

TEREX CORPORATION
CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS

(Dated as of May 19, 2005)

This Charter is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Certificate of Incorporation and By Laws, it is not intended to establish by its own force any legally binding obligations.

The Audit Committee (the "Committee") is a committee of the Board of Directors (the "Board") of Terex Corporation (the "Company"). The Audit Committee charter is intended to comply with the applicable requirements of the Securities and Exchange Commission (the "SEC") and the New York Stock Exchange (the "NYSE").

Purpose

The primary function of the Committee is to assist the Board in fulfilling its responsibilities for oversight of (i) the quality and integrity of the accounting, auditing and reporting practices of the Company, (ii) the Company's compliance with legal and regulatory requirements, (iii) the independent auditor's qualifications and independence, (iv) the performance of the Company's internal audit function, (v) related party transactions and (vi) the preparation of the audit committee report required by SEC rules to be included in the Company's annual proxy statement.

Membership

The Chairman and members of the Committee shall be appointed by the Board on the recommendation of the Governance and Nominating Committee of the Board and may be replaced by the Board.

The Committee shall be composed of at least three directors, all of who shall have no relationship with the Company that may interfere with the exercise of their independent judgment. All of the members of the Committee shall meet the independence requirements of the SEC and the NYSE. Each member of the Committee shall be financially literate, or must become financially literate within a reasonable period of time after appointment to the Committee, as such qualification is interpreted by the Board in its business judgment. In addition, at least one member of the Committee shall be an "audit committee financial expert," as defined in the rules of the SEC, and as determined by the Board in its business judgment. Members of the Committee are encouraged to not simultaneously serve on the Committee and on audit committees of more than two other public companies. If a member of the Committee also serves on the audit committee of two or more other public companies, then the Committee and the Board shall determine whether such simultaneous service would impair the ability of such member to effectively serve on the Committee. If it is determined that such simultaneous service would impair the member's ability to effectively serve on the Committee, then such member shall immediately resign from the Committee.

Members of the Committee shall be compensated for their services at a rate established from time to time by the Board. Director's fees are the only compensation a member of the Committee may receive from the Company.

Meetings

The Committee shall meet as often as it determines appropriate, but not less frequently than once each quarter, for the purposes described in this Charter and any other related purposes as needed.

The Committee shall meet periodically with management of the Company, the internal auditors of the Company and the Company's independent auditor to discuss the matters for which the Committee is responsible. The

Committee may request any officer or employee of the Company, or the Company's outside counsel, internal auditors or independent auditor, to attend a meeting of the Committee or to meet with members of the Committee. In addition, the Committee shall meet periodically with management of the Company, the internal auditors of the Company and the Company's independent auditor in separate executive sessions to discuss any matters the Committee or these groups believe should be discussed privately with the Committee.

Independent Auditor

The independent auditor for the Company is ultimately accountable to the Committee, and the Committee shall have the sole authority and responsibility to select, appoint, replace and, where appropriate, nominate for shareholder approval in any proxy statement, the independent auditor for the Company.

The independent auditor shall report directly to the Committee. The Committee shall be directly responsible for the compensation and oversight of the independent auditor for the Company.

The Committee shall confirm and monitor the independence of the independent auditor, including a review of management consulting services and related fees provided by the independent auditor to the Company. The Committee is responsible for ensuring that the independent auditor submit on a periodic basis to the Committee (not less frequently than annually) a formal written statement delineating all relationships between the independent auditor and the Company and reviewing a report by the independent auditor describing: (i) the auditor's internal quality-control procedures; and (ii) any material issues raised by the most recent internal quality-control review of the auditor, or by any review, inquiry or investigation by governmental or professional authorities (including the Public Company Accounting Oversight Board), within the preceding five years, regarding one or more independent audits carried out by the auditor, and any steps taken to deal with any such issues. In addition, the Committee is responsible for actively engaging in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor and for taking appropriate action in response to the independent auditor's report to satisfy itself of the independent auditor's independence.

The Committee shall pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by the independent auditor, including without limitation the annual compensation for audit services performed by the independent auditor.

