



## **Convergys Corporation**

### **Audit Committee Charter Adopted February 20, 2006**

#### *Purpose*

The Convergys Corporation Board of Directors' Audit Committee (the "Committee") is established by the Board of Directors for the primary purposes of assisting the Board in overseeing:

- the Company's accounting practices,
- the integrity of the Company's financial statements,
- the Company's compliance with legal and regulatory requirements,
- the independent accountant's qualifications and independence,
- the performance of the Company's internal audit function and independent accountants, and
- the Company's system of disclosure controls, procedures and system of internal controls regarding auditing, accounting, legal compliance, and ethics that Management and the Board have established.

Consistent with these functions, the Committee shall encourage continuous improvement of, and adherence to, the Company's policies, procedures and practices at all levels. The Committee shall also provide an open avenue of communication among the independent accountants, executive management, financial management, the Chief Compliance Officer, the internal auditing department, and the Board of Directors.

#### *Organization*

The Board shall elect all members of the Committee, which shall consist of three or more independent Board Directors who meet the requirements of independence for Audit Committee membership as adopted by the Securities and Exchange Commission ("SEC") and New York Stock Exchange ("NYSE").

At all times, at least one member of the Committee must be an "audit committee financial expert" as that term is defined in the applicable laws, regulations or listing standards. In addition, all other members must possess knowledge and experience in financial matters, including the ability to read and understand the Company's financial statements. No Committee member shall serve on more than three Audit Committees of public companies simultaneously.

## **Responsibilities**

#### *General*

In order to discharge its responsibilities, the Committee shall each year establish a schedule of meetings. In planning the annual schedule of meetings, the Committee shall ensure that it meets at least quarterly, and that sufficient opportunities exist for its members to meet separately at least quarterly, with Management, the Director of Internal Audit and the independent accountants and at least semi-annually with the Chief Compliance Officer. Additional meetings may be scheduled as needed.

The Committee may ask Management or others to attend meetings and provide pertinent information as necessary. The Committee shall report its actions regularly to the Board and shall make recommendations as appropriate.

On an annual basis, the Committee shall review and reassess the adequacy of this charter and shall recommend changes to the Board. The Committee shall disclose in the proxy statement for the Company's annual meeting of shareholders that a formal written charter has been adopted and the degree to which the Committee has satisfied its responsibilities during the prior year in compliance with the charter. At least once every three years, the Committee should verify that the Committee charter is filed by Management with the annual proxy statement.

The Committee shall perform any other activities consistent with this charter, the Company's Regulations and governing law, as the Committee or the Board deems necessary or appropriate.

In carrying out its duties, the Committee has the authority to obtain advice and assistance from outside legal, accounting, or other advisors, as it deems appropriate to execute fully its duties and responsibilities. The Company shall provide appropriate funding as determined by the Committee for compensation to the independent accountants and to any advisors that the Committee chooses to engage.

#### *Financial Reporting Process*

The Committee shall regularly review key financial systems, procedures and controls that provide the information necessary to manage and report properly the operations of the Company. In fulfilling this responsibility, the Committee shall take the following actions:

- The Committee shall review and discuss with Management and the independent accountants the financial information to be included in the Company's Annual Report on Form 10-K (or the annual report to shareholders if distributed prior to the filing of the Form 10-K) and the Company's Quarterly Reports on Form 10-Q, including the disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," their judgment about the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments, the clarity of the disclosures in the financial statements and the adequacy of internal controls. The Committee shall discuss the results of the annual audit and the quarterly reviews and any other matters required to be communicated to the Committee by the independent accountants under generally accepted auditing standards and applicable law or listing standards. The Committee shall review and discuss any report or opinion rendered by the Company's independent accountants or the Company's Principal Executive or Financial Officers in connection with those financial statements (including, but not limited to, the Company's Sarbanes-Oxley Section 404 certification). Based on such review and discussion, the Committee shall make a determination whether to recommend to the Board of Directors that the audited/reviewed financial statements be included in the Company's Form 10-K/10-Q. The Committee shall also receive reports from the Chief Compliance Officer and the Company's Certification Subcommittee as part of this process.
- In consultation with the independent accountants and internal auditors, the Committee shall review the integrity of the Company's internal and external financial reporting processes and Management's effectiveness in maintaining such integrity. In performing its review, the Committee will consider whether adequate procedures exist to comply with the regulations of the SEC and the NYSE and applicable law. The Committee shall review and consider the independent accountants' and Management's judgments about the quality and appropriateness of the Company's accounting principles and financial disclosure practices and proposed major changes thereto.
- The Committee shall review with the Chief Executive Officer, the Chief Financial Officer and the General Counsel the Company's disclosure controls and procedures, procedures established by the Company for issuing the Company's earnings news releases and financial information and earnings guidance periodically provided to analysts and rating agencies. The Committee shall

review periodically, but in no event less frequently than quarterly, Management's conclusions about the efficacy of such disclosure controls and procedures, including any significant deficiencies in or material deviations from such controls and procedures.

