

INTERNATIONAL COAL GROUP, INC. AUDIT COMMITTEE CHARTER

Purposes

The purposes of the Audit Committee (the “Committee”) are to assist the Board in fulfilling the Board’s oversight responsibilities with respect to:

- (1) the integrity of the Company’s financial statements;
- (2) the Company’s compliance with legal and regulatory requirements;
- (3) the independent auditors’ qualifications and independence; and
- (4) the performance of the independent auditors and the Company’s internal audit function; and, to produce the Committee’s report to be included in the Company’s annual proxy statement (the “Audit Committee Report”).

Composition

Size. The size of the Committee will be determined by the Board, but should have at least three members.

Qualifications. Each Committee member must have all of the following qualifications:

- (1) **Independence:** Each Committee member must satisfy the applicable independence requirements set forth in (i) the Securities Exchange Act of 1934, as amended and (ii) the rules of the New York Stock Exchange.
- (2) **Other Requirements:** Without limiting the generality of the foregoing, each Committee member must be financially literate or become financially literate within a reasonable period of time after his or her appointment to the Committee. Additionally, at least one member of the Committee must have accounting or related financial management expertise. The Board will determine, in its business judgment, whether a Committee member is financially literate and whether at least one member has the requisite accounting or financial management expertise. The Committee will endeavor to have at least one member who meets the definition of “audit committee financial expert” within the meaning of Section 407 of the Sarbanes-Oxley Act and any rules promulgated thereunder by the SEC. The designation or identification of a person as an “audit committee financial expert” will not, however, (a) impose on such person any duties, obligations or liabilities that are greater than the duties, obligations and liabilities imposed on such person as a member of the audit committee and Board in the absence of such designation or identification, or (b) affect the duties, obligations or liabilities of any other member of the Committee.

- (3) **Multiple Audit Committees:** If a Committee member simultaneously serves on the audit committee of more than three public companies (including the Company), the Board must determine that such simultaneous service does not impair the ability of such member to effectively serve on the Committee. The Company will disclose such determination as made from time to time to the extent required by law.

Appointment. The Board will select Committee members and the Chair of the Committee based on recommendations made by the Company's Nominating and Corporate Governance Committee or, if applicable, the full Board. Committee members will serve at the pleasure of the Board for such term or terms as the Board may from time to time determine.

Duties and Responsibilities

Management is responsible for the preparation, presentation, and integrity of the Company's financial statements and for the appropriateness of the accounting and reporting policies that are used by the Company. The independent auditors are responsible for auditing the Company's financial statements and for reviewing the Company's interim financial statements. The Committee is responsible for overseeing the Company's financial reporting process on behalf of the Board but has no direct responsibility for the preparation or audit of the Company's financial statements or related disclosures. The Committee is directly responsible for the appointment, termination, compensation, retention, evaluation and oversight of the work of the Company's independent auditors (including resolution of disagreements between management and the auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company.

The oversight responsibilities of the Committee will include the following:

- (1) **Retain the Independent Auditors:** The Committee has the sole authority to (a) appoint, retain, compensate, evaluate and terminate the Company's independent auditors; (b) approve all audit engagement fees, terms and services; and (c) approve any non-audit engagements with the Company's independent auditors. The Committee may delegate the authority to grant any pre-approvals required by such sections to one or more members of the Committee as it designates, subject to the delegated member or members reporting any such pre-approvals to the Committee at its next scheduled meeting.
- (2) **Review and Discuss the Auditors' Quality Control:** The Committee is to, at least annually, obtain, review and discuss a report by the independent auditors describing (a) the audit firm's internal quality control procedures; (b) any material issues raised by the most recent internal quality control review, or peer review, of the firm, or by any inquiry 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 and; (c) all relationships between the independent auditor and the Company (to assess the auditor's independence).

