



Charter of DLH Audit Committee

Date/Rev August 2012

ORGANIZATION

There shall be a committee of the board of directors to be known as the audit committee, the purpose of which shall be to oversee the accounting and financial reporting processes of the corporation and audits of the financial statements of the corporation. The audit committee shall be composed of at least three directors, each of whom shall be independent directors as defined in Section 10A(M)(3) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the regulations promulgated thereunder by the U.S. Securities and Exchange Commission (the "Commission") and by the rules of any exchange on which the Company's securities may be listed for trading. Each member of the Audit Committee shall be free of any relationship that, in the opinion of the board of directors and in accordance with any applicable rules and regulations of the Securities and Exchange Commission and the principal exchange or over the counter market upon which the corporation's securities are listed for trading, would interfere with their exercise of independent judgment as committee members. All members of the Audit Committee shall have a working familiarity with basic finance and accounting practices. The members of the Audit Committee shall be elected by the Board at the annual organizational meeting of the Board or until their successors shall be duly elected and qualified. Unless a Chair is elected by the full Board, the members of the Audit Committee may designate a Chair by majority vote of the full Audit Committee membership. All members of the Audit Committee may be replaced by the Board.

AUDIT COMMITTEE FINANCIAL EXPERT

The audit committee shall include such number of persons, but no fewer than one, who qualify as audit committee financial experts in accordance with any applicable rules and regulations of the Securities and Exchange Commission and the principal exchange or over the counter market upon which the corporation's securities are listed for trading. The determination of which members, if any, qualify as audit committee financial experts shall be made by the board of directors in accordance with any applicable rules and regulations of the Securities and Exchange Commission and the principal exchange or over the counter market upon which the corporation's securities are listed for trading.

MEETINGS

The Audit Committee shall meet at least once quarterly and more frequently as circumstances dictate. In addition, the Audit Committee shall meet with the independent auditors and management quarterly to review the Company's financial statements. The Audit Committee shall meet periodically with



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management and the Company's independent auditors in separate executive sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately.

STATEMENT OF POLICY

The audit committee shall provide assistance to the board of directors in fulfilling its responsibility to the shareholders, potential shareholders, and investment community relating to corporate accounting, reporting practices of the corporation, and the quality and integrity of the financial reports of the corporation. In so doing, it is the responsibility of the audit committee to maintain free and open means of communication between the directors, the independent auditors, and the financial management of the corporation.

Responsibilities

- In carrying out its responsibilities, the audit committee believes its policies and procedures should remain flexible, in order to best react to changing conditions and to ensure to the directors and shareholders that the corporate accounting and reporting practices of the corporation are in accordance with all requirements and are of the highest quality. In carrying out these responsibilities, the audit committee will:
- Be directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the corporation, and each such registered public accounting firm will report directly to the audit committee. .
- Establish policies and procedures for pre-approval of all audit or permissible non-audit services provided by the corporation's independent auditors.
- Meet with the independent auditors and financial management of the corporation to review the scope of the proposed audit for the current year and the audit procedures to be utilized, and at the conclusion thereof review such audit, including any comments or recommendations of the independent auditors.
- Review with the independent auditors and the company's financial and accounting personnel, the adequacy and effectiveness of the accounting and financial controls of the corporation, and elicit any recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis should be



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given to the adequacy of such internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper. Further, the committee periodically should review company policy statements.

- Review the financial statements contained in the annual report to shareholders with management and the independent auditors to determine that the independent auditors are satisfied with the disclosure and content of the financial statements to be presented to the shareholders. Any changes in accounting principles should be reviewed.
- Provide sufficient opportunity for the independent auditors to meet with the members of the audit committee without members of management present. Among the items to be discussed in these meetings are the independent auditors' evaluation of the corporation's financial and accounting personnel, and the cooperation that the independent auditors received during the course of the audit.
- Review accounting and financial human resources and succession planning within the company.
- Submit the minutes of all meetings of the audit committee to, or discuss the matters discussed at each committee meeting with, the board of directors.
- Obtain and review a report from the independent auditor at least annually regarding (a) the independent auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the 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 firm, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditor and the Company consistent with Independence Standards Board Standard No. 1.
- Review and discuss with management and the independent auditor the annual audited financial statements, including disclosures made in management's discussion and analysis ("MD&A"), the critical accounting estimates employed in the MD&A and inquire whether such financial statements and any related notes are prepared in accordance with U.S. generally accepted accounting principles and, together with such MD&A, are consistent with the information known to Audit Committee members, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.
- Review and discuss with management and the independent auditor the Company's quarterly financial statements, related notes, the MD&A and the critical accounting estimates employed in the MD&A prior to the filing of its Form 10-Q, including the results of the independent auditor's review of the quarterly financial statements and inquire whether such financial statements and



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any related notes are prepared in accordance with U.S. generally accepted accounting principles and, together with such MD&A, are consistent with the information known to Audit Committee members.

- Discuss with management (on a pre-issuance basis) (a) the Company's earnings press releases, financial information and earnings guidance provided to analysts and rating agencies; (b) significant financial reporting matters to be disclosed in any Commission filings, such as a change in accounting principles or extraordinary and non-recurring items and transactions; and (c) significant matters to be disclosed in Form 8-K filings with the Commission.
- Discuss with management and the independent auditor the effect of regulatory and accounting initiatives including the Company's use, if any, of "pro forma" or "adjusted" non-GAAP financial information and off-balance sheet structures on the Company's financial statements.
- Review and evaluate the Company's policies and practices with respect to risk assessment and risk management, including the Company's major financial risk exposures and litigation and insurance management processes and review steps taken by management to monitor and control such exposures. If appropriate, initiate special investigations into matters within the Audit Committee's scope of responsibilities or as delegated by the Board of Directors.
- Evaluate, approve, and monitor on an ongoing basis any related party transactions.
- Establish procedures for the receipt, retention, and treatment of complaints received by the corporation regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by the corporation's employees of concerns regarding questionable accounting or auditing matters.
- Have the authority to engage independent counsel and other advisers, as it determines necessary to carry out its duties.
- Will be provided with appropriate funding, as determined by the audit committee, in its capacity as a committee of the board of directors, for payment of compensation:
 - To any registered public accounting firm engaged for the purpose of rendering or issuing an audit report or related work or performing other audit, review or attest services for the corporation; and
 - To independent counsel or other advisers employed by the audit committee.