

# ICT GROUP, INC.

## Charter of the Audit Committee of the Board of Directors

### 1. Audit Committee Purpose

The Audit Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:

- Review financial information to be provided to shareholders and others.
- Monitor the integrity of the Company's financial reporting process and systems of internal control over financial reporting..
- Monitor the independence and performance of the Company's independent auditors and the personnel performing the internal audit function.
- Provide an avenue of communication among the independent auditors, management, and the Board of Directors.
- Establish and maintain procedures to receive and address complaints received by the Company regarding accounting, internal auditing controls and auditing matters.
- Prepare the report required by the rules of the Securities and Exchange Commission (the "SEC") to be included in the Company's annual proxy statement.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent auditors as well as anyone in the Company. The Audit Committee may retain, at the Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

Although the Audit Committee has the powers and responsibilities set forth in this Charter, the role of the Audit Committee is oversight. The members of the Audit Committee are not full-time employees of the Company and may or may not be accountants or auditors by profession or experts in the fields of accounting or auditing and, in any event, do not serve in such capacity. Consequently, it is not the duty of the Audit Committee to conduct audits, to independently verify management's representations, or to determine that the Company's financial statements are complete and accurate, prepared in accordance with generally accepted accounting principles ("GAAP"), or fairly present the financial condition, results of operations, and cash flows of the Company in accordance with GAAP. These are the responsibilities of management, and the independent auditors are responsible for planning

and carrying out proper audits and reviews of the Company's financial statements. The Audit Committee's considerations and discussions with management and the independent auditors do not assure that the Company's financial statements are presented in accordance with GAAP, that the audit of the Company's financial statements has been carried out in accordance with the standards of the Public Company Accounting Oversight Board, or that the Company's independent auditors are in fact "independent." This Charter shall not alter the standard of care for directors of the Company who are members of the Audit Committee.

Rather, the standard of care for a director of the Company who is a member of the Audit Committee shall be determined in accordance with the laws of the Commonwealth of Pennsylvania and shall be identical to the standard of care for all other directors of the Company.

## 2. Audit Committee Composition and Meetings

The Audit Committee shall be composed of at least three directors, each of whom must be independent within the meaning of the applicable rules and regulations of the SEC and of the principal market or transaction reporting system on which the Company's securities are traded or quoted. A director who is independent within the meaning of these rules and regulations shall not qualify as an independent director of the Company unless the Board has affirmatively determined that the director is independent. In addition, all of the members of the Audit Committee shall meet the financial literacy and other requirements of all applicable rules and regulations of the SEC and of the principal market or transaction reporting system on which the Company's securities are traded or quoted. Members of the Audit Committee must also satisfy the following additional requirements in order to be independent:

- (a) No Audit Committee member or immediate family member of such Committee member may be an affiliated person of the Company or any of its subsidiaries, as that term is defined by the SEC;
- (b) No Committee member shall accept, directly or indirectly, any consulting, advisory, or other compensatory fees from the Company or any of its subsidiaries, except for fees for services as a director and member of the Audit Committee and any other Board committee; and
- (c) No Committee member shall have participated in the preparation of the financial statements of the Company or any subsidiary of the Company (exclusive of former subsidiaries that are no longer subsidiaries of the Company) during the past three years.

All members of the Audit Committee must be able to read and understand fundamental financial statements. At least one member shall have 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, including being or having been a chief executive officer, chief financial officer, or other senior official with financial oversight responsibilities. To the extent possible, such member of the

Committee shall be an “audit committee financial expert,” as that term is defined by the SEC.

The members of the Audit Committee shall be appointed by a majority of the Board for one-year terms or until their successors are duly appointed, subject to their earlier resignation, retirement, or removal. No member of the Audit Committee shall be removed except by majority vote of the directors of the full Board then in office. The Board shall designate one member of the Committee to serve as Chair.