- (3) **Review and Discuss the Independence of the Auditors:** In connection with the retention of the Company's independent auditors, the Committee is to, at least annually, review and discuss the information provided by management and the auditors relating to the independence of the audit firm, including information related to the non-audit services provided and expected to be provided by the auditors. Management is responsible for ensuring that the independent auditors submit at least annually to the Committee a formal written statement delineating all relationships between the auditors and the Company consistent with applicable independence standards. The Committee is generally expected to actively engage in a dialogue with the independent auditors with respect to any disclosed relationship or services that may impact the objectivity and independence of the auditors and take appropriate action in response to the independent auditors' report to satisfy itself of the auditors' independence. In connection with the Committee's evaluation of the auditors' independence, the Committee is generally expected to review and evaluate the lead partner of the independent auditors and take such steps as may be required by law with respect to the identification and regular rotation of the audit partners serving on the Company's audit engagement team.
- (4) **Set Hiring Policies:** Hiring policies for employees or former employees of the independent auditors will be as set forth in Section 206 of the Sarbanes-Oxley Act unless the Committee establishes more stringent standards.
- (5) **Review and Discuss the Audit Plan:** The Committee is generally expected to review and discuss with the independent auditors the plans for, and the scope of, the annual audit and other examinations, including the adequacy of staffing and compensation.
- (6) **Review and Discuss Conduct of the Audit:** The Committee is generally expected to review and discuss with the independent auditors the matters required to be discussed by Statement on Auditing Standards No. 61, as amended from time to time, relating to the conduct of the audit, as well as any significant audit problems or difficulties and management's response, including (a) any significant restriction on audit scope or on access to requested information; (b) any significant disagreements with management; and (c) significant issues discussed with the independent auditors' national office. The Committee is expected to decide all unresolved disagreements between management and the independent auditors regarding financial reporting.
- (7) **Review and Discuss Financial Statements and Disclosures:** The Committee is generally expected to review and discuss with appropriate

officers of the Company and the independent auditors the annual audited and quarterly financial statements of the Company, including (a) the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and (b) the disclosures regarding internal controls and other matters required by Sections 302 and 404 of the Sarbanes-Oxley Act and any rules promulgated thereunder by the SEC.

- (8) **Review and Discuss Earnings Press Releases:** The Committee is generally expected to review and discuss earnings and other financial press releases (including any use of "pro forma" or "adjusted" non-GAAP information), as well as financial information and earnings guidance provided to analysts and rating agencies (which review may occur after issuance and may be done generally as a review of the types of information to be disclosed and the form of presentation to be made).
- (9) **Review and Discuss Internal Audit Plans:** The Committee is generally expected to review and discuss with the senior internal auditing executive and appropriate members of the staff of the internal auditing department the plans for and the scope of their ongoing audit activities.
- (10) **Review and Discuss Internal Audit Reports:** The Committee is generally expected to review and discuss with the senior internal auditing executive and appropriate members of the staff of the internal auditing department the annual report of the audit activities, examinations and results thereof of the internal auditing department.
- (11) **Review and Discuss the Systems of Internal Accounting Controls:** The Committee is generally expected to review and discuss with the independent auditors, the senior internal auditing executive and, if and to the extent deemed appropriate by the Chairman of the Committee, other officers and members of their respective staffs the adequacy of the Company's internal accounting controls, the Company's financial, auditing and accounting organizations and personnel, and the Company's policies and compliance procedures with respect to business practices, which are generally expected to include (a) the disclosures regarding internal controls and matters required by Sections 302 and 404 of the Sarbanes-Oxley Act and any rules promulgated thereunder by the SEC and (b) a review with the independent auditors of their attestation regarding management's assessment of the effectiveness of internal controls over financial reporting and the independent auditor's analysis of matters requiring modification to management's certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, as applicable.

- (12) ***Review and Discuss the Recommendations of Independent Auditors:*** The Committee is generally expected to review and discuss with the senior internal auditing executive and the appropriate members of the staff of the internal auditing department recommendations made by the independent auditors and the senior internal auditing executive, as well as such other matters, if any, as such persons or other officers of the Company may desire to bring to the attention of the Committee.
- (13) ***Review and Discuss the Audit Results:*** The Committee is generally expected to review and discuss with the independent auditors (a) the report of their annual audit, or proposed report of their annual audit; (b) the accompanying management letter, if any; (c) the reports of their reviews of the Company's interim financial statements conducted in accordance with Statement on Auditing Standards No. 100; and (d) the reports of the results of such other examinations outside of the course of the independent auditors' normal audit procedures that the independent auditors may from time to time undertake. The foregoing shall include the reports required by Section 204 of the Sarbanes-Oxley Act and any rules promulgated thereunder by the SEC and, as appropriate, a review of (a) major issues regarding (i) accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles and (ii) the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; (b) analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; and (c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
- (14) ***Obtain Assurances under Section 10A(b) of the Exchange Act:*** The Committee is to obtain assurance from the independent auditors that in the course of conducting the audit, there have been no acts detected or that have otherwise come to the attention of the audit firm that require disclosure to the Committee under Section 10A(b) of the Exchange Act.
- (15) ***Discuss Risk Management Policies:*** The Committee is to discuss guidelines and policies with respect to risk assessment and risk management to assess and manage the Company's exposure to risk. The Committee should discuss the Company's major financial risk exposures and the steps management has taken to monitor and control these exposures.
- (16) ***Obtain Reports Regarding Conformity With Legal Requirements and the Company's Code of Business Conduct and Ethics:*** The Committee is to periodically obtain reports from management, the Company's senior internal auditing executive and the independent auditor

that the Company and its subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and Company's policies.

