



**MYR GROUP INC.  
AUDIT COMMITTEE CHARTER**

**I. PURPOSE OF THE COMMITTEE**

The primary purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of MYR 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 including, without limitation, to (a) assist the Board's oversight of (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the Company's independent auditors' qualifications and independence, (iv) the performance of the Company's internal audit function, and (v) the appointment, compensation, qualifications, independence and performance of the Company's independent auditors and (b) review the report required to be prepared by the Committee pursuant to the rules of the Securities and Exchange Commission (the "SEC") for inclusion in the Company's annual proxy statement.

The Committee does not itself prepare financial statements or perform audits, and its members are not auditors or certifiers of the Company's financial statements. It is not the duty of the Committee to conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with Generally Accepted Accounting Principles ("GAAP") and applicable rules and regulations. These are the responsibilities of management and the independent auditors.

**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 (i) shall be "independent" and qualified to serve on the Committee pursuant to the rules of The Nasdaq Stock Market, as they may be amended from time to time (the "Nasdaq Rules"), SEC rules, and other applicable laws, rules and regulations, (ii) shall not accept any consulting, advisory or other compensatory fee from the Company other than in his or her capacity as a member of the Board or any committee of the Board, (iii) shall not be an affiliate of the Company nor own or control ten-percent or more of the Company's voting securities, or such lower measurement as may be established by the SEC, (iv) shall not have participated in the preparation of the financial statements of the Company or any subsidiary at any time during the past three years, and (v) must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement, and cash flow statement.

No director may serve as a member of the Committee if such director serves on the audit committee of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on the Committee.

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.

Committee members shall serve for such terms as may be fixed by the Board, or at the will of the Board if no specific term is fixed. 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.

At least one member of the Committee must be designated by the Board to be the "audit committee financial expert," as defined by SEC rules and regulations.

### **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 once every fiscal quarter. The Committee may also hold special meetings or act by unanimous written consent as the Committee may decide. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Committee should meet separately on a periodic basis with (i) management, (ii) the Company's internal auditing personnel, and (iii) the Company's independent auditors, and any consultants to the Committee, in each case, to discuss any matters that the Committee or any of the above persons or firms believes warrant Committee attention. The Committee, to the extent required by the Nasdaq Rules and as it may otherwise determine to be appropriate, will meet in separate executive sessions.

Where appropriate and permissible under Nasdaq Rules and other applicable law or regulation, the Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees such power and authority as the Committee deems appropriate.

A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

The Committee, with the assistance of the Corporate Secretary, shall maintain minutes of its meetings and records relating to those meetings.

### **IV. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

In carrying out its duties and responsibilities, the Committee's policies and procedures should remain flexible, so that it may be in a position to best address, react, or respond to changing circumstances or conditions. The following duties and responsibilities are within the authority of the Committee and the Committee shall, consistent with and subject to applicable law and rules and regulations promulgated by the SEC, the Nasdaq Rules, or any other applicable laws, rules or regulatory authority:

#### **A. *Selection, Evaluation, and Oversight of the Auditors***

(a) Be directly responsible for the appointment, compensation, retention, and oversight of the work of 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, and each such registered public accounting firm must report directly to the Committee (the registered public accounting firm engaged for the purpose of preparing or issuing an audit report for inclusion in the Company's Annual Report on Form 10-K is referred to herein as the "independent auditors");

(b) Review and, in its sole discretion, approve in advance the Company's independent auditors' annual engagement letter, including the proposed fees contained therein, as well as all audit and, as provided in the Sarbanes Oxley Act of 2002 (the "Act") and the SEC rules and regulations promulgated thereunder, all permitted non-audit engagements and relationships between the Company and such independent auditors (which approval should be made after receiving input from the Company's management, if desired). Approval of audit and permitted non-audit services will be made by the Committee or by one or more members of the Committee as shall be designated by the Committee, and the person(s) granting such approval shall report such approval to the Committee at the next scheduled meeting;

(c) Review the performance of the Company's independent auditors, including the lead partner of the independent auditors, and, in its sole discretion, make decisions regarding the replacement or termination of the independent auditors when circumstances warrant;

(d) Evaluate the independence of the Company's independent auditors by, among other things:

- (i) actively engaging in a dialogue with the Company's independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditors;
  - (ii) taking, or recommending that the Board take, appropriate action to oversee the independence of the Company's independent auditors;
  - (iii) monitoring compliance by the Company's independent auditors with the audit partner rotation requirements contained in the Act and the rules and regulations promulgated by the SEC thereunder;
  - (iv) 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
  - (v) engaging in a dialogue with the independent auditors to confirm that audit partner compensation is consistent with applicable SEC rules;
- (e) Obtain at least annually from the Company's independent auditors and review a report describing:
- (i) the independent auditors' internal quality-control procedures;
  - (ii) any material issues raised by the most recent internal quality control review, or peer review, of the independent auditors, or by any inquiry or investigation by any governmental or professional authority, within the preceding five years, respecting one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues;
  - (iii) all relationships between the independent auditors and the Company consistent with the then applicable rules governing independent auditors; and
  - (iv) the aggregate fees billed for each of the Company's last two fiscal years in each of the following categories: (i) professional services rendered for the audit of the Company's annual financial statements and review of financial statements included in the Company's Form 10-Qs or services that are normally provided by the independent auditors in connection with statutory and regulatory filings or engagements for those fiscal years; (ii) assurance and related services by the independent auditors that are reasonably related to the performance of the audit or review of the Company's financial statements; (iii) professional services rendered by the independent auditors for tax compliance, tax advice, and tax planning; and (iv) products and services provided by the independent auditors, other than services described in clauses (i), (ii), and (iii). The report shall describe the nature of the services comprising the fees disclosed under clauses (ii), (iii) and (iv)

The Committee should present its conclusions with respect to the above matters, as well as its review of the lead partner of the independent auditors, and its views on whether there should be a regular rotation of the independent auditors, to the Board.