#### *Systems of Disclosure Controls and Procedures and Internal Controls*

The Committee assists the Board in overseeing the systems of disclosure controls and procedures and internal controls established by Management and the Board, particularly with respect to maintenance of adequate controls related to financial reporting, audit, accounting, compliance with applicable laws and regulations, and ethics. The Committee shall review their adequacy and effectiveness with the independent accountants, the Chief Compliance Officer, the Director of Internal Audit, and financial and accounting personnel. In so doing, the Committee shall review recommendations for the improvement of disclosure and internal control procedures and Management's responses to the recommendations.

The Committee shall discuss with Management, the Chief Compliance Officer, the Director of Internal Audit, and the independent accountants the guidelines and policies to govern the process by which risk assessment and risk management are undertaken. The Committee shall discuss the Company's major financial risk exposures and the steps that Management has taken to monitor and control such exposures. The Committee shall review Management's actions to establish and maintain processes to assure that internal control systems are considered in the Company's planning process, including acquisition and integration of new businesses and companies and the development and implementation of new computer systems.

The Committee shall also review with the Chief Executive Officer and the Chief Financial Officer any fraud, whether or not material, that involves Management or other employees who have a significant role in the issuer's internal controls. The Committee shall approve a Code of Ethics for the Chief Executive Officer and Senior Financial Officers, and shall be promptly notified if any amendments or waivers to the code are granted.

#### *Audit Processes*

The Committee is directly responsible for the appointment, compensation, retention and oversight of the work of its independent accountants (including resolution of any disagreements between management and the independent accountants regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. The independent accountants shall report directly to the Committee.

The Committee shall review and pre-approve both audit and non-audit services to be provided by the independent accountants. The pre-approval of non-audit services may be delegated to one of more designated members of the Committee with any such pre-approval reported to the Committee at its next regularly scheduled meeting. The Committee's pre-approval policies and procedures shall be disclosed in periodic reports as required by applicable law or listing standards. The Committee shall also periodically consider whether there should be rotation of the independent accountants firm.

The Committee shall review the performance of the Company's independent accountants annually. In doing so, the Committee shall consult with Management, the Chief Compliance Officer and the Director of Internal Audit and shall obtain and review a report by the independent accountants describing their internal control procedures, any material issues raised by their most recent internal quality-control review, or by any inquiry or investigation by governmental or professional authorities within the preceding five years and the response of the independent accountants, and all relationships between the independent accountants and the Company.

The Committee shall maintain ongoing communications with the independent accountants to review whether the accountants maintain their independence. The Committee shall review with the independent accountants any major unresolved problems encountered during their examinations as well as any restrictions imposed by Management on their audit scope.

The Committee shall establish hiring policies, compliant with governing laws or regulations, for employees or former employees of the independent accountants. The Committee shall present its conclusions with respect to the qualifications, performance and independence of the independent accountants to the full Board.

With respect to the Chief Compliance Officer and the Internal Audit function, the Committee shall review their functions and activities. The Committee shall also review and approve the appointment, replacement, reassignment, or dismissal of the Chief Compliance Officer and the Director of Internal Audit. It shall at least annually review and approve the Corporate Compliance Charter, the Internal Audit Charter and the Internal Audit Plan and review any difficulties encountered in the course of performing the audit function as defined in its charter and approved audit plan. While the Chief Compliance Officer and the Internal Audit function shall report functionally to the Company's Chief Financial Officer, they must meet, at least semi-annually with the Committee in the case of the Chief Compliance Officer, and at least quarterly in the case of Internal Audit.

#### *Complaint Procedures*

The Committee shall establish and maintain 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.

The Committee shall periodically review with Management, including the General Counsel, and the independent accountants any correspondence with, or other action by, regulators or governmental agencies and any employee complaints or published reports that raise concerns regarding the Company's financial statements, accounting or auditing matters or compliance with the Company's Code of Business Conduct and Financial Code of Ethics. The Committee shall also meet periodically with the General Counsel and other appropriate legal staff of the Company to review material legal affairs of the Company and the Company's compliance with applicable law and listing standards.

#### *Annual Reporting of Committee Activities with Respect to Audited Financial Statements*

The Committee shall issue a report to be included in the annual proxy statement stating whether the Committee had reviewed and discussed the financial statements with Management, had discussed the required communications with the independent accountants, had received the required correspondence from the independent accountants regarding independence matters and whether the Committee recommended to the full Board the inclusion of the audited financial statements in the Company's Form 10-K. Additionally, the Committee should review the annual written affirmation provided by the Company to the New York Stock Exchange ("NYSE") that the Committee complied with the NYSE's rules for listed companies' audit committees.

#### *Performance Evaluation*

The performance of the Committee shall be evaluated on an annual basis.