



The ADT Corporation
Audit Committee Charter
December 2014

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Purpose

The Audit Committee (the “Committee”) is appointed by the board of directors (the “board”) of The ADT Corporation (the “Company”) to (subject to the section captioned “Responsibilities” below) assist the board in monitoring:

- a. The integrity of the financial statements of the company;
- b. The external auditor's independence and qualifications;
- c. The performance of the Company's internal audit function and external auditors;
- d. The compliance by the Company with legal and regulatory requirements; and
- e. The effectiveness of the Company's internal controls.

The Committee is also responsible for:

- a. Preparing the audit committee report required to be included in the Company's annual proxy statement pursuant to the rules of the U.S. Securities and Exchange Commission ("SEC"), and
- b. Overseeing the Company's policies, practices and compliance regarding its Code of Conduct.

Authority

The Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. Such authority includes but is not limited to:

- a. Retain outside counsel, accountants, outside advisors, consultants, or others to assist in the conduct of an investigation or as it determines appropriate to advise or assist in the performance of its functions. The Company shall provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to any registered public accounting firm engaged for the purpose of issuing an audit report or performing other audit, review or attest services for the Company, any advisors retained by the Committee and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
- b. Seek any information it requires from employees or external parties. Employees and external parties will be directed to cooperate and comply with the Committee's requests.
- c. Meet with the senior internal auditor, Company officers, external auditors, or outside counsel, as necessary.
- d. To delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more of its members as the Committee may deem appropriate in its sole discretion.

Composition and Qualifications

The Committee shall have at least three members, each of whom shall meet the

independence and experience requirements of Rule 10A-3 of the Securities Exchange Act of 1934, the listing rules of the New York Stock Exchange, and the Company's Board Governance Principles as determined by the board. The board, after consideration of the recommendation of the Nominating and Governance Committee, shall appoint the members of the Committee and designate its chair. Committee members may not serve on more than two additional audit committees of other public companies without the approval of the full board. Each member of the Committee must be financially literate, as determined by the board. At least one member of the Committee must qualify as an "audit committee financial expert," as defined by the SEC.

Meetings

The Committee shall meet at least six times a year, and may meet additionally as it deems necessary or appropriate in its judgment, either in person or telephonically, and at such times and places as the Committee shall determine. The Committee shall meet at least quarterly with management, the senior internal auditor, and the external auditor in separate executive sessions.

Responsibilities

The Committee will carry out the following responsibilities:

Financial Statements

- 1) Review and discuss the annual audited financial statements and unaudited quarterly financial statements, including the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A") with management, the senior internal auditor and the external auditor, and recommend to the board whether the audited financial statements and MD&A should be included in the Company's annual report on Form 10-K with respect to the annual audited financial statements or recommend to the Committee whether the unaudited quarterly financial statements and MD&A should be included in the quarterly report on Form 10-Q.
- 2) Discuss with management corporate policies with respect to earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.
- 3) Review the process for the required SEC management certifications to be included as exhibits to the Company's annual report on Form 10-K or quarterly report on Form 10-Q, as applicable.
- 4) Review from time to time (but in no event less often than annually) with the external auditor and management, as appropriate:
 - Significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements;
 - Major issues regarding the Company's accounting and auditing principles and practices and financial statement presentations, including critical accounting policies, and major changes in auditing and accounting principles and practices suggested by the external auditor, senior internal auditor or management;

- Matters required to be discussed by Statement on Auditing Standards No. 114, *The Auditor's Communication with Those Charged with Governance* relating to the conduct of the audit;
- The results of the audit, which should include a review of any audit problems or difficulties encountered by the external auditor in the course of the audit work, including any restrictions on the scope of activities or access to required personnel or information, and any disagreements with management; and
- Principles of accounting proposed or promulgated by regulatory accounting authorities.

