

HUNTINGTON INGALLS INDUSTRIES, INC. AUDIT COMMITTEE CHARTER

Purpose

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Huntington Ingalls Industries, Inc. (the “Company”) is organized and established by and among the Board for the purpose of assisting Board oversight of: (1) the integrity of the Company’s financial statements and the Company’s accounting and financial reporting processes and financial statement audits; (2) the Company’s compliance with legal and regulatory requirements; (3) the qualifications and independence of the Company’s independent auditor (“independent auditor”); (4) the performance of the Company’s internal audit function (“internal auditors”) and the independent auditor; and (5) the Company’s system of disclosure controls and procedures and internal controls over financial reporting. The Committee shall also prepare the report that the rules issued by the Securities and Exchange Commission (“SEC”) require to be included in the Company’s annual proxy statement.

Limitation of Audit Committee’s Role

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

Organization

The Committee shall consist of at least three directors, each of whom shall be independent. For purposes hereof, an “independent” director is a director who meets the NYSE definition of “independence” and is independent in accordance with the criteria set forth in Section 10A(m)(3) of the Securities Exchange Act of 1934 as in effect from time to time (including the requirement that director’s fees are the only compensation a Committee member may receive from the Company), in each case as determined by the Board. All members also shall be financially literate, as determined by the Board. In addition, at least one member of the Committee shall be a “financial expert” as determined by the Board in accordance with SEC rules.

Members of the Committee are appointed by the Board based on the recommendations of the Governance Committee. The Board may remove any Committee member at any time. Any vacancies on the Committee will be filled by the Board based on the recommendations of the Governance Committee.

No Committee member may serve on the audit committees of more than three publicly traded companies (including the Company) without the approval of the Board, which must determine annually that such simultaneous service would not impair the ability of the member to effectively serve on the Committee. Each prospective Committee member shall evaluate carefully the existing demands on his or her time before accepting appointment or re-appointment to the Committee.

Meetings

The Committee shall meet at least four times annually, or more frequently as required. The Committee shall conduct its meetings with the appropriate representatives of the Company's internal audit department and the independent auditor and such other members of management as determined by the Chairman of the Committee. The agenda for each regularly scheduled meeting shall provide for the opportunity, at the Committee's discretion, for separate sessions with Company management, the appropriate representatives of the Company's internal audit department, and the independent auditor, and for an executive session of only the Committee members (and advisors).

A majority of the members of the Committee shall constitute a quorum for any meeting. Any action of a majority of the members of the Committee present at any meeting at which a quorum is present shall be an action of the Committee.

The Committee shall maintain written minutes of its meetings. These minutes shall be filed with the minutes of the meetings of the Board. All actions by the Committee shall be reported to the Board at the Board meeting next succeeding such Committee actions.

Duties and Responsibilities

In carrying out its duties and responsibilities, the Committee shall have the authority to meet with and seek any information it requires from employees, officers, directors or external parties. The Committee shall:

Oversight of the Company's Relationship with the Independent Auditor

1. Appoint, discharge, compensate, retain, oversee and evaluate the work of the independent auditor, which shall report directly to the Committee.
2. Review and pre-approve each service and related fees considered to be auditing services and non-prohibited non-audit services to be provided by the independent auditor pursuant to preapproval policies and procedures established by the Committee. The Committee may delegate to one or more of its members the authority to grant preapprovals required and as contemplated by Section 10A(i) of the Securities Exchange Act of 1934, with any such preapproval reported to the Committee at its next regularly scheduled meeting.
3. Meet with the independent auditor, who shall report directly to the Committee, to review, among other things, all critical accounting policies prepared by the Company, all material alternative accounting treatments discussed with management, the ramifications of such treatments and the independent auditor's preferred treatment, and all material written communications with management, including any reports or management letters on significant deficiencies and material weaknesses in internal control over financial reporting, any schedule of unadjusted differences, as well as the results of the audit or review and any opinion or report, which the independent auditor proposes to render in connection with the Company's financial statements. The review should cover those matters that the independent auditor is required to discuss with the Committee pursuant to existing professional standards.

4. Review with the independent auditor the performance and conduct of the audit, any difficulties or disagreements with management encountered during the audit and management's response, and any restrictions imposed on the scope of the audit or access to requested information. Review with the independent auditor and internal auditors the scope and plan of their respective audits and degree of coordination of their plans. Discuss with the independent auditor the responsibilities, budget and staffing of the internal audit function. Resolve disagreements between management and the independent auditor regarding financial reporting.
5. Obtain and review, at least annually, a report by the independent auditor describing: (i) the independent auditor's internal quality-control procedures; and (ii) any material issues raised by the most recent internal quality-control review and any peer review or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues.
6. At least annually, evaluate the independent auditor's qualifications and performance including the review and evaluation of the lead partner of the independent auditor, taking into account the opinions of management and the internal auditors. The Committee shall also determine that all partner rotation requirements (based on applicable rules and regulations) are executed.
7. At least annually, consider the independence of the independent auditor, and, consistent with the rules of the Public Company Accounting Oversight Board, obtain and review a report by the independent auditor describing any relationships between the independent auditor and the Company or individuals in financial reporting oversight roles at the Company, that may reasonably be thought to bear on the independent auditor's independence and discuss with the independent auditor the potential effects of any such relationship on independence.
8. Set and periodically review Company hiring policies for employees or former employees of the independent auditor.

