

*Excerpted from the Intervoice, Inc. Proxy Statement filed with the SEC on June 18, 2004.*

**INTERVOICE, INC.  
AUDIT COMMITTEE CHARTER**

**A. Purpose**

The primary purpose of the Audit Committee (the "Committee") is to assist the Board of Directors (the "Board") in fulfilling its responsibility to oversee the integrity of the Company's financial statements, the accounting and financial reporting processes of the Company, the Company's compliance with legal and regulatory requirements, the independent auditor's qualifications and independence, the audits of the Company's financial statements, and the performance of the Company's independent auditor. The Committee shall provide a forum for communication among the independent auditor, management and the Board. The Committee shall make regular reports to the Board and shall prepare the report required by the rules and regulations of the Securities and Exchange Commission ("SEC Rules") to be included in the Company's annual proxy statement.

In discharging its duties and responsibilities, the Committee is authorized to investigate any matter within the scope of its duties and responsibilities or as otherwise delegated by the Board, with full access to all books, records, facilities and personnel of the Company, and with the authority to retain outside counsel or other experts and advisors as it deems necessary.

This Charter will be reviewed and reassessed by the Committee and approved by the Board at least annually.

**B. Composition and Membership**

1. The Committee will be comprised of not less than three Board members.
2. The Board appoints Committee members and appoints a Committee Chairman from among those members. Each Committee member shall serve at the pleasure of the Board for such term as the Board may decide or until such Committee member is no longer a Board member.
3. Each Committee member shall meet the independence criteria of (1) the rules of NASDAQ, as such requirements are interpreted by the Board in its business judgment and as established by the Board or an appropriate committee of the Board, and (2) Section 301 of the Sarbanes-Oxley Act of 2002 and all rules promulgated thereunder by the Securities and Exchange Commission.
4. Each Committee member shall be able to read and understand fundamental financial statements, including a company's balance sheet, income statement and cash flow statement. Each Committee member must also 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 years. Additionally, at least one member of the Committee shall have the attributes necessary to qualify as an "audit committee financial expert", as such term is defined under Item 401 of Regulation S-K under the Securities Exchange Act of 1934 (the "Exchange Act"). The Board determines, in its business judgment, whether each member meets the requirements set forth in this Charter for membership on the Committee, and whether such member is an audit committee financial expert.
5. The Committee may delegate any of its functions to a subcommittee, any member or the Chairman.

**C. Meetings**

The Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor, or any other persons whose presence the Committee believes to be necessary or appropriate, to attend a meeting of the Committee or to meet with any members of, or advisors to, the

Committee.

#### **D. Advisors**

The Committee may retain any independent counsel, experts or advisors (accounting, financial or otherwise) that the Committee believes to be necessary or appropriate. The Committee may also utilize the services of the Company's regular counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of (i) compensation to the independent auditor for the purpose of rendering or issuing an audit report or performing other audit, review or attest services for the Company, (ii) compensation to any independent counsel, experts or advisors employed by the Committee, and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

#### **E. Duties and Responsibilities**

The Committee is responsible for overseeing the Company's financial reporting process on behalf of the Board. 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.

#### **F. Independent Accountants**

The Committee is directly responsible for the appointment, compensation and oversight of the work of the accounting firm employed by the Company for the purpose of preparing or issuing a report or related work (the "independent accountants"). The independent accountants are ultimately accountable to the Board of Directors and the Committee and shall report directly to the Committee. In carrying out its responsibilities, the Committee shall:

- have the sole authority and responsibility to appoint, retain, oversee, evaluate, and, where appropriate, replace the independent accountants (subject, if applicable, to shareholder approval or ratification), including the authority to pre-approve all audit and permitted non-audit services to be provided by the independent accountants and the related fees;
- at least annually, obtain and review a report by the independent accountants regarding the independent accountants' internal controls and independence, including a description of (i) the independent accountants' internal quality-control procedures; and (ii) any material issues raised by the most recent internal quality-control review, or peer review of the accounting 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 accounting firm, and any steps taken to deal with any such issues;
- in order to assess the independent accountants' independence, at least annually, obtain and review a formal written statement by the independent accountants delineating all relationships between the independent accountants and the Company;
- actively engage in a dialogue with the independent accountants with respect to any disclosed relationships between the independent accountants and the Company or services that may impact the objectivity and independence of the independent accountants and taking, or recommending the Board take, appropriate action to oversee the independence of the Company's independent accountants;
- oversee resolution of disagreements between management and the independent accountants regarding financial reporting;
- at least annually, evaluate, and report to the full Board of Directors on the independence of the Company's independent accountants and the lead partner for the Company's account, including a review and evaluation of the

lead partner's rotation schedule;

- pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor, subject to the de minimus exceptions for non-audit services in accordance with Section 10A(i)(1)(B) of the Exchange Act which are approved by the Committee prior to the completion of the audit; and
- the Committee shall 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.

## **G. Financial Reporting**

In carrying out its responsibilities with respect to oversight of the Company's financial reporting, the Committee shall:

- review and discuss with management and the independent accountants the Company's annual audited financial statements and quarterly financial statements;
- review and discuss with management the Company's annual and quarterly reports on Form 10-K and Form 10-Q, respectively, including a discussion of the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" (for the purpose of reviewing the interim financial statements, the Chairman or designee of the Committee may represent the entire Committee);
- review the scope and results of the independent accountants' audit of the Company's annual financial statements, accompanying footnotes and its report thereon, including any significant changes required in the independent accountants' audit plans;
- discuss with the independent accountants the matters required to be discussed by Statement on Auditing Standards Nos — 61 and 71, as modified by Statement on Auditing Standards No. 90 and as may be further modified;
- review and discuss with management and the independent accountants major issues regarding accounting principles and financial statement presentations, including matters such as (i) the selection, application and disclosure of critical accounting policies; (ii) major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies; (iii) the effects of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company; and (iv) other significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including the effects of alternative treatments of financial information permitted within GAAP;
- discuss earnings releases, as well as financial information and revenue or earnings guidance provided to analysts and rating agencies;
- review and discuss with management, and the independent accountants the Company's policies with respect to risk assessment and risk management, as well as major risk exposures and the process used to manage those exposures that could have a material effect on the Company's financial statements;
- review and discuss related party transactions with management and the independent accountants; and
- periodically consult with the independent auditor, outside the presence of management, about internal controls and the quality of the Company's financial statements.

## **H. Compliance with Legal and Regulatory Requirements**

In carrying out its responsibilities with respect to oversight of the Company's compliance with legal and regulatory requirements, the Committee shall review with management, and any internal or external counsel as the Committee considers appropriate, any legal matters (including the status of pending

litigation) that may have a material impact on the Company and any material reports of inquiries from regulatory or governmental agencies.

## **I. Complaints**

The Committee shall establish procedures for:

- the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters; and
- the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.