



Mastech Holdings, Inc.

Audit Committee Charter

I. Purpose

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Mastech Holdings, Inc. (the “Company”) shall be to assist in Board oversight of (1) the integrity of the Company’s financial statements and internal controls; (2) the Company’s compliance with legal and regulatory requirements; (3) the independent auditors’ (the “Auditors”) qualifications and independence; (4) the performance of the Company’s Auditors and audit functions; (5) the Company’s Code of Business Conduct and Ethics; and (6) preparation of the audit committee report that the rules of the Securities and Exchange Commission (the “SEC”) require to be included in the Company’s annual proxy statement.

II. Membership

The membership of the Committee shall consist of at least three directors, all of whom shall meet the independence requirements of the American Stock Exchange (“AMEX”) and the Securities Exchange Act of 1934, as amended. All members of the Committee shall, in the judgment of the Board, have the ability to read and understand fundamental financial statements. In addition, at least one member of the Committee shall, in the judgment of the Board, be an “audit committee financial expert” as defined by the rules and regulations of the SEC. Members of the Committee shall be elected annually by the Board. The Chairperson of the Committee shall be elected by the Committee. Vacancies occurring in the Committee shall be filled by election by the Board. Any member of the Committee may be removed by the Board.

III. Operations

The Committee shall meet as often as its members deem necessary to perform the duties and responsibilities set forth in Section IV, but not less than quarterly. The Committee shall fix its own rules of procedure which shall not be inconsistent with this Charter, the By-laws of the Company, or as required by law, regulation or AMEX listing standards. At such meetings, management and the Auditors may each have an opportunity to meet privately with members of the Committee. In addition, the Committee may request any officer or employee of the Company or the Company’s outside counsel or Auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Committee may form and delegate authority to subcommittees when appropriate.

A majority of the Committee shall constitute a quorum. A quorum shall decide any actions before the Committee, except in cases where such actions are governed by law, the

Company's Articles of Incorporation, the Company's By-laws, or this Charter. The Committee will cause to be kept adequate minutes of its proceedings and will report on its actions and activities to the full Board.

IV. Duties and Responsibilities of the Committee

The Committee's function is one of oversight. The Company's management is responsible for preparing the Company's financial statements and for developing and maintaining systems of internal accounting and financial controls, while the Auditors will assist the Committee and the Board in fulfilling their responsibilities for their review of these financial statements and internal controls. Accordingly, the Committee expects the Auditors to call to their attention any accounting, auditing, internal accounting control, regulatory or other related matters that they believe warrant consideration or action.

The Committee shall undertake the following activities in carrying out its oversight responsibilities:

Company's Relationship with its Auditors:

- The Committee shall have sole authority to directly appoint, retain, compensate, evaluate, and where appropriate, replace the Auditors. The Auditors shall report directly to the Committee.
- The Committee will review and pre-approve all the audit services to be performed, including the Auditors' engagement letter for the annual audit of the Company in accordance with the standards of the Public Company Accounting Oversight Board and the proposed fees in connection with such audit services. Any additional services that management chooses to hire the Auditors to perform must be approved individually by the Committee prior to the Auditors engagement. However, the Committee can establish pre-approval policies and procedures with respect to non-audited services. Such policies and procedures would allow management to engage the Company's Auditors for non-audit services as detailed in such policies and procedures.
- The Committee will meet with the Auditors prior to the audit to discuss the audit scope, plans and staffing of the audit.
- The Committee shall receive and review at least annually a formal written statement from the Auditors, consistent with standards set by the Independence Standards Board, regarding the Auditors independence and will discuss the details of such statement with the Auditors. These reports will include (1) the auditor's internal quality-control procedures; (2) any material issues raised by the most recent quality-control review, or peer review, or by any inquiry or investigation by governmental or professional authorities within the preceding five years with respect to any independent audit carried out by the firm; (3) any steps taken to resolve any issues

raised in the above reviews, inquires or investigations; and (4) any relationships or services that may impact the objectivity and independence of the Auditors.

- The Committee shall establish clear policies with respect to the hiring of employees or former employees of the Auditors.
- The Committee shall review with the Auditors all matters required to be communicated to the Audit Committee in accordance with Statement on Auditing Standards No. 61 “Communications with Audit Committees” and other relevant pronouncements.
- The Committee shall review with the Auditors and management any audit problems or difficulties and any disagreements encountered in the course of the audit. The Committee is responsible for resolving any disagreements between the Auditors and management regarding financial reporting.

Financial Statement, Disclosure Matters and the Reporting Process:

- The Committee shall review and discuss with management and the Auditors the quality and adequacy of the Company’s disclosure controls and procedures, and shall review disclosures made by the Company’s CEO and CFO in periodic reports filed with the SEC regarding compliance with their certification obligations.
- The Committee shall review and discuss with management and the Auditors the annual audited financial statements, including disclosures made in “Management’s Discussion and Analysis of Financial Conditions and Results of Operations”, any changes in accounting policies and practices, any significant reporting issues, estimates and judgments made in connection with the preparation of such audited financial statements, prior to filing of the Company’s Form 10-K.
- The Committee shall review and discuss with management and the Auditors the Company’s quarterly financial statements, including disclosures made in “Management’s Discussion and Analysis of Financial Conditions and Results of Operations”, prior to filing of the Company’s Form 10-Q.
- The Committee shall review and discuss with management and the Auditors the earnings press release, as well as financial information and earnings guidance to be provided to the public, prior to each quarterly earnings release.
- The Committee shall prepare the report from the Audit Committee required by the rules of the SEC to be included in the Company’s annual proxy statement.

Oversight of the Company's Internal Controls:

- The Committee shall review with management and the Auditors the adequacy of the Company's system of internal controls, including computerized information system controls and security.
- The Committee shall review and evaluate the effectiveness of the Company's process for assessing significant risks and the steps that management has taken to monitor and control such risk exposures.

Compliance and Other Responsibilities:

- The Committee shall ensure that the Company's Code of Business Conduct and Ethics and Finance Code of Professional Conduct are in writing and have annually been distributed to applicable Company employees, Directors and other individuals covered by its content. At least annually, the Committee will review the process for monitoring compliance with these codes and will obtain regular updates from management regarding compliance.
- The Committee shall have appropriate oversight responsibility and approval authorization for all related party transactions of the Company.
- The Committee shall establish and maintain a procedures for (1) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls, or audit matters; and (2) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- The Committee shall annually review and reassess the adequacy of the Audit Committee Charter and recommend any proposed changes to the Board for approval.
- The Committee shall discuss with management and the Auditors any communications with governmental agencies, any employee complaints or accusations, or any published statements or reports that raise significant issues regarding the Company's financial statements.
- The Committee shall perform, at least annually, an evaluation of its own performance, including any recommended changes to its membership, charter or procedures for Board review and discussion.
- The Chairman of the Committee shall make regular reports to the Board, regarding actions and recommendations of the Committee.
- The Committee has the authority and appropriate funding to obtain advice and assistance from outside legal, accounting and other advisers as it determines necessary to carry out its duties.

V. Compensation

The compensation of members of the Committee shall be set by the Board. Members shall be reimbursed for all reasonable expenses incurred in attending its meetings.

Notwithstanding the foregoing, no member of the Committee shall receive compensation in the form of fees paid directly or indirectly for services as a consultant or an advisor, regardless of amount. In addition, no compensation in the form of fees paid directly or indirectly for consulting services shall be paid to a firm for which a Committee member is employed, even if the member is not the actual service provider.