**B. Oversight of Annual Audit and Quarterly Reviews**

(a) Review and discuss with the independent auditors their annual audit plan, including the timing and scope of audit activities, and monitor such plan's progress and results during the year;

(b) Review with management, the Company's independent auditors and the Company's internal auditing personnel, the following information which is required to be reported by the independent auditor:

- (i) 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;
- (ii) all other material written communications between the independent auditors and management, such as any management letter and any schedule of unadjusted differences;
- (iii) any material financial arrangements of the Company which do not appear on the financial statements of the Company;
- (iv) the Company's annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and any major issues related thereto;
- (v) major issues regarding accounting principles and financial statements presentations, including any significant changes in the Company's selection or application of accounting principles;
- (vi) any analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the Company's financial statements; and
- (vii) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company;

(c) Resolve all disagreements between the Company's independent auditors and management regarding financial reporting; and

(d) Review on a regular basis with the Company's independent auditors any problems or difficulties encountered by the independent auditors in the course of any audit work, including management's response with respect thereto, any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management. In connection therewith, the Committee should review with the independent auditors the following:

- (i) any accounting adjustments that were noted or proposed by the independent auditors but were rejected by management (as immaterial or otherwise);
- (ii) any communications between the audit team and the independent auditor's national office respecting auditing or accounting issues presented by the engagement; and
- (iii) any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditors to the Company.

**C. *Oversight of Financial Reporting Process and Internal Controls***

(a) Review:

- (i) 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 Company's independent auditors, management, and the Company's internal auditing personnel;
- (ii) the yearly report prepared by management, and attested to by the Company's independent auditors, assessing the effectiveness of the Company's internal control

over financial reporting and stating management's responsibility for establishing and maintaining adequate internal control over financial reporting prior to its inclusion in the Company's Annual Report on Form 10-K; and

- (iii) the Committee's level of involvement and interaction with the Company's internal audit function, including the Committee's line of authority and role in appointing and compensating employees in the internal audit function;

(b) 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;

(c) Discuss guidelines and policies governing the process by which senior management of the Company and the relevant departments of the Company, including the internal auditing personnel, 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;

(d) Review with management the progress and results of all internal audit projects;

(e) Review with management the Company's administrative, operational, and accounting internal controls, including any special audit steps adopted in light of the discovery of material control deficiencies;

(f) Receive periodic reports from the Company's independent auditors, management, and the Company's internal auditing personnel to assess the impact on the Company of significant accounting or financial reporting developments that may have a bearing on the Company;

(g) Review and discuss with the independent auditors the results of the year-end audit of the Company, including any comments or recommendations of the Company's 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;

(h) Establish and maintain free and open means of communication between and among the Committee, the Company's independent auditors, the Company's internal auditing personnel and management, including providing such parties with appropriate opportunities to meet separately and privately with the Committee on a periodic basis; and

(i) 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 GAAP), 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).

#### ***D. Miscellaneous***

(a) Review the Company's hiring policies for current or former employees of the Company's independent auditors;

(b) Oversee the Company's Related Persons Transaction Policy and review, approve, or ratify any related person transaction presented to the Committee in accordance with the terms of the policy;

(c) Meet periodically with the chief legal officer, 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;

(d) Review the report required by the rules of the SEC to be included in the Company's annual proxy statement;

(e) 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 Company's independent auditors;

(f) Review and approve in advance any services provided by the Company's independent auditors to the Company's executive officers or members of their immediate family;

(g) Review with management the Company's program to monitor compliance with the Company's Code of Business Conduct and Ethics (the "Code"), meet periodically with the Company's Compliance Committee to discuss compliance with the Code, and review any requests for waivers from the requirements of the Code;

(h) Review with management the 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;

(i) Review with management the 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 chief legal officer in relation thereto;

(j) 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; and

(k) Perform such additional activities, and consider such other matters, within the scope of its responsibilities, as the Committee or the Board deems necessary or appropriate.

## **V. EVALUATION OF THE COMMITTEE**

The Committee shall, on an annual basis, evaluate its performance. The evaluation shall address all matters that the Committee considers relevant to its performance, including a review and assessment of the adequacy of this Charter, and shall be conducted in such manner as the Committee deems 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.

## **VI. RESOURCES AND OUTSIDE ADVISERS**

In fulfilling its responsibilities, the Committee will have full access to all of the Company's books, records, facilities and personnel. The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may retain such independent counsel or other consultants or advisers as it deems necessary. The Company will provide for appropriate funding, as determined by the Committee, for payment of (i) compensation to the Company's independent auditors for their audit and audit-related review and attest services, (ii) compensation to any advisers engaged by the Committee and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

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.