The Audit Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Audit Committee should meet privately in executive session at least annually with management, the senior personnel performing the internal audit function, the independent auditors and as a committee to discuss any matters that the Audit Committee or each of these groups believe should be discussed. In addition, the Audit Committee or at least its Chair should meet with the independent auditors and management quarterly to review the Company’s financial statements and significant findings based upon the independent auditors’ limited review procedures

### 3. Audit Committee Responsibilities and Duties

#### Review Procedures

In fulfilling its responsibilities, the Audit Committee is expected to perform the following procedures:

- (a) Review and reassess this Charter of the Audit Committee at least annually and recommend to the Board of Directors, as appropriate, amendments to this Charter.
- (b) Publish this Charter in accordance with the applicable rules and regulations of the SEC and of the principal market or transaction reporting system on which the Company’s securities are traded or quoted.
- (c) Review and discuss with management, the senior internal audit executive and the independent auditors the Company’s annual audited financial statements, and any reports or other financial information submitted to any governmental body, or to the public, including the Company’s Annual Report on Form 10-K and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” contained therein, prior to filing or distribution. In conducting its review, the Audit Committee should discuss the following matters with management, the senior internal audit executive and the independent auditors:
  - (i) The independent auditors’ audit of the Company’s financial statements and any certifications, reports, opinions or reviews rendered or prepared by the independent auditors with respect to the Company’s financial statements.
  - (ii) Any significant changes required in the independent auditors’ audit plan.

- (iii) Any significant difficulties encountered during the course of the audit (including any restriction on the scope of work or access to required information).
  - (iv) Any significant disagreement among management and the independent auditors in connection with preparation of the financial statements.
  - (v) Other matters related to the conduct of the audit, which are communicated to the Audit Committee under generally accepted auditing standards.
  - (vi) The Company's report on internal control over financial reporting and the independent auditor's attestation of the report
- (d) In consultation with the management, the independent auditors and the senior internal audit executive, discuss and consider the adequacy and integrity of the Company's financial reporting processes and system of internal control over financial reporting. Review significant findings prepared by the independent auditors together with management's responses.
  - (e) Discuss with management significant financial risk exposures and the steps management has taken to monitor, control and report such exposures. Review the regular internal reports to management prepared by the personnel performing the internal audit function and management's response.
  - (f) Review and discuss with management the Company's quarterly financial results prior to the release of earnings and the Company's quarterly financial statements and the Company's Quarterly Report on Form 10-Q, including "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained therein, prior to filing or distribution. Discuss any significant changes to the Company's accounting principles with management and any items communicated by the independent auditors in accordance with Statement on Auditing Standards No. 61 or other significant findings based upon the auditors' review procedures. As deemed appropriate, the Audit Committee shall review these matters with management and the independent auditors. The Chairman of the Committee may represent the entire Audit Committee for purposes of this review.
  - (g) Meet with the independent auditors, the senior personnel performing the internal audit function and management in separate executive sessions to discuss any matters that the Audit Committee or these groups believe should be discussed privately with the Audit Committee.

### Duties Relating to the Independent Auditors

The independent auditors are ultimately accountable to the Audit Committee and the Board of Directors, as representatives of the shareholders. Accordingly, the Audit Committee is expected to perform the following activities with, or as they relate to, the independent auditors:

- (a) The Audit Committee shall have the sole authority to retain, set compensation and retention terms for, terminate, oversee, and evaluate the activities of the Company's independent auditors. The independent auditors shall report directly to the Audit Committee. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditors.
- (b) The Audit Committee shall review and approve in advance the retention of the independent auditors for the performance of all audit and lawfully permitted non-audit services and the fees for such services. Pre-approval of lawfully permitted non-audit services may be pursuant to appropriate policies and procedures established by the Audit Committee for the pre-approval of such non-audit services, provided that any such pre-approved non-audit services are reported to the full Audit Committee at its next scheduled meeting.
- (c) Prior to initiation of the audit, the Audit Committee shall meet with the independent auditors to discuss the planning and staffing of the audit, including the impact of applicable rotation requirements and other independence rules on the staffing.
- (d) The Audit Committee shall, at least annually, obtain and review a report by the independent auditors describing all relationships between the firm and the Company in order to assess the firm's independence.
- (e) The Audit Committee shall review periodically any reports prepared by the independent auditors and provided to the Audit Committee relating to significant financial reporting issues and judgments including, among other things, the Company's selection, application, and disclosure of critical accounting policies and practices, all alternative treatments within GAAP for policies and practices related to material items that have been discussed with management, including the ramifications of such treatments and the treatment preferred by the independent auditors, and any other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.
- (f) The Audit Committee shall discuss with the independent auditors any disagreements with management, and any other matters required to be brought to the attention of the Audit Committee under auditing standards (such as Statement on Auditing Standards No. 61). The Audit Committee shall resolve any disagreements between the independent auditors and management.

