APPLIED INDUSTRIAL TECHNOLOGIES, INC.
AUDIT COMMITTEE CHARTER

Primary responsibility for the Corporation's financial reporting and internal control structure vests in senior operating management as overseen by the Board of Directors (the "Board"). The Audit Committee (the "Committee") is a standing committee of the Board composed solely of three or more independent outside directors. "Independence" of Committee members will be determined by the Board according to its guidelines set from time to time and according to applicable laws and rules of the Securities and Exchange Commission (the "SEC") and the New York Stock Exchange, with the goal of assuring that Committee members have no relationship to the Corporation that may interfere with the exercise of their independence from management, the Corporation, and the independent auditors.

The primary purpose of the Committee is to assist the Board in overseeing the Corporation's financial reporting and internal control structure. The Committee also provides assistance to the Board in overseeing the Corporation's (i) compliance with laws and regulations, (ii) accounting policies, (iii) internal and external auditing functions, and (iv) disclosure controls and procedures. The Committee is also responsible for maintaining a direct line of communication with the Corporation's independent auditors, chief financial officer, and the internal audit department.

The Committee shall meet at least quarterly, and may establish a schedule of additional regular meetings, as it considers appropriate. The Committee may also call special meetings as required. In carrying out the general responsibilities set forth above and the specifically enumerated responsibilities described below, the Committee may consult or retain at the Corporation's expense its own outside legal, accounting or other advisors and shall have unrestricted access to the Corporation's personnel and documents and will be given all resources the Committee determines are necessary to discharge its responsibilities, including, as appropriate, additional training in basic finance and accounting principles to assure the financial literacy of its members.

The Committee's specific responsibilities include the following:

A. Independent Auditors

1. The independent auditors shall be accountable to the Committee and the Board. The Committee shall be solely responsible for the selection, retention, dismissal, and oversight of the independent auditors, and the approval of all audit engagement fees and terms.

2. The continued independence of the independent auditors in accordance with professional auditing standards and SEC requirements shall be reviewed periodically with management, as well as with the independent auditors. The Committee shall require annually a written statement and letter from the

independent auditors disclosing relationships between the Corporation and the independent auditors, consistent with Independence Standards Board Standard No. 1, and shall discuss with the independent auditors their independence in fact, as well as the consulting and other non-audit services provided by the independent auditors, to determine any potential impact on independence. The Committee shall set clear policies and standards relating to the Corporation's hiring of employees or former employees of the independent auditor (or previous independent auditors) to ensure continued independence throughout the period of engagement. Additionally, the Committee will obtain and review a report of the independent auditor describing its internal quality-control procedures, material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor or by an inquiry or investigation by a governmental or professional authority involving one or more audits carried out by the independent auditor in the preceding five years and any steps taken to deal with any such issues. After reviewing the independent auditor's report, the Committee shall evaluate the auditor's qualifications, performance and independence. The Committee may consider the opinions of the Corporation's management and the internal audit staff in making the evaluation.

3. The Committee shall review and approve in advance all non-audit services the independent auditor may perform for the Corporation (subject to the de minimis exception contained in Section 10A(i) of the Securities Exchange Act of 1934) and disclose such approved non-auditor services as required by applicable law in periodic reports to shareholders.

4. The Committee shall meet with the independent auditors before the audit examination to discuss the audit plan, including the scope, staffing and timing of the audit, extent of coordination with management and with internal audit, and review significant audit areas. These discussions shall include the Corporation's electronic data gathering, retrieval and processing procedures, controls and the specific security programs to protect against computer fraud or misuse from both within and outside the Corporation. The Committee shall request that the independent auditor report to the Committee regarding principal accounting policies and practices to be used and 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 that the independent auditor inform the Committee of other material written communications between the independent auditor and management.

5. Subsequent to each audit, the Committee shall meet with the independent auditors to review and discuss accounting and audit matters, including, but not limited to:

   * Significant auditing or accounting areas of concern,

   * New or unusual transactions, balances or financial statement disclosures of significance,

* The auditors' judgments about the quality of the Corporation's accounting principles as applied,

* The representation letter provided to the independent auditors by the Corporation,

* The level of support provided by the Corporation's management, accounting and internal audit personnel, and

* Any other matters required to be discussed by SAS 61 and other concerns the independent auditors have with respect to positions taken by the Corporation in its financial statements.

6. The Committee shall review any matters that the independent auditors are required under professional auditing standards to communicate to the Committee, such as:

   * Significant audit adjustments,

   * Disagreements with management,

   * Reportable conditions in the internal control structure, and

   * Any irregularities or illegal acts detected during the audit.

   The Committee will also review the responses of management with regard to these matters.

7. The Committee shall assure the regular rotation of the lead and concurring audit partner as required by law, and consider whether there should be a regular rotation of the independent auditor.

