

# **SYKES ENTERPRISES, INCORPORATED**

## **AUDIT COMMITTEE CHARTER**

**As Amended and Restated by the Audit Committee on December 5, 2016**

**As Approved by the Board on December 6, 2016**

### **I. PURPOSE**

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing: the financial reports and other financial information provided by the Corporation to any governmental body or the public; the Corporation's systems of internal controls regarding finance, accounting, legal compliance and ethics that management and the Board have established; and the Corporation's auditing, accounting and financial reporting processes generally. Consistent with this function, the Audit Committee should encourage continuous improvement of, and should foster adherence to, the Corporation's policies, procedures and practices at all levels.

The Audit Committee's primary duties and responsibilities are:

- To serve as an independent and objective party to monitor the Corporation's financial reporting process and internal control system.
- The appointment, compensation, and oversight of the work of the registered public accounting firm employed by the Corporation (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, and each such registered public accounting firm shall report directly to the Audit Committee.
- Review and appraise the Corporation's internal auditing function.
- Provide an open avenue of communication among the Corporation's registered public accounting firm, financial and senior management, those involved in the Corporation's internal auditing function, and the Board of Directors.

The Audit Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section IV of this Charter. This Charter, however, is not intended to, and does not, create any legal or fiduciary duties or responsibilities or form the basis for a breach of fiduciary duty or potential liability if not complied with.

### **II. COMPOSITION**

The Audit Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be "independent" as that term is defined in (i) paragraph (m) of Section 10A of the Securities Exchange Act of 1934 (15 U.S.C. 78f), and the rules and regulations of the

Securities and Exchange Commission promulgated thereunder, and (ii) the rules of the NASDAQ National Market, or any other stock exchange or quotation service on which the Corporation's securities are listed. Further, each member of the Audit Committee shall meet all other requirements for membership on the Audit Committee set forth in the rules of the NASDAQ National Market, or any other stock exchange or quotation service on which the Corporation's securities are listed, and be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee. All members of the Audit Committee shall have a working familiarity with basic finance and accounting practices, and at least one member of the Audit Committee shall be a "financial expert," as such term is defined by the Securities and Exchange Commission. Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant.

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.

### **III. MEETINGS**

The Audit Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Audit Committee should meet at least annually with management, the managers of those involved in the Corporation's internal auditing function and the Corporation's registered public accounting firm in separate executive sessions to discuss any matters that the Audit Committee or each of these groups believe should be discussed privately. In addition, the Audit Committee or at least its Chair should meet with the Corporation's registered public accounting firm and management quarterly to review the Corporation's financial statements consistent with Item IV.4. below.

### **IV. RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties the Audit Committee shall:

#### Documents/Reports Review

1. Review and update this Charter periodically, at least annually, as conditions dictate.
2. Review and discuss with financial management and the Corporation's registered public accounting firm the Corporation's annual financial statements, and the disclosures made in the section of the Corporation's Annual Report on Form 10-K entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," to be included in the Corporation's Annual Report prior to its filing or the release of earnings for the year, and recommend to the Board whether the audited financial statements should be included in the Corporation's Annual Report. Similarly, review and discuss any other consolidated financial information submitted to any governmental body, or the public, including any certification, report, opinion, or review rendered by the Corporation's registered public accounting firm.
3. Review and discuss with financial management and the Corporation's registered public accounting firm the Corporation's quarterly financial statements, and the disclosures to be

made in the section of the Corporation's Quarterly Report on Form 10-Q entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," to be included in the Corporation's Quarterly Report prior to its filing or the release of earnings for the quarter, including the results of the registered public accounting firm's reviews of the quarterly financial statements. The person designated as the "financial expert" of the Audit Committee may represent the entire Audit Committee for purposes of this review.

4. Review and approve annual internal audit plan, fees and qualifications of internal audit team. Review internal audit reports prepared for the Audit Committee by those involved in the Corporation's internal auditing function and management's response.

#### Independent Accountants

5. Select the registered public accounting firm to be employed by the Corporation for the purpose of preparing or issuing an audit report on the Corporation's annual financial statements or related work, determine the scope of the registered public accounting firm's engagement, approve the fees and other compensation to be paid to the registered public accounting firm and discharge such firm when circumstances warrant.
6. At least annually, obtain and review a report by the Corporation's registered public accounting firm that describes (1) the firm's internal quality control procedures, (2) any material issues raised by the most recent internal quality control review, peer review or Public Company Accounting Oversight Board review of the firm or by any other inquiry or investigation by governmental or professional authorities in the past five years regarding one or more audits carried out by the firm and any steps taken to deal with any such issues, and (3) all relationships between the firm and the Corporation.
7. At least annually, evaluate the qualifications, performance and independence of the Corporation's registered public accounting firm, including reviewing and discussing with the registered public accounting firm all significant relationships the registered public accounting firm has with the Corporation to determine the registered public accounting firm's independence, and an evaluation of the lead audit partner; and to assure the regular rotation of the lead audit partner at the registered public accounting firm and consider rotation of the registered public accounting firm serving as the Corporation's independent auditors.
8. Specifically approve in advance, in accordance with section 7 below, and in accordance with guidelines established by the Audit Committee, each non-audit service, including tax services, to be performed by the registered public accounting firm outside of its regular audit engagement. For purposes hereof, the term "non-audit services" means any professional services provided to the Corporation by a registered public accounting firm, other than those provided to the Corporation in connection with an audit or a review of its financial statements. The foregoing notwithstanding, the Corporation's registered public accounting firm may not be engaged to perform any of the services described in clauses (1) through (9) below contemporaneously with the audit:

