

STG GROUP, INC.
AMENDED AND RESTATED
CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS

I. PURPOSE OF THE COMMITTEE

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of STG Group, Inc. (the “Company”) is to oversee the accounting and financial reporting processes of the Company and its subsidiaries and the audits of the financial statements of the Company.

II. COMPOSITION OF THE COMMITTEE

The Committee shall consist of three or more directors, as determined from time to time by the Board. Each member of the Committee shall be independent in accordance with the requirements of Rule 10A-3 of the Securities Exchange Act of 1934 and the rules of The Nasdaq Stock Market, Inc. (“Nasdaq”), and shall meet the additional composition requirements of Nasdaq, including those requirements that prohibit the receipt of certain fees. No member of the Committee can have participated in the preparation of the Company’s or any of its subsidiaries’ financial statements at any time during the past three years.

The chairperson of the Committee shall be designated by the Board, *provided* that if the Board does not so designate a chairperson, the members of the Committee, by a majority vote, may designate a chairperson.

Any vacancy on the Committee shall be filled by majority vote of the Board. No member of the Committee shall be removed except by majority vote of the Board.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement. In addition, at least one member of the Committee must be designated by the Board to be the “audit committee financial expert,” as defined by the Securities and Exchange Commission (“SEC”) pursuant to the Sarbanes-Oxley Act of 2002 (the “Act”).

III. MEETINGS OF THE COMMITTEE

The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but no less frequently than four times per year. The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee is governed by the same rules regarding meetings (including meetings in person or by telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and

quorum and voting requirements as are applicable to the Board.

The Committee shall meet separately, and periodically, with management, members of the Company's internal audit department, and representatives of the Company's Independent Auditors, and shall invite such individuals to its meetings as it deems appropriate, to assist in carrying out its duties and responsibilities. However, the Committee shall meet regularly without such individuals present.

The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

The Committee shall maintain minutes of its meetings and records relating to those meetings.

IV. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

The Committee shall have the following authority and responsibilities:

Selection, Evaluation, and Oversight of the Auditors

(a) To (1) select and retain an independent registered public accounting firm to act as the Independent Auditor (the "Independent Auditor") for the purpose of preparing or issuing an audit report for inclusion in the Company's Annual Report on Form 10-K, (2) set the compensation of the Independent Auditor and the terms of such Independent Auditor engagement, (3) oversee the work done by the Independent Auditor; and (4) terminate and replace the Independent Auditor when circumstances warrant.

(b) To select, retain, compensate, oversee and terminate, if necessary, any other public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company.

(c) To approve all audit and permitted non-audit and tax services that may be provided by the Independent Auditors or other registered public accounting firms.

(d) Evaluate the independence of the Independent Auditors by, among other things;

(i) obtaining and reviewing from the Independent Auditor a formal written statement delineating all relationships between the Independent Auditors and the Company, consistent with applicable regulations;

(ii) actively engaging in a dialogue with the Independent Auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditors;

- (iii) taking, or recommending that the Board take, appropriate action to oversee the independence of the Independent Auditors;
- (iv) monitoring compliance by the Independent Auditors with the audit partner rotation requirements contained in the Act and the rules and regulations promulgated by the SEC thereunder;
- (v) monitoring compliance by the Company of the employee conflict of interest requirements contained in the Act and the rules and regulations promulgated by the SEC thereunder; and
- (vi) engaging in a dialogue with the Independent Auditors to confirm that audit partner compensation is consistent with applicable SEC rules.

Oversight of Annual Audit and Quarterly Reviews

- (e) Review with management and the Independent Auditors the following information which is required to be reported by the Independent Auditor:
 - (i) all critical accounting policies and practices to be used;
 - (ii) all alternative treatments of financial information that have been discussed by the Independent Auditors and management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Independent Auditors;
 - (iii) all other material written communications between the Independent Auditors and management, such as any management letter and any schedule of unadjusted differences; and
 - (iv) any material financial arrangements of the Company which do not appear on the financial statements of the Company.
- (f) Resolve all disagreements between the Independent Auditors and management regarding financial reporting.

Oversight of Financial Reporting Process and Internal Controls

- (g) Review the adequacy and effectiveness of the Company's accounting and internal control policies and procedures on a regular basis, including the responsibilities, budget, compensation and staffing of the Company's internal audit function, through inquiry and discussions with the Independent Auditors and management.

