

**SED INTERNATIONAL HOLDINGS, INC.**  
**AMENDED AND RESTATED AUDIT COMMITTEE CHARTER**  
Amended and Restated 12-8-10

1. Scope           The Audit Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of SED International Holdings, Inc. (the “Corporation”) established pursuant to the Bylaws of the Corporation. The Committee assists the Board in fulfilling its oversight responsibilities for the reliability and integrity of:

- The financial reports and other financial information provided by the Corporation to the public, its shareholders, and others;
- Compliance with the Sarbanes-Oxley Act and all other legal and regulatory requirements;
- The Corporation’s systems of disclosure controls and internal controls over its accounting and financial reporting processes; and
- The auditing process.

II. Composition   The members of the Committee (“Members”) will be elected as described in the Bylaws.

The Committee will be comprised of two or more existing directors on the Board. All Members must be independent as defined by applicable laws and, if applicable, by the organization on which the stock of the Corporation is listed.

All Members must possess a reasonable level of financial sophistication so as to be able to read, understand, and analyze financial statements of the Corporation. At least one Member must be a financial expert, as determined by the Board in accordance with all applicable laws, regulations, and rules.

III. Meetings     The Committee will meet at least four times annually, prior to each earnings release and as often as necessary to carry out its responsibilities. The Committee will meet at least quarterly with management including, but not limited to, the principal executive (PEO) and principal financial (PFO) officers of the Corporation, and the independent public accountants to discuss any matters that the Committee or each of these groups believes should be discussed.

At the request of a Member, management (including the PEO and the PFO) or the independent public accountants, the Committee may meet and confer with such officers and employees of the Corporation as the Committee deems appropriate in connection with carrying out the Committee’s responsibilities, including any significant difficulties encountered during the course of an audit and any restrictions on the scope of work or access to required information.

All meetings will be held pursuant to the Bylaws and written minutes of each meeting must be duly filed in the Corporation records.

IV.                The Committee’s primary duties and responsibilities are to:

Responsibilities  
and Duties

**Document/Reports Review**

1. Review the Corporation’s quarterly and annual financial statements and related financial reports (10-Qs and 10-Ks or the like) or other financial information to be submitted to, or filed with, any governmental or regulatory body or the public, including any certification, report, opinion, or review rendered by the independent public accountants prior to their filing or release and any “management letter” issued by the independent public accounts and

management's response thereto.

2. Authorize the filing of quarterly and annual reports required to be filed pursuant Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended.

3. Review monthly or special summary reports to management prepared by the Accounting Department and raise such questions as it deems appropriate.

4. Review and receive reports of concerns or complaints regarding accounting, internal control or auditing matters from employees or others and oversee the investigation and resolution of such matters.

5. Review and discuss with financial management and independent public accountants any public filings related to financial assessment or reporting by the Corporation prior to their filing.

6. Receive reports from the independent public accounting firm including critical accounting policies, alternative treatments of financial information considered and material written communications with the Corporation.

7. Review correspondence between the independent public accountants and the Corporation as it relates to issues related to the financial statements or other matters within the scope of the Committee's responsibilities.

8. Consult with the Board's Legal Affairs Committee (or such other committee of the Board responsible for reviewing related party transactions of the Corporation) regarding the financial statement implications of all related party transactions, as defined by SEC disclosure regulations.

9. Report the activities of the Committee to the Board, as appropriate, on a regular basis.

10. The Committee shall, on an annual basis, evaluate its performance. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope and shall recommend to the Board such changes as it deems necessary or appropriate. The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Corporation's or the Board's policies or procedures

#### **Independent Public Accountants**

11. Annually select, and replace, the independent public accountants when appropriate.

12. Review the need for the rotation of the lead audit partner and the reviewing partner at least every five (5) years.

13. Approve the compensation of the independent public accountants.

14. Oversee performance of the independent public accountants.

15. Annually review and discuss with the independent public accountants all significant relationships the independent public accountants have with the Corporation to determine their independence.

16. Pre-approve any audit and non-audit related services to be provided by the independent public accountants.

### **Interaction with Management**

17. Provide an open avenue of communication among the independent public accountants, financial and senior management, the Internal Audit Department (if any), this Committee and the Board.

18. Meet jointly and/or separately with management (including the PEO and the PFO) and the independent public accountants before commencement of the annual financial statement audit to (a) discuss the evaluation by management and the independent public accountants of the adequacy and effectiveness of the accounting procedures and internal controls of the Corporation and its subsidiaries, (b) approve the overall scope of the audit and the fees to be charged, (c) inquire and discuss recent Financial Accounting Standards Board, Securities and Exchange Commission, Public Company Accounting Oversight Board or other regulatory agency pronouncements, if any, which might affect the Corporation's financial statements.

19. Meet jointly and/or separately with management (including the PEO and the PFO) and the independent public accountants at the conclusion of the audit to (a) review the audited financial statements of the Corporation, (b) discuss the result of the audit, (c) discuss any significant recommendations by the independent public accountants for improvement of accounting systems and controls of the Corporation, and (d) discuss the quality and depth of staffing in the accounting and financial departments of the Corporation.

20. Investigate any matters brought to its attention and resolve disagreements between the independent public accounting firm and the Corporation.

21. Have the authority and funding from the Corporation to obtain advice from experts outside of the Corporation, such as legal and accounting experts.

### **Accounting Department and Internal Auditor Staff**

22. Oversee the independence and objectivity of the internal auditors, if any.

23. Review the activities, budget, organizational structure, staffing, charter, qualifications, and compensation of the Corporation's Accounting Department on at least an annual basis.

### **Financial Reporting Process**

24. Serve as an independent and objective party to monitor the Corporation's financial reporting process, disclosure controls and internal control system, including the information technology and computer systems

25. Discuss with the independent public accountants and the internal auditors, if any, the integrity of the financial reporting processes.

26. Consider the independent public accountants judgment about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.

27. Consider and approve, if appropriate, major changes to the Corporation's

accounting principles and practices as suggested by the independent public accountants, management or the Corporation's Accounting Department.

28. Review any reportable events required by auditing standards including any disagreements among management and the independent public accountants or the Internal Auditing Department, if any, in connection with the preparation of the financial statements.

29. Establish procedures for employees and others outside the Corporation to report concerns or make complaints concerning the Corporation's accounting or auditing matters or ethics or other matters and compliance by the Corporation's financial officers.

30. Review "Hotline" logs, if any, quarterly.