the Company that may affect the objectivity and independence of the independent auditors. Such statement shall confirm that the independent auditors are not aware of any conflict of interest prohibited by Section 10A(l) of the Securities Exchange Act of 1934, and the statement should also be consistent with the Independent Standard Board's Standard Number 1. The Audit Committee shall 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. The Audit Committee shall take appropriate actions to oversee the independence of the independent auditors.

- g) On an annual basis, review and discuss with the independent auditors all significant relationships they have with the Company that could impair the auditors' independence.

- h) Prior to releasing the year-end earnings, discuss the results of the audit with the independent auditors.

- i) Consider the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting and ensure the auditing firm reports to the Audit Committee under the requirements set forth in Section 204 of the Act.

- j) Obtain confirmation from the independent auditors at the commencement of each audit that such firm is a "registered public accounting firm" as such term is defined under the Act.

- k) Require the independent auditors to report to the Audit Committee all critical accounting policies and practices to be used, all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Company's management, ramifications of the use of such alternative disclosures and treatments, the treatments preferred by the independent auditors and other material written communications between the independent auditors and the Company's management, including management's letters and schedules of unadjusted differences.



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- l) Set clear policies, compliant with governing laws and regulations, for the hiring of employees or former employees of the independent auditor.

- m) Discuss with the independent auditor the matters required to be discussed under the standards of the PCAOB, including but not limited to Auditing Standard No 1301, Communications with Audit Committees and Auditing Standard No 2410, Related Parties [ITEM 407 (d)(3)(i)(B) of Regulation S-K]

- n) At least annually, obtain and review a report by the independent auditors describing:
 - the independent auditor's internal quality-control procedures
 - any material issues raised by the most recent internal quality-control review or peer-review

This report should be used to evaluate the independent auditor's qualifications, performance and independence. Further, the committee will review the experience and qualifications of the lead partner each year and determine that all partner rotation requirements, as promulgated by applicable rules and regulations, are executed. The committee will also consider whether there should be rotation of the independent audit itself. The audit committee should present its conclusions to the full board.

Internal Audit

- a) Review the budget, plan, changes in plan, activities, organizational structure and qualifications of the internal audit department, as needed.

- b) Review the regular reports to management (or summaries thereof) prepared by the internal audit function, as well as management's responses.

- c) Review and advise on the selection and removal of the Director of Internal Audit

- d) Conduct an annual evaluation of the Director of Internal Audit's performance and communicate results to management.

- e) Solicit the perspective of the Director of Internal Audit regarding the Company's compliance with an established framework of effective internal controls

- f) Consider the risk of management's ability to override the Company's internal controls.

- g) Periodically review, with the Director or Internal Audit any significant difficulties, disagreements with management, or scope restrictions encountered in the course of the function's work.



Other Audit Committee Responsibilities

- a) Annually, prepare a report to shareholders as required by the Securities and Exchange Commission, such report to be included in the Company's annual proxy statement.
- b) Receive and review disclosures from the Company's CEO or CFO made in connection with the certification of the Company's quarterly and annual reports filed with the SEC of (a) significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and (b) fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.
- c) Annually, perform a self-assessment relative to the Audit Committee's purpose, duties and responsibilities outlined herein.
- d) Perform any other activities consistent with this Charter, the Company's by-laws, the Company's certificate of incorporation and governing law, as the Committee or the Board deems necessary or appropriate.
- e) Maintain minutes of meetings and report its actions and any recommendations to the Board of Directors after each committee meeting.
- f) Recommend to the board of directors that the audited financial statements be included in the Company's annual report on Form 10-K [Item 407(d)(3)(i)(D) of Regulation S-K]

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditor.

Dated: November 7, 2018