(h) Review with the chief executive officer, chief financial officer and Independent Auditors, periodically, the following:

- (i) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
- (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

(i) Discuss guidelines and policies governing the process by which senior management of the Company assess and manage the Company's exposure to risk, as well as the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

(j) Review with management the progress and results of all internal audit projects, and, when deemed necessary or appropriate by the Committee, assign additional internal audit projects to appropriate personnel to be undertaken by management, the Company's internal auditors, or external advisors.

(k) Receive periodic reports from the Independent Auditors, management and the Company's internal auditors to assess the impact on the Company of significant accounting or financial reporting developments that may have a bearing on the Company.

(l) Review and discuss with the Independent Auditors the results of the year-end audit of the Company, including any comments or recommendations of the Independent Auditors and, based on such review and discussions and on such other considerations as it determines appropriate, recommend to the Board whether the Company's financial statements should be included in the Annual Report on Form 10-K.

(m) Establish and maintain communication between and among the Committee, the Independent Auditors and management, including providing such parties with appropriate opportunities to meet separately and privately with the Committee on a periodic basis.

(n) Review the type and presentation of information to be included in the Company's earnings press releases (especially the use of "pro forma" or "adjusted" information not prepared in compliance with generally accepted accounting principles), as well as financial information and earnings guidance provided by the Company to analysts and rating agencies (which review may be done generally (i.e., discussion of the types of information to be disclosed and type of presentations to be made), and the Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance).

Miscellaneous

(o) Establish and implement policies and procedures for the Committee's review and approval or disapproval of proposed transactions or courses of dealings with respect to which executive officers or directors or members of their immediate families have an interest (including all transactions required to be disclosed by Item 404(a) of Regulation S-K).

(p) Meet periodically with the general counsel, and outside counsel when appropriate, to review legal and regulatory matters, including (i) any matters that may have a material impact on the financial statements of the Company and (ii) any matters involving potential or ongoing material violations of law or breaches of fiduciary duty by the Company or any of its directors, officers, employees, or agents or breaches of fiduciary duty to the Company.

(q) Prepare the report required by the rules of the SEC to be included in the Company's annual proxy statement.

(r) Review the Company's policies relating to the ethical handling of conflicts of interest and review past or proposed transactions between the Company and members of management as well as policies and procedures with respect to officers' expense accounts and perquisites, including the use of corporate assets. The Committee shall consider the results of any review of these policies and procedures by the Independent Auditors.

(s) Review and approve in advance any services provided by the Independent Auditors to the Company's executive officers or members of their immediate family.

(t) Establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

(u) Establish procedures for the receipt, retention and treatment of reports of evidence of a material violation made by attorneys appearing and practicing before the SEC in the representation of the Company or any of its subsidiaries, or reports made by the Company's chief executive officer or general counsel in relation thereto.

(v) Secure independent expert advice to the extent the Committee determines it to be appropriate, including retaining, with or without Board approval, independent counsel, accountants, consultants or others, to assist the Committee in fulfilling its duties and responsibilities, the cost of such independent expert advisors to be borne by the Company.

(w) Delegate specific Committee responsibilities to one or more subcommittees or working groups as the Committee may deem appropriate in its sole discretion and as permitted by this Charter, law, regulation, listing standards, and the Bylaws of the Company.

(x) Review and assess the adequacy of this Charter on an annual basis and recommend any proposed changes to the Board.

V. INVESTIGATIONS AND STUDIES; OUTSIDE ADVISERS; FUNDING

The Committee (or any subcommittee or working group thereof) may conduct or authorize investigations into or studies of matters within the Committee's or such working group's scope of responsibilities, and may retain, at the Company's expense, such independent counsel or other consultants or advisers as it deems necessary.

The Company shall provide the Committee with appropriate funding, as determined by the Committee in its capacity as a committee of the Board, for the payments of: (1) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (2) compensation to any independent advisers retained by the Committee in carrying out its duties; and (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

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While the Committee has the duties and responsibilities set forth in this charter, the Committee is not responsible for preparing or certifying the financial statements, for planning or conducting the audit, or for determining whether the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles.

In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not full-time employees of the Company, it is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures or to set auditor independence standards, and each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company from which it receives information and (ii) the accuracy of the financial and other information provided to the Committee absent actual knowledge to the contrary.

Nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the members of the Committee, except to the extent otherwise provided under applicable federal or state law.

Last revised: December 2, 2015