Oversight of the Company's Internal Audit Function

9. Select and remove the Vice President of Internal Audit (or such other internal audit officer as may be appropriate from time to time).
10. Review with management and the appropriate representatives of the Company's internal audit department the charter, plans, activities, staffing, and organizational structure of the internal audit function.
11. Meet with the appropriate representatives of the Company's internal audit department at least four times annually to review any significant issues raised by the internal audit function and as appropriate, management's actions for remediation as well as any other matters as the Committee may deem appropriate.

Financial Statement and Disclosure Matters

12. Prior to filing with the SEC, meet, review and discuss with management, the internal auditors and the independent auditor:
 - (i) The Company's Annual Report on Form 10-K, including the Management's Discussion and Analysis of Financial Condition and Results of Operations and the audited consolidated financial statements, and recommend to the Board whether the audited financial statements should be included in the Company's Annual Report on Form 10-K;
 - (ii) Management's assessment of and report on the effectiveness of internal control over financial reporting and the independent auditor's related report;
 - (iii) The Company's quarterly financial statements to be filed on Form 10-Q, including the disclosures included in Management's Discussion and Analysis of Financial Condition and Results of Operations; and
 - (iv) The Company's quarterly earnings press releases (including the type and presentation of information, paying particular attention to any pro forma or adjusted non-GAAP information), as well as the financial information and earnings guidance provided to analysts and rating agencies. Such discussions may be in general terms (i.e., discussion of the types of information to be disclosed and the type of presentation to be made).
13. Review the disclosures by the Company's principal executive officer and principal financial officer regarding the certifications required in each Annual or Quarterly Report filed with the SEC in accordance with the rules regarding such certifications as adopted by the SEC as well as any findings of the Disclosure Committee.
14. Review the analysis prepared by management (and reviewed by the independent auditor as noted in item 3 above) setting forth the Company's critical accounting policies, significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including an analysis of the effects of alternative accounting treatments of financial information within generally accepted accounting principles on the financial statements. Review major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit procedures adopted in light of material control deficiencies. Review the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
15. Discuss with the Chief Executive Officer and the Chief Financial Officer of the Company: (i) any significant deficiencies and material weaknesses in the design or operation of internal controls that could adversely affect the Company's ability to record, process, summarize, and report financial data; and (ii) any 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.

Other Duties and Authorities

16. Retain such outside counsel, accountants, experts and other advisors as it determines appropriate to assist it in the performance of its functions and determine the appropriate funding for payment of:
 - (i) Compensation to the independent auditor employed for the purpose of issuing an audit report or performing other audit, review or attest services for the Company;
 - (ii) Compensation to any advisors retained by the Committee; and
 - (iii) Ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
17. Initiate special investigations, and have the authority to engage independent counsel, accountants and other advisors as it determines necessary to carry out its responsibilities under this Charter.
18. Establish and periodically review procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
19. Review with the Office of the General Counsel the status of pending claims, litigation and other legal matters on a periodic basis, but no less frequently than once a year on a comprehensive basis.
20. Monitor management's implementation of the policies, practices and programs of the Company in the following areas: Consent Decrees, Annual Executive Briefings, International Traffic in Arms Regulations, the Foreign Corrupt Practices Act, environmental health and safety policies and procedures, and engaging services of consultants and commission agents.
21. Monitor and review the Company's compliance with the Conflict Minerals disclosure required by the Dodd-Frank Act.
22. Discuss guidelines and policies with respect to risk assessment and risk management including insurance risk management, addressing the Company's major financial risk exposures and the steps that management has taken to monitor and control such exposures.
23. Oversee the Company's compliance program, including the Company's Code of Ethics and Business Conduct, and, at least annually, meet to review the implementation and effectiveness of the Company's compliance program with the General Counsel, who shall have the authority to communicate directly to the Committee, promptly, about actual and alleged violations of the Code of Ethics and Business Conduct, including any matters involving criminal or potential criminal conduct.
24. Meet periodically with management, the appropriate representatives of the Company's internal audit department, and the independent auditor in separate executive sessions.
25. Review this Charter at least annually, and propose any changes to the Board for approval.

26. Conduct an annual performance evaluation of the Committee.
27. Perform such other duties as may be lawfully delegated by the Board.

Delegation to Subcommittee

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee.

Effective February 25, 2014