

CPI AEROSTRUCTURES, INC.

AMENDED AND RESTATED AUDIT AND FINANCE COMMITTEE CHARTER

Purpose

The Audit and Finance Committee (“Committee”) is appointed by the Board of Directors (“Board”) of CPI Aerostructures, Inc. (“Company”) to assist the Board in monitoring (1) the integrity of the annual, quarterly and other financial statements of the Company, (2) the independent registered public accounting firm’s qualifications and independence, (3) the performance of the Company’s independent registered public accounting firm, (4) the compliance by the Company with legal and regulatory requirements and (5) the Company’s financial resources and financial risks.

Committee Membership

The Committee shall consist of no fewer than three members, absent a temporary vacancy. The Committee shall at all times be composed exclusively of members who meet the “Independent Directors and Audit Committee” requirements of the NYSE American and the independence and experience requirements of Section 10A(m)(3) of the Securities Exchange Act of 1934 (“Exchange Act”) and the rules and regulations of the Securities and Exchange Commission (“Commission”).

All members of the Committee will be “financially literate” and at least one member of the Committee will be “financially sophisticated” as those terms are defined under the NYSE American listing standards. Unless otherwise determined by the Board of Directors (in which case disclosure of such determination shall be made in the Company’s annual report or proxy statement filed with the Commission), at least one member of the Committee shall be an “audit committee financial expert” as defined by applicable Commission rules.

No member of the Committee shall serve on more than two audit committees of publicly traded companies other than the Company at the same time as such member serves on the Committee unless the Board determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee.

The members of the Committee shall be appointed by the Board. Committee members may be replaced by the Board at any time. There shall be a Chairperson of the Committee who shall also be appointed by the Board. The Chairperson of the Committee shall be an “audit committee financial expert” as defined in Item 407(c)(5) of Regulation S-K promulgated by the Commission. The Chairperson of the Committee shall be a member of the Committee and, if present, shall preside at each meeting of the Committee. The Chairperson shall advise and counsel the executives of the Company and shall perform such other duties as may from time to time be assigned to him by the Committee or the Board of Directors.

Meetings

The Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall meet periodically with management and the independent registered public accounting firm in separate executive sessions. The Committee may request any officer or employee of the Company or the Company’s outside counsel or independent registered public accounting firm to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

Committee Authority and Responsibilities

The Committee shall have the sole authority to appoint or replace the independent registered public accounting firm. The Committee shall be directly responsible for determining the compensation and oversight of the work of the independent registered public accounting firm (including resolution of disagreements between management and the independent registered public accounting firm regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent registered public accounting firm shall report directly to the Committee.

The Committee shall pre-approve all auditing services and permitted non-audit services to be performed for the Company by its independent registered public accounting firm, including the fees and terms thereof (subject to the de minimus exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Committee prior to the completion of the audit). The Committee may form and delegate authority to subcommittees of the Committee consisting of one or more members when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant pre-approvals shall be presented to the full Committee at its next scheduled meeting.

The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting, or other advisors. The Company shall provide for appropriate funding, as determined by the Committee, for payment of (i) compensation to the independent registered public accounting firm for the purpose of rendering or issuing an audit report, (ii) compensation to any advisors employed by the Committee and (iii) the ordinary administrative expenses of the Committee.

The Committee shall make regular reports to the Board. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval. The Committee annually shall review the Committee's own performance.

The Committee shall:

Financial Statement and Disclosure Matters

1. Meet with the independent registered public accounting firm prior to the audit to review the scope, planning and staffing of the audit.
2. Review and discuss with management and the independent registered public accounting firm the annual audited financial statements, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.
3. Review and discuss with management and the independent registered public accounting firm the Company's quarterly financial statements prior to the filing of its Form 10-Q, including the results of the independent registered public accounting firm's review of the quarterly financial statements.
4. Discuss with management and the independent registered public accounting firm, as appropriate, significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including:

- (a) any significant changes in the Company's selection or application of accounting principles;
 - (b) the Company's critical accounting policies and practices;
 - (c) all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent registered public accounting firm;
 - (d) any material written communications between the independent registered public accounting firm and management, such as any management letter or schedule of unadjusted differences; and
 - (e) any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.
5. Discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, and financial information and earnings guidance provided to analysts and rating agencies. Such discussion may be general and include the types of information to be disclosed and the types to be presentations to be made.
 6. Discuss with management and the independent registered public accounting firm the effect on the Company's financial statements of (i) regulatory and accounting initiatives and (ii) off-balance sheet structures.
 7. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
 8. Work with an outside consultant to assess the Company's enterprise risk management function to ensure best practices in accordance with Committee of Sponsoring Organizations ("COSO") guidelines.
 9. Discuss with the independent registered public accounting firm the matters required to be discussed by Public Company Accounting Oversight Board ("PCAOB") standards relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
 10. Review disclosures made to the Committee by the Company's CEO and CFO during their certification process for the Company's Form 10-K and Form 10-Q about any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting and any fraud involving management or other employees who have a significant role in the Company's internal control over financial reporting.
 11. Monitor and review new accounting pronouncements that are likely to impact the Company.