Committee Responsibilities

In meeting its responsibilities, the Committee shall, without limitation, take the following actions:

1. Monitor the Company's financial reporting process (including the system of internal control) and the objectivity of the Company's internal and independent auditors. This includes a review of the scope and results of the independent auditor's annual examination, the internal audit activity of the Company, and other pertinent auditing and internal control matters in conjunction with management and the independent and internal auditors
2. Provide an avenue of communication for the internal auditors and the independent auditor with the Board.
3. Review this Charter and assess its adequacy annually, and propose any recommended revisions to the Board for approval.
4. Review the performance of the Committee annually and present its findings to the Board.
5. Review and approve the Company's internal audit staff functions, including the appointment, reassignment, or discharge of any internal auditors employed by the Company or any outsourced provider of internal auditing services, as the case may be.

6. Consider, in consultation with the independent auditor and the internal auditors, the annual audit scope and plan.
7. Consider and discuss with the independent auditor and the internal auditors the adequacy of the Company's internal controls, including without limitation controls for detecting and reporting accounting and financial errors, fraud and legal violations.
8. Review and discuss the following items with management and the independent auditor at the completion of the annual examination and prior to issuance of the audited financial statements:
 - a. The Company's annual financial statements and related footnotes, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
 - b. The results of the independent auditor's audit of the financial statements and the report thereon.
 - c. Any significant changes required in the independent auditor's audit plan.
 - d. Any material weakness in internal controls and recommendations of the independent auditor and internal auditors, together with management's responses thereto.

Following such review, determine whether to recommend to the Board that the audited financial statements be included in the Company's Annual Report on Form 10-K and Annual Report to Shareholders.

9. Review and discuss with management and the independent auditor at the completion of each quarterly examination and prior to issuance of unaudited interim financial statements:
 - a. The Company's unaudited interim financial statements and related footnotes, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
 - b. The results of the independent auditor's review of the unaudited interim financial statements.
 - c. Any significant issues encountered during the course of the independent auditor's review.

Following such review, determine whether to recommend to the Board that the unaudited interim financial statements be included in the Company's Quarterly Report on Form 10-Q.

10. Review and resolve any serious difficulties or disputes between management and the independent auditor encountered during the course of the audit.
11. Review disclosure made to the Committee by the Chief Executive Officer and Chief Financial Officer of the Company during their certification process for the Company's Annual Report on Form 10-K and Quarterly Report on Form 10-Q.
12. Review and discuss with management and the independent auditor earnings press releases and related financial information and earnings guidance.
13. Review and discuss with the independent auditor on a periodic basis:
 - a. Critical accounting policies and practices of the Company.

- b. Alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor.
 - c. Emerging accounting and auditing issues and their potential impact on the Company.
 - d. Other material written communications between the independent auditor and management.
14. Review related party transactions and any other matters pertaining to potential conflicts of interest or adherence to the Company's standards of business conduct.
 15. Discuss with management and the independent auditor the Company's risk assessment and management policies, including the Company's major financial risk exposure and steps taken by the Company to monitor and mitigate such exposure.
 16. Set policies with respect to the hiring of employees or former employees of the Company's independent auditor.
 17. The Committee shall include a report in the Company's annual proxy statement containing such information as may be required by the SEC, including stating whether the Committee:
 - a. Reviewed and discussed the audited financial statements with management.
 - b. Discussed with the independent auditors the matters requiring discussion by SAS 61.
 - c. Received the written disclosures and letter from the independent auditors required by Independence Standards Board Standard No. 1, and discussed with the independent auditors their independence.
 - d. Based on the above, recommended to the full Board that the audited financial statements be included in the Company's Annual Report on Form 10-K.
 18. Provide regular reports to the Board, detailing the actions of the Committee and such recommendations to the Board as the Committee may deem appropriate.

Compliance Oversight

The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

The Committee is authorized to investigate any reports made by attorneys for the Company of evidence of a material violation of securities laws or breach of fiduciary duties or similar violation at the Company and to require the Company to take remedial action as appropriate.

General

The Committee's role is one of oversight. The Company's management is responsible for preparing the Company's financial statements and the independent auditors are responsible for auditing those financial statements. The Committee recognizes that Company management, the internal auditors and the independent auditors have more time, knowledge and detailed information about the Company than do Committee members. Consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special

assurance as to the Company's financial statements or any professional certification as to the independent auditor's work.

The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors and to approve the related fees and retention terms. The Company shall be responsible for the appropriate expense arising from the retention of such advisors.

The Committee will perform such other functions as assigned by law, the rules and regulations of the SEC and the NYSE, the Company's charter or bylaws, or the Board.

The Board may amend this Charter at any time.