

PRGX GLOBAL, INC.
AUDIT COMMITTEE CHARTER

Organization

The Board of Directors of PRGX Global, Inc. (the “Company”) shall establish an Audit Committee. The Audit Committee shall be composed of directors who are independent of the management of the Company and are free of any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as an Audit Committee member. The Audit Committee shall number at least three independent directors and shall at all times comply with (i) the applicable rules promulgated by the NASDAQ Stock Market with respect to companies whose securities are listed on the NASDAQ Global Market or the rules of such other exchange or quotation system upon which Company securities are listed or traded, (ii) Section 10A of the Securities Exchange Act of 1934, as amended, and (iii) the rules and regulations of the Securities and Exchange Commission (the “SEC”). At least one member of the Audit Committee shall be a “financial expert,” as such term is defined in rules promulgated by the SEC, and all Audit Committee members shall be able to read and understand financial statements at the time of their appointment. The Board of Directors shall designate one Committee member as chairperson or delegate the authority to designate a chairperson to the Committee. Any member may suggest items for consideration on the Committee’s agenda and the chairperson of the Committee shall approve the agenda for the Committee’s meetings.

Statement of Policy

The Audit Committee shall assist the Board of Directors in fulfilling its oversight responsibilities with respect to the corporate accounting, financial reporting practices, and the quality and integrity of the financial reports of the Company. In the performance of its responsibilities, the Audit Committee must maintain free and open communication with the directors, the independent auditors and management. The Audit Committee shall have access to all information which in its judgment is required to fulfill its responsibilities. In fulfilling its oversight responsibilities, the Audit Committee is not providing any expert or special assurance as to the Company’s financial statements, internal controls or any professional certification as to the independent auditors’ work. It is the responsibility of management and the independent auditors, and not the duty of the Audit Committee, to plan and conduct audits and to determine that the Company’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles.

Authority

Specifically, the Audit Committee has the power and authority to:

- Appoint, compensate, and oversee the work performed by any independent auditor retained by the Company.
- Resolve any disagreements between management and the independent auditor regarding financial reporting.
- Pre-approve all audit and non-audit services performed by the Company’s independent auditor.
- Retain independent counsel, accountants, or others to advise the Audit Committee or assist in the conduct of an investigation.
- Meet with, and obtain information and input from, Company officers and other employees, independent auditors, outside counsel, and external parties, as the Audit Committee deems necessary to fulfill its responsibilities.

Responsibilities

In executing its responsibilities, the Audit Committee's policies and procedures should be flexible in order to best react to changing conditions, and to ensure that the accounting and reporting practices of the Company are in accordance with all applicable requirements.

In carrying out its responsibilities, the Audit Committee shall meet at least four times a year, with authority to convene additional meetings, as circumstances require. The Audit Committee will invite members of management, independent auditors, or others to attend meetings and provide pertinent information, as necessary. The Company will provide for appropriate funding as determined by the Audit Committee for payment of compensation to any independent auditor engaged by the Audit Committee, any advisors retained by the Audit Committee and for ordinary administrative expenses of the Audit Committee.

The Audit Committee will carry out the following responsibilities:

Independent Auditor

- Select and oversee the independent auditors to audit the consolidated financial statements of the Company and its divisions and subsidiaries, with sole authority to hire and dismiss the auditors.
- Pre-approve the retention of the independent auditors for any audit (including comfort letters and statutory audits) or non-audit services. The Committee may delegate pre-approval authority to a Committee member, whose decisions will be presented to the full Committee at its next regularly scheduled meeting.
- Approve fee arrangements with the independent auditors for audit and non-audit services and annually review fees paid to the firm.
- On a regular basis, meet separately with the independent auditors to discuss any matters that the Audit Committee or auditors believe should be discussed outside the presence of management.
- Meet with the independent auditors and management to review the scope of the proposed audit for each fiscal year, including the audit procedures to be employed. At the conclusion of the audit, review the results with the auditors, including any comments, recommendations, or difficulties encountered and management's response.
- Establish clear policies for the Company's hiring of employees or former employees of the independent auditors.
- Require the independent auditors to provide a formal written statement that delineates all relationships, including non-audit services, between the auditors and the Company, consistent with the applicable requirements of the Public Company Accounting Oversight Board. The Audit Committee also must ensure, through communicating with the independent auditors, that no relationship or services will impact the auditors' objectivity or independence, and must take, or recommend that the Board of Directors take, appropriate action to oversee the independence of the independent auditors.

Financial Reporting and Disclosure Matters

- Review with the independent auditors and management the adequacy and effectiveness of the Company's accounting and financial controls, including internal control over financial reporting. Elicit any recommendations for the improvement of such controls, including particular areas where new or more detailed controls or procedures are desirable

- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review legal matters that could have a significant impact on the Company's financial statements with the Company's counsel.
- Review and discuss with management and the independent auditors before any public release, the financial statements to be contained in the annual report to shareholders and annual and quarterly reports on Forms 10-K and 10-Q, including a review of the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."
- Review and discuss with management, before any public release, the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.
- Review disclosures made to the Audit Committee by the Chief Executive Officer and Chief Financial Officer regarding any significant deficiencies or material weaknesses in the design or operation of internal controls or any fraud that involves management or other employees who have a significant role in the Company's internal controls.
- Obtain and review at least annually a written report from the independent auditors describing all critical accounting policies and practices used by the Company; all alternative treatments of financial information within accounting principles generally accepted in the United States of America that have been discussed with Company management; ramifications of the use of such alternative disclosures and treatments, and the treatments preferred by the independent auditors; and other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.
- Review the adoption, application and disclosure of the Company's critical accounting policies and any changes thereto.

Ethics and Legal Compliance

- Review and approve all related party transactions.
- 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.
- Investigate any matter brought to the Audit Committee's attention within the scope of its duties. The Audit Committee shall have the power to retain outside counsel and/or advisors, including a public accounting firm other than the current independent auditors if, in its judgment, it is appropriate to do so, and shall have appropriate funding to investigate the matter.
- Review the findings of any examinations by regulatory agencies, and any independent auditor observations.
- Review and approve any amendments to or waiver of the Code of Ethics for Senior Financial Officers.

Internal Audit

- Review with management and the chief audit executive (“CAE”) the charter, activities, staffing, and organizational structure of the internal audit function
- Ensure there are no restrictions or limitations on the internal audit function, and review and concur with management in the appointment, replacement, or dismissal of the CAE.
- Review and approve the annual internal audit risk-based audit plan and any major changes to the plan.
- At least once per year, review the performance of the CAE and concur with management with the annual compensation and any salary adjustment.
- Review the effectiveness of the internal audit function.
- Review the CAE’s report on any audit performed by outside service providers with internal audit oversight.
- Review the appropriateness of the list of required/mandated audits.
- As necessary, meet separately with the CAE to discuss any matters that the Audit Committee or internal audit believes should be discussed privately.
- Encourage and facilitate open communication among internal audit, the independent auditors, and the Board of Directors.

General

- Prepare the Audit Committee’s report required by the SEC to be included in the Company’s annual proxy statement.
- Submit the minutes of all meetings of the Audit Committee to, or orally report the matters discussed at each Audit Committee meeting with, the Board of Directors.
- Perform other activities related to this charter as requested by the Board of Directors.
- Review and assess the adequacy of this charter annually, requesting Board approval for any proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Periodically evaluate the Audit Committee’s and individual members’ performance on a regular basis.