12. Discuss pending technical and regulatory matters that could affect the Company's financial statements.

Oversight of the Company's Relationship with the Independent Registered Public Accounting Firm

13. At least annually, obtain and review a report from the independent registered public accounting firm, consistent with the PCAOB rules, regarding (a) the independent registered public accounting firm's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the 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 the firm, (c) any steps taken to deal with any such issues and (d) all relationships between the independent registered public accounting firm and the Company. Evaluate the qualifications, performance and independence of the independent registered public accounting firm, including whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of management and the independent registered public accounting firm. The Committee shall present its conclusions with respect to the independent registered public accounting firm to the Board.
14. Verify the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law. Consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis.
15. Conduct an annual assessment of the outside auditor engagement team for technical competence, industry knowledge and experience, communication, performance and independence.
16. Oversee the Company's hiring of employees or former employees of the independent registered public accounting firm who participated in any capacity in the audit of the Company.
17. Be available to the independent registered public accounting firms during the year for consultation purposes.

Compliance Oversight Responsibilities

18. Obtain from the independent registered public accounting firm assurance that Section 10A(b) of the Exchange Act has not been implicated.
19. Review and approve all related-party transactions. The Committee will consider all relevant factors when determining whether to approve a related-party transaction, including whether such transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the related party's interest in the transaction. No director may participate in the approval of any transaction in which they are a related party, but such director is required to provide the Committee with all material information concerning the transaction.
20. Inquire and discuss with management the Company's compliance with applicable laws and regulations and with the Company's Code of Ethics and Business Conduct in effect at such time, if any, and, where applicable, recommend policies and procedures for future compliance.

21. Establish procedures (which may be incorporated in the Company's Code of Ethics and Business Conduct, in effect at such time, if any) for the confidential and anonymous receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or reports which raise material issues regarding the Company's financial statements or accounting policies.
22. Discuss with management and the independent registered public accounting firm any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.
23. Discuss with the Company's General Counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies.
20. Review proxy disclosure relating to the Committee with the Company's General Counsel to ensure that it is in compliance with Commission rules and regulations.
24. Review the scope, planning and staffing of the audit for the Company's 401(k) Plan.
25. Review and discuss the audited financial statements for the Company's 401(k) Plan with management and the external auditors, and request, at least annually, assurances from management that the Company complies with appropriate legal and audit requirements for any Company sponsored retirement plans, including the Company's 401(k) plan. The Committee shall be empowered to investigate any issues that arise with respect to the administration or maintenance of such plans.
26. In accordance with COSO guidelines, compare similarly situated organizations, interview key employees, and identify existing laws and regulations posing current and emerging compliance risks. The Committee shall ensure that the compliance risk identification process is in documented policies and procedures. The Committee shall report to the Board on any identified compliance risks that may have material financial implications on the Company.

Oversight of the Company's Financial Affairs

27. Review and make recommendations to the Board with respect to the Company's capital structure and its related policies and long-term financial objectives, including (i) current and multi-year financial plans and objectives, allocation of capital, and capital budget, (ii) changes in the Company's capital structure, including stock splits or other modifications of the Company's securities, (iii) uses of cash, including capital expenditures, equity and debt repurchases, and dividend payments, and (iv) cash requirements and sources of cash, including debt or equity issuances, revolving credit facilities, or other debt instruments or facilities, and the Company's borrowing alternatives and levels.
28. Meet with management periodically to review and evaluate the Company's progress in implementing its financial plans and support management in the evaluation and/or refinement of such plans.
29. Discuss with management the Company's significant financial risk exposures and management's policies or plans to assess and manage such risks.

30. Work with an outside consultant to conduct an annual assessment of management's contract review process to ensure compliance with accounting standards, including but not limited to, GAAP.
31. In conjunction with the Strategic Planning Committee, the Committee shall evaluate and provide guidance to the Board and management regarding (i) the financial structure and financial impact of management's plans for significant mergers, combinations, acquisitions, offers to purchase the Company's shares or significant assets, divestitures, joint ventures, and strategic investments and (ii) the post-acquisition financial integration and return on investment for acquisitions consummated by the Company and report to the Board the financial impact of such acquisitions.
32. Review and make recommendations to the Board concerning the adequacy of the Company's insurance coverage.
33. Make recommendations to the Board with respect to investor relations.

Other

34. The Committee shall review and approve all related-party transactions.
35. The Committee shall prepare the report required by the rules of the Commission to be included in the Company's annual proxy statement.
36. Undertake such other responsibilities or tasks as deemed appropriate by the Chairperson or as the Board may delegate or assign to the Committee from time to time.

Limitation of Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent registered public accounting firm.