B. Oversight of Financial Reporting

1. Prior to release to the public, the Committee shall meet to review and discuss with management and the independent auditors the annual audited financial statements of the Corporation, including reviewing the Corporation's specific disclosures under the Management's Discussion and Analysis of Financial Condition and Results of Operation to be included in the Form 10-K. The purpose of the review shall be to determine whether to recommend to the Board that the audited financial statements be included in the Corporation's annual report on Form 10-K. The Committee shall inquire about the following:

   * Significant variations in financial information between reporting periods.

* Consistency of the Management's Discussion and Analysis section of the annual report with information reflected in the financial statements.

* Changes or proposed changes in accounting standards or rules issued by the Financial Accounting Standards Board or the SEC that have an impact on the financial statements.

* Significant reporting or operational issues affecting the financial statements.

* Accounting accruals, reserves and estimates made (or failed to be made) by management having a material impact on the financial statements.

* The Corporation's critical accounting policies, as well as alternative policies that may be applied, including the effects and reasons for and against adopting particular policies.

The Committee shall also discuss any other items required by generally accepted auditing standards regarding required communications with audit committees.

2. Prior to release to the public of quarterly financial statements, the Committee shall meet to review and discuss the quarterly financial statements with management and the independent auditor, including reviewing the Corporation's specific disclosures under the Management's Discussion and Analysis of Financial Condition and Results of Operation to be included in each Form 10-Q, and shall determine that the independent auditor does not take exception to the disclosure and content of the financial statements, determine that the results of any internal audit activity or regulatory reports were appropriately considered in preparing the financial statements, and discuss any other matters required to be communicated to the Committee by the independent auditor.

3. The Committee shall discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and ratings agencies. The Committee's discussion of these matters may be general in nature -- i.e. discussion of the types of information to be disclosed and the type of presentation to be made -- and need not occur before each release or instance in which guidance is provided.

4. The Committee shall discuss with management and the independent auditor known significant risks or exposures of the Corporation, as well as guidelines and policies to govern the steps management has taken to minimize such risks to the Corporation.

5. The Committee shall 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 management, the independent auditor, the chief executive officer and the chief financial officer.

6. The Committee shall review and approve the annual proxy statement disclosure regarding the activities and report of the audit committee for the year.

C. Internal Audit

The Committee will oversee the internal audit function to ensure the Corporation is establishing, maintaining and executing appropriate programs, policies and procedures for the audit of the records, procedures and operations of the Corporation and its affiliates.

1. At least annually, the Committee shall review with management and the director of internal audit:

   * A summary of the results and recommendations of activities performed by the internal audit department.

   * The activities, plans, responsibilities and capabilities of the internal audit function.

2. The Committee shall review management's appointment or dismissal of the director of internal audit.

D. Internal Controls

The Committee shall be responsible for overseeing the internal control structure established by management. The internal control structure should be designed to assure that assets are safeguarded, transactions are authorized, and that transactions are properly recorded. Such oversight would include but not be limited to the following:

* Review of the Report of Management included in the Annual Report to Shareholders.

* Review of significant recommendations by internal and independent auditors regarding the Corporation's internal control structure.

* Inquiry of senior management, the director of internal audit and the independent auditors regarding significant elements in the internal control structure.

E. Charter Review

The Committee shall, on an annual basis, review and reassess the adequacy of the Charter and perform an evaluation of the Committee's performance.

F. Other

The Committee may use the Corporation's internal or independent auditors to assist in accomplishing the following responsibilities:

1. The Committee shall inquire annually of management's plan for determining compliance with the Corporation's policies on business ethics and practices.

2. The Committee shall inquire of senior management of known or potential instances of non-compliance with applicable laws, regulatory policies, including SEC reporting requirements, the Corporation's code of business ethics, and guidelines as they relate to the functions and responsibilities of the Committee.

3. The Committee shall be informed by the Corporation's general counsel of material litigation in which the Corporation is involved or in which management believes involvement of the Corporation is reasonably likely.

4. The Committee shall periodically inquire about the Corporation's policies and procedures regarding the review of officers' expense reports and perquisites for compliance with proper reporting, accounting and tax treatment.

Lines of Communication

The director of internal audit and the independent auditors shall have the ability to communicate directly with the Chairman of the Committee, if necessary or desired. The Committee shall provide sufficient opportunity at its meetings for the independent auditors and the director of internal audit to meet with the members of the Audit Committee without members of management present.

The general counsel shall report directly to the Committee about legal compliance. The Committee may directly contact any employee in the Corporation and any employee may inform the Committee of matters involving questionable, illegal or improper practices or transactions.

The Committee shall establish and maintain free and open means of communication between employees and the Committee for the processing of complaints received by the Corporation regarding questionable accounting or auditing matters, including suspicions of fraudulent activity.

The Committee shall report at least annually to the Board on the fulfillment of its duties under the mandate delegated to it by the Board.