- (1) bookkeeping or other services related to the accounting records or financial statements of the Corporation;
  - (2) financial information systems design and implementation;
  - (3) appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
  - (4) actuarial services;
  - (5) internal audit outsourcing services;
  - (6) management functions or human resources;
  - (7) broker or dealer, investment adviser, or investment banking services;
  - (8) legal services and expert services unrelated to the audit; and
  - (9) any other service that the Public Company Accounting Oversight Board, established pursuant to Section 101 of the Sarbanes-Oxley Act of 2002, determines, by regulation, is impermissible.
9. Approve in advance all auditing services (which may entail providing comfort letters in connection with securities underwritings) and permissible non-audit services to be provided to the Corporation by the Corporation's registered public accounting firm. In carrying out its duties under paragraph 5 above, if the Audit Committee approves an audit service within the scope of the engagement of the Corporation's registered public accounting firm, such audit service shall be deemed to have been pre-approved for purposes of this paragraph. The Audit Committee may delegate to one or more designated members of the Audit Committee the authority to grant pre-approvals required by this paragraph. Each and every decision of a member of the Audit Committee to whom authority is delegated under this paragraph to pre-approve an activity under this paragraph shall be presented to the full Audit Committee at its next meeting. Auditing Services and permissible non-audit services authorized by management and having a cost of \$50,000 or less have been determined to be de minimis and will be deemed pre-approved under this paragraph.
10. Meet with the Corporation's registered public accounting firm prior to the audit to discuss the planning and staffing of the audit.

#### Financial Reporting Processes

11. In consultation with the Corporation's registered public accounting firm and those involved in the Corporation's internal auditing function, review the integrity of the Corporation's financial reporting processes, both internal and external, and review and discuss any significant deficiencies or material weaknesses in the design or operation of, and any material changes in, the Corporation's financial reporting processes, internal control over financial reporting and disclosure controls and procedures and any special audit steps adopted in light of any material control deficiencies.
12. Periodically consult with the Corporation's registered public accounting firm out of the presence of management about internal controls and the completeness and accuracy of the Corporation's financial statements.

13. Consider the judgments of the Corporation's registered public accounting firm about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
14. Discuss with management and the Corporation's registered public accounting firm significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including any significant changes in the Corporation's selection or application of accounting principles, any major issues as to the adequacy of the Corporation's internal controls, the development, selection and disclosure of critical accounting estimates, and analyses of the effect of alternative assumptions, estimates or GAAP methods on the Corporation's financial statements.
15. Discuss with management the Corporation's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies.
16. Discuss with management and the Corporation's registered public accounting firm the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Corporation's financial statements.
17. Discuss with management the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Corporation's risk assessment and risk management policies.
18. Discuss with the Corporation's registered public accounting firm the matters required to be discussed by PCAOB auditing standards relating to the conduct of the audit, as the same may be modified or supplemented. In particular, discuss:
  - a. The adoption of, or changes to, the Corporation's significant auditing and accounting principles and practices as suggested by the Corporation's registered public accounting firm, those involved in the Corporation's internal auditing function or management.
  - b. The management letter provided by the Corporation's registered public accounting firm and the Corporation's response to that letter.
  - c. Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

#### Process Improvement

19. Establish regular and separate systems of reporting to the Audit Committee by each of management, the Corporation's registered public accounting firm and those involved in the Corporation's internal auditing function regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.

20. Following completion of the annual audit, review separately with each of management, the Corporation's registered public accounting firm and those involved in the Corporation's internal auditing function, any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
21. Review any significant disagreement among management and the Corporation's registered public accounting firm or those involved in the Corporation's internal auditing function in connection with the preparation of the financial statements.
22. Review with the Corporation's registered public accounting firm, those involved in the Corporation's internal auditing function and management the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. (This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as determined by the Audit Committee.)

#### Ethical and Legal Compliance

23. Periodically review the Code of Ethical Conduct Relating to Financial Reporting and ensure that management has established a system to enforce this Code.
24. Review management's monitoring of the Corporation's compliance with the Corporation's Code of Ethical Conduct Relating to Financial Reporting, and ensure that management has the proper review system in place to ensure that the Corporation's financial statements, reports and other financial information disseminated to governmental organizations, and the public satisfy all applicable legal requirements.
25. Review the activities, organizational structure, and qualifications of those involved in the Corporation's internal auditing function.
26. Review periodic evaluations of management's identification of fraud risks and implementation of fraud deterrence and prevention measures.
27. Review with the Corporation's counsel any legal matter that could have a significant impact on the Corporation's financial statements.
28. Review the establishment of 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 employees of concerns regarding questionable accounting or auditing matters.
29. Perform any other activities consistent with this Charter, the Corporation's By-laws and applicable statutes, rules and regulations as the Audit Committee or the Board deems necessary or appropriate.

## Disclosure

30. Prepare the report required by the rules of the Securities and Exchange Commission to be included in the Corporation's annual proxy statement.
31. Disclose all approvals by the Audit Committee under paragraph 7 above of non-audit services to be performed by the Corporation's registered public accounting firm in the Quarterly and Annual Reports on Forms 10-Q and 10-K required to be filed by the Corporation with the Securities and Exchange Commission.

## Review and Approval of Related Party Transactions

32. Review and determine whether to approve any transaction between the Corporation and one or more officers, directors and/or major shareholders of the Corporation.

## **V. AUTHORITY TO ENGAGE ADVISORS; FUNDING**

The Audit Committee shall have the authority to engage independent counsel and other advisers, as it determines necessary to carry out its duties. The Corporation shall provide for 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 advisers employed by the Audit Committee.