- (17) ***Establish Procedures for Complaints Regarding Financial Statements or Accounting Policies:*** The Committee is generally expected to establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters as required by Section 301 of the Sarbanes-Oxley Act and the rules and listing requirements promulgated thereunder by the SEC and the NYSE. The Committee is to discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any complaints or concerns regarding the Company's financial statements or accounting policies.
- (18) ***Discuss With Legal Counsel Matters Regarding Financial Statements or Compliance Policies:*** The Committee is generally expected to discuss with the Company's legal counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies.
- (19) ***Review and Discuss Other Matters:*** The Committee is generally expected to review and discuss such other matters that relate to the accounting, auditing and financial reporting practices and procedures of the Company as the Committee may, in its own discretion, deem desirable in connection with the review functions described above.
- (20) ***Make Board Reports:*** The Committee is generally expected to report its activities regularly to the Board of Directors in such manner and at such times as the Committee and the Board of Directors deem appropriate, but in no event less than once a year. Such report is generally expected to include a review of any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors or the performance of the internal audit function.
- (21) ***Maintain Flexibility:*** The Committee, in carrying out its responsibilities, policies and procedures should remain flexible, in order to best react to changing conditions and circumstances.

Meetings

The Committee will meet in person or telephonically at least quarterly, or more frequently as it may determine necessary, to comply with its responsibilities as set forth herein. The Chairman of the Committee will, in consultation with the other members of

the Committee, the Company's independent auditors and appropriate officers of the Company, be responsible for calling meetings of the Committee, establishing the agenda therefor and supervising the conduct thereof. Each Committee member may submit items to be included on the agenda. Committee members may also raise subjects that are not on the agenda at any meeting. The Chairman of the Committee or a majority of the Committee members may call a meeting of the Committee at any time. A majority of the number of Committee members selected by the Board shall constitute a quorum for conducting business at a meeting of the Committee. The act of a majority of Committee members present at a Committee meeting at which a quorum is in attendance shall be the act of the Committee, unless a greater number is required by law, the Company's Certificate of Incorporation or its Bylaws. The Chairman of the Committee will supervise the conduct of the meetings and shall have other responsibilities which the Committee may designate from time to time.

The Committee may request any officer or employee of the Company or the Company's outside legal counsel or independent auditors, or any representative of the Company's advisors to attend a meeting of the Committee or to meet with any members or representatives of the Committee. The Committee will meet with the Company's management, the internal auditors and the independent auditors at such time as the Committee determines to be appropriate in separate private sessions to discuss any matter that the Committee, management, the independent auditors or such other persons believe should be discussed privately.

Resources and Authority

The Committee will have appropriate resources and authority to discharge its responsibilities as required by law, including appropriate funding in such amounts as the Committee deems necessary, to compensate any consultants and any independent advisors retained by the Committee. The Committee may also retain independent counsel and other independent advisors to assist it in carrying out its responsibilities.

The Company will provide for appropriate funding, as determined by the Committee, for payment of (1) compensation to the Company's independent auditors engaged for the purpose of rendering or issuing an audit report or related work or performing other audit, review or attest services for the Company; (2) compensation to independent counsel or any other advisors employed by the Committee; and (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Audit Committee Report

The Committee will prepare, with the assistance of management, the independent auditors, outside legal counsel and any outside advisors the Committee deems appropriate, a report for inclusion in the Company's proxy statement relating to the Company's annual meeting of stockholders when required by law.

Annual Review

Prior to December 1st of each year, the Chief Executive Officer will cause a review of the Committee's actions during such year to be undertaken and report to the Chairman of the Committee as to whether management believes that the Committee has carried out each responsibility or function set forth herein. Confirmation of such report will be submitted to each Committee member in writing.

At least annually, the Committee will (1) review this Charter with the Board and recommend any changes to the Board and (2) evaluate its performance against the requirements of this Charter and review this evaluation with the Board. This evaluation should also set forth the goals and objectives of the Committee for the upcoming year. The Committee will conduct its review and evaluation in such manner as the Committee, in its business judgment, deems appropriate.

Defined Terms

In addition to the terms defined elsewhere herein, terms used herein with additional capital letters that are defined in the Company's Certificate of Incorporation or Bylaws are used herein as so defined.

April 21, 2006