- (g) The Audit Committee shall take appropriate action to oversee the independence of the independent auditor. In this regard, the Audit Committee shall ensure its receipt from the independent auditors of a formal written statement, consistent with Independence Standard Board Standard No. 1, delineating all relationships between the independent auditor and the Company, and shall actively engage in a dialogue with the independent auditors with respect to any disclosed relationships or services that may affect the objectivity and independence of the independent auditors.
- (h) Prior to releasing the year-end earnings, discuss, out of the presence of management, the results of the audit with the independent auditors. The discussion should include the matters set forth in Item 3 under the caption “Audit Committee Responsibilities and Duties – Review Procedures,” as well as the following:
  - (i) The adequacy of the Company’s internal control over financial reporting , including computerized information system controls and security.
  - (ii) Any related significant findings and recommendations of the independent auditors together with management’s responses to them.
  - (iii) The independent auditors’ judgment about the quality and appropriateness of the Company’s accounting principles as applied in its financial reporting.
  - (iv) Without limiting the foregoing, the Audit Committee is expected to inquire as to the independent auditors’ views about whether management’s choices of accounting principles appear reasonable from the perspective of income, asset and liability recognition, and whether those principles are common practices or are minority practices.
- (i) The Committee shall set clear policies for the hiring by the Company of employees or former employees of the independent auditors.

#### Other Audit Committee Responsibilities

- (a) Recommend to the Board of Directors whether the Company’s audited financial statements should be included in the Company’s Annual Report on Form 10-K for filing with the SEC.
- (b) Annually prepare a report to shareholders as required by the SEC. The report should be sent to shareholders together with the Company’s proxy statement relating to the annual meeting of shareholders.
- (c) Maintain minutes of meetings and periodically report to the Board of Directors on the activities of the Audit Committee.

- (d) Discuss and address with the independent auditors any significant issues relative to overall Board responsibility that, in the judgment of the independent auditors, have been communicated to management but have not been adequately resolved.
- (e) Ensure that management has established a system to enforce the Company's Code of Conduct and Code of Ethics for the Chief Executive Officer and Senior Financial Executives (the "Policies").
- (f) Review management's monitoring of the Company's compliance with the Policies, and ensure that management has the proper review system in place for determining that the Company's financial statements, reports and other financial information filed with or furnished to the SEC and the public satisfy legal requirements.
- (g) Review activities, organizational structure and qualifications of the internal audit department.
- (h) Review, with the Company's counsel, any legal matter that could have a significant impact on the Company's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies.
- (i) Review, and if acceptable, approve any transactions involving the Company in which a director or officer has a material interest within the meaning of applicable rules and regulations of the SEC.
- (j) 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.
- (k) Determine the appropriate funding by the Company for the payment of: (i) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties, (ii) compensation to the independent auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and (iii) compensation to any special legal, accounting, or other consultants or experts employed by the Audit Committee as deemed necessary in the performance of the Audit Committee's duties and responsibilities. The Company shall provide such appropriate funding, as determined by the Audit Committee, for these payments.
- (l) Periodically perform a self-evaluation of the Audit Committee's performance, considering responsiveness to this Charter, effectiveness of relationships and communications with management, internal and independent auditors, and the Board.
- (m) Perform any other activities consistent with this Charter, the Company's By-laws and governing law, as the Audit Committee or the Board deems necessary or appropriate.