

**KANBAY INTERNATIONAL, INC.**  
**AUDIT COMMITTEE CHARTER**

**Organization**

This charter governs the operations of the audit committee. The committee shall review and reassess this charter at least annually and obtain the approval of the board of directors for each amendment or modification of this charter. The members of the committee shall be appointed by the board of directors and shall serve at the discretion of the board of directors. Appointments to the committee, including the chairman of the committee, shall be made by the board of directors and shall conform to the Company's bylaws, this charter and applicable legal and regulatory criteria, as appropriate under the circumstances. Members shall be appointed annually for a term of one (1) year. The chairman shall preside over the meetings of the committee and may call special meetings, in addition to those regularly scheduled, and will report to the board of directors the actions and recommendations of the committee.

The committee shall have the authority to establish its own rules and procedures consistent with the bylaws of the Company for notice and conduct of its meetings should the committee, in its discretion, deem it desirable to do so. A majority of the members of the committee shall constitute a quorum for the transaction of business and the action of a majority of the members present at any meeting at which there is a quorum shall be the act of the committee. Unless otherwise stated herein or established by the committee, the committee shall be governed by the same procedural rules, including rules regarding meetings, actions without meetings, notices and waivers of notice, as are applicable to the board of directors.

The committee shall meet as frequently as the committee in its discretion deems desirable, but at least quarterly. The committee will cause to be kept adequate minutes of its proceedings and shall report periodically, as deemed necessary or desirable by the committee, to the board regarding the committee's actions and recommendations.

**Membership**

The committee shall consist of at least three (3) directors each of whom shall (i) be "independent" as defined under the applicable rules of The Nasdaq Stock Market, Inc. ("Nasdaq") and the Securities Exchange Act of 1934, as amended (the "Exchange Act"), (ii) not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three (3) years and (iii) be able to read and understand fundamental financial statements. In addition, at least one (1) member of the committee shall satisfy the "audit committee financial expert" requirements under the Exchange Act, whether by reason of past employment experience in finance or accounting, requisite professional certification in accounting or any other comparable experience or background which results in the member's financial sophistication. The audit committee financial expert is not required to be the chairman of the committee.

Notwithstanding the above requirements, one (1) director who is not a current officer, or employee or a family member of a current officer or employee, may be appointed to the committee for a period not to exceed two (2) years if the board of directors, under exceptional and limited circumstances, determines that membership on the committee by the director is required by the best interests of the Company and its stockholders. If such a director is appointed to the committee, the Company shall disclose the nature

of the director's relationship and the reasons for the board of directors' determination in the next annual proxy statement subsequent to such determination.

### **Statement of Policy**

The committee shall provide assistance to the board of directors in fulfilling its oversight responsibility to the stockholders of the Company relating to the Company's financial statements and financial reporting processes, the systems of internal reporting and financial controls, the annual independent audit and quarterly review of the Company's financial statements, the legal compliance and ethics policies and such other matters set forth herein or otherwise established by the board of directors. In so doing, it is the responsibility of the committee to maintain free and open communication between the committee, independent auditors and management of the Company. In discharging its oversight role, the committee shall carry out the activities enumerated herein and is empowered to pay such ordinary administrative expenses as are necessary or appropriate to carry out its duties. The committee is further empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the authority to retain and compensate outside counsel or other experts for this purpose.

### **Responsibilities and Processes**

The primary responsibility of the committee is to oversee the Company's financial reporting processes on behalf of the board of directors and report the results of its activities to the board of directors. Management is responsible for preparing the Company's financial statements and the independent auditors are responsible for auditing those financial statements. The committee's policies and procedures should remain flexible in order to best react to changing conditions and circumstances. The committee should take appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices and ethical behavior.

The following shall be the principal recurring activities of the audit committee in carrying out its oversight responsibilities. The list of activities set forth below is not an exhaustive list of all of the permitted activities of the committee, and the committee may take such other actions as its members from time to time deem necessary or appropriate.

1. The committee shall establish a clear understanding with the independent auditors that the independent auditors shall report directly to the committee and be ultimately accountable to the board of directors and the committee, as representatives of the Company's stockholders.
2. The committee shall evaluate, compensate, retain, oversee and, when appropriate, replace the independent auditors, including annually reviewing and selecting the independent auditors.
3. The committee shall discuss with the auditors their independence from management and the Company and the matters included in the written disclosures required by the Independence Standards Board Standard No. 1.
4. The committee shall discuss with the independent auditors any disclosed relationships or services that may impact the objectivity and independence of the independent auditors and shall take, or recommend the board of directors take, appropriate action to oversee the independence of the independent auditors.

5. The committee shall discuss with the independent auditors the overall scope and plans for their audit, including the adequacy of staffing and compensation.
6. The committee shall pre-approve all audit services and permissible non-audit services to be performed by the independent auditors, as set forth in Section 10A of the Exchange Act and the rules and regulations promulgated thereunder. The committee may establish pre-approval policies and procedures, as permitted by Section 10A of the Exchange Act and the rules and regulations promulgated thereunder, for the engagement of independent auditors to perform services to the Company, including, but not limited to, policies that would allow the delegation of pre-approval authority to one or more members of the committee.
7. The committee shall discuss with management and the independent auditors the adequacy and effectiveness of the accounting and financial controls, including the Company's system to monitor and manage business risk and legal and ethical compliance policies.
8. The committee may meet separately with the independent auditors and management to discuss such matters within the scope of the committee's authority, as determined by the committee from time to time to be necessary or appropriate.
9. The committee shall review with management and the independent auditors the quarterly and annual financial statements, including judgments regarding the quality (not just the acceptability) of accounting principles, the reasonableness of significant judgments and the clarity of the disclosures in the financial statements.
10. 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 the Company of concerns regarding questionable accounting or auditing matters.
11. The committee shall review all related party transactions, as defined in Item 404 of Regulation S-K under the Exchange Act, for potential conflict of interest situations, and all such transactions shall be approved by the audit committee prior to consummation.
12. The committee shall review with management earnings press releases (including any use of pro forma or other non-GAAP information) prior to the issuance of any such press release.
13. The committee shall discuss with management and the independent auditors, as appropriate, any correspondence with regulators and governmental agencies and any employee complaints or reports that raise material issues regarding the Company's financial statements, accounting policies or internal controls.

This charter may be amended or modified only by the board of directors.

Dated this 14th day of June, 2005.