External Audit

- 1) Annually retain, subject to ratification of the Company's stockholders, evaluate, and, if appropriate, recommend termination of the Company's external auditor. The Committee shall be directly responsible, in its capacity as a committee of the board, for the appointment, compensation, oversight, and evaluation of performance of the work of the external auditor. In addition, the Committee will review and evaluate the performance of the external auditor's lead audit partner, and as required by law, ensure the regular rotation of the lead audit partner having primary responsibility for the audit and the regular rotation of the audit partner responsible for reviewing the audit. The Committee shall approve in advance all audit engagement fees and the terms of all audit services to be provided by the external auditor. The Committee shall establish policies and procedures for the engagement of the external auditor to provide permissible non-audit services, which shall include pre-approval of such services by the Committee.
- 2) At least annually, obtain and review a report by the external auditor describing any relationships between the external auditor and the Company or any of its subsidiaries and any other relationships that may adversely affect the external auditor's independence, consider the independence of the external auditor, and otherwise take appropriate action to satisfy itself of the independence of the external auditor, including considering whether the provision of non-audit services by the external auditor is compatible with the external auditor's independence.
- 3) Establish policies for the hiring of employees and former employees of the external auditor.
- 4) At least annually, review the external auditor's proposed audit scope and approach, including coordination of audit effort with internal audit, to ensure the completeness of coverage and reduction of redundant efforts.
- 5) At least annually, obtain and review a report by the external auditor describing its own internal quality-control procedures; any material issues raised by its most recent internal quality-control review or peer review; and any inquiry or investigation by governmental or professional authorities respecting any of its audits within the past five years, together with any steps taken to deal with any such issues.
- 6) On a regular basis, meet separately with the external auditors to discuss any matters that the Committee or external auditors believe should be discussed privately.

Internal Audit

- 1) Select, monitor, evaluate, compensate, and if necessary, replace the senior internal auditor.

- 2) Review with management and the senior internal auditor the charter, scope, responsibilities, internal audit plans, budget, staffing, organizational structure, thefts and defalcations and results of the internal audit function.
- 3) The senior internal auditor will regularly attend all Committee meetings. At least quarterly, the Committee will meet separately with the senior internal auditor to discuss any matters that the Committee or the internal auditor believes should be discussed privately.

Compliance

- 1) Advise the board with respect to the Company's Code of Conduct and compliance and ethics program. Annually review and assess the adequacy of the Code of Conduct and implementation and effectiveness of the compliance and ethics program and recommend any proposed changes to the board. Specifically, the Committee shall, no less than annually, discuss with management, the Company's senior internal auditor, the General Counsel and the Chief Compliance Counsel, the Company's implementation and effectiveness of its compliance and ethics program, including compliance with its Code of Conduct. The discussion shall cover any insider and affiliated party transactions as well as the Company's procedures that are in place to monitor compliance generally throughout the Company.
- 2) Advise the board with respect to the Company's policies and procedures regarding compliance with applicable law and regulations.
- 3) Review the effectiveness of procedures for the receipt, retention, resolution and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and for employees to make confidential and anonymous submissions of concern regarding questionable accounting or auditing matters. This should also include a review of management follow-up, including disciplinary action, for any significant actions of noncompliance.
- 4) Receive regular reports from the General Counsel and Chief Compliance Counsel regarding any significant compliance matters that may arise. Both the General Counsel and the Chief Compliance Counsel have direct reporting obligations and express authority to promptly communicate personally to the Committee about significant compliance matters that may affect the Company, including any matter involving criminal conduct or potential criminal conduct.

Internal Controls

- 1) Meet periodically with management to review and discuss the Company's policies and guidelines with respect to risk assessment and risk management and risks, including the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, and cybersecurity risk oversight.
- 2) Periodically review the adequacy and effectiveness of the Company's disclosure controls and procedures and the Company's internal controls, including any significant deficiencies or material weaknesses in the design or operation of, and any material changes in the Company's internal controls.
- 3) Consider the effectiveness of the Company's internal control over annual and interim financial reporting, including information technology security and control.
- 4) Understand the scope of internal and external auditor's review of internal control over

financial reporting, and obtain reports on significant findings and recommendations, together with management responses.

Reporting

- 1) Regularly report to the board about Committee activities, issues and related recommendations.
- 2) Report annually to the Company's stockholders, describing the Committee's composition, responsibilities, and how they were discharged, and any other information required by the SEC and NYSE.

Other Responsibilities

- 1) Assess annually the Committee's and individual members' performance of the duties specified in this Charter and report its findings to the board.
- 2) Annually review and assess the adequacy of this Charter and recommend any proposed changes to the board for approval.