

**Investors Capital Holdings, Ltd.**  
**AUDIT COMMITTEE**  
**CHARTER**  
**Amended November 24, 2009**

**A. Overview**

The Audit Committee shall be responsible for overseeing the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company.

**Auditors.** The Committee shall be directly responsible for the appointment, termination, compensation and oversight of the work of any registered public accounting firm engaged to prepare or issue an audit report or to perform other audit, review or attest services for the Company (the "Auditors"), including the resolution of disagreements between management and the Auditors regarding financial reporting. The Auditors shall report directly to the Committee. However, it is not the duty of the Audit Committee and to plan or conduct audits or to determine that the Company's financial statements are complete, accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the Auditors.

**Communications.** The Committee shall ensure that free and open communications are maintained between the Committee, the Auditors, Management and the Board of Directors, and may request any officer, employee or outside counsel of the Company or Auditors to attend any meeting of the Committee or to meet with any members of, or consultants to, the Committee.

**Complaints.** The Committee shall 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 Company employees of concerns regarding questionable accounting or auditing matters.

**Resources.** The Committee shall have the authority to engage independent counsel, accountants, consultants and other advisors as it determines necessary to carry out its duties. The Committee shall be provided appropriate funding, as determined by the Committee, for payment of compensation to Auditors, compensation to the above-mentioned advisors, and ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

**B. Membership and Meetings**

The Committee shall have at least two members, all of whom shall be Directors of the Company. At least one member of the Committee shall be qualified and designated as an "audit committee financial expert" under Item 401(h) of Regulation S-K. The Committee members shall be appointed by the Board and upon the recommendation of the Nominating and Governance

Committee and shall serve at the pleasure of the Board. In conformity with the rules of the NYSE/AMEX and Section 10A of the Securities Exchange Act of 1934 and the rules promulgated thereunder, the Committee members shall meet the following requirements:

- (i) each member must satisfy the independence standards set forth in the Company's Director Independence Standards, as the same are modified from time to time;
- (ii) each member must not have participated in the preparation of the financial statements of the Company or any current subsidiary at any time during the past three years;
- (iii) each member must be able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement; and at least one member is financially sophisticated, in that he or she has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the financial sophistication, including but not limited to being or having been a chief executive officer, chief financial officer, or other senior officer with financial oversight responsibilities. A director who qualifies as an "audit committee financial expert" under Item 401(h) of Regulation S-K is presumed to qualify as financially sophisticated.

The Committee shall meet at least quarterly. Meetings shall be chaired by a Chairman selected by the Committee members and, in his absence, by a person selected by the Chairman of the Board. The Committee shall, from time to time as appropriate, report to the Board on such matters as the preparation, quality and integrity of the Company's financial statements and the performance of the Auditors.

### **C. Duties and Responsibilities**

The Audit Committee shall:

1. (i) Annually evaluate the Committee's performance and compliance with this Charter and review and reassess the adequacy of this Charter and (ii) from time to time recommend any proposed Charter changes to the Board for approval. This Charter, as revised from time to time, shall be publicized at least every three years in accordance with SEC regulations.
2. Review the Company's annual audited and quarterly financial statements with management and the Auditors, including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Committee shall make a recommendation to the Board as to whether the annual audited financial statements should be included in the Company's Annual Report on Form 10-K.
3. Review and discuss proposed earnings press releases and financial information and earnings guidance provided to analysts and rating agencies.
4. Review timely reports from the Auditors of (i) critical accounting policies and practices to be used in producing financial statements and (ii) alternative treatments of financial information

within generally accepted accounting principles for policies and procedures relating to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the auditors. Review material written communications between the Auditors and management.

5. Review an analysis prepared by management and the Auditors of significant financial reporting issues and judgments made in connection with the preparation of each of the Company's periodic financial statements. Inquire of the CEO and CFO regarding the "quality of earnings" of the Company included in each such financial statement from a subjective as well as an objective standpoint.

6. Review with the Auditor problems or difficulties the Auditors may have encountered and any management letter provided by the Auditors (including any schedule of unadjusted differences) and the Company's response. Such review should include any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information or any changes in the required scope of the audit.

7. In consultation with management, the Chief Auditing Executive ("CAE") if there be one, the Chief Financial Officer (the "CFO") and the Auditors, consider the integrity of the Company's financial reporting processes and controls, including computerized information system controls and security. Review any related significant findings and recommendations of internal auditors, the Auditors or consultants as to the adequacy of SOX compliance and review steps taken by management to implement such findings and recommendations.

8. Inquire of management, the CAE (if there be one), the CFO and the Auditors about the significant risks or exposures facing the Company as they relate to the Company's financial statements and public financial disclosures; coordinate with the Company's Risk Committee on the assessment of other risks; assess the adequacy of the disclosures of such risks in the Company's public filings and in compliance with regulatory requirements; assess the steps management has taken or proposes to take to minimize such risks to the Company and periodically review compliance with such risk minimization processes.

9. Review major changes to the Company's auditing and accounting principles and practices as suggested by the Auditors or management.

10. Review with the CAE (if there be one), the CFO and the Company's corporate counsel on a regular basis, the effect of regulatory and accounting initiatives on the Company's financial statements and other legal or regulatory initiatives that in the opinion of management may have a material impact on the financial statements, related Company compliance policies and programs and reports received from regulators or consultants addressing these issues. .

11. Review, as deemed appropriate by the Committee, the effect of off-balance sheet structures, if any, on the Company's financial statements.

12. Appoint the Auditors and approve all audit engagement fees and terms with the Auditors, which firm shall be selected by and shall be directly accountable to the Audit Committee. The Committee is directly responsible for the oversight of the Auditors.

13. Ascertain that the lead (or concurring) audit partner from any public accounting firms performing audit services serves in that capacity for no more than five (5) fiscal years and that any other partner serves no more than seven (7) years at the partner level on the Company's audit.

14. Evaluate the performance of the Auditors and, if so determined by the Audit Committee, replace the Auditors.

15. Establish policies for approval, by the Committee or its delegates, of the engagement of outside accountants including the Auditors. Ensure that all such engagements are approved in conformity with said policies.

16. Review and concur in the appointment, replacement, reassignment or dismissal of the CAE (if there be one,) or the CFO.

17. Oversee the preparation, at least annually, of an Annual report of the Audit Committee as required by the rules of the SEC and the annual affirmation required by the rules of the appropriate listing exchange, if necessary.

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