

EPIQ SYSTEMS, INC.

AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

CHARTER¹

Organization

There will be a committee of the Board of Directors (the “Board”) of Epiq Systems, Inc. (the “Corporation”) to be known as the Audit Committee. The Audit Committee will consist of not less than three directors, all of whom must be independent of management of the Corporation and are free of any relationship (including a prohibited compensatory relationship) that, in the opinion of the Board, would interfere with their exercise of independent judgment as a committee member. All members of the Audit Committee must also qualify as “independent” in accordance with the Corporation’s Corporate Governance Guidelines and all relevant rules and regulations of the Securities and Exchange Commission (“SEC”) and the relevant listing requirements of the Nasdaq Global Select Market (“Nasdaq”).

All of the members of the Audit Committee must be capable of reading and understanding the Corporation’s financial statements. At least one member of the Audit Committee must be an “audit committee financial expert” (as defined in Item 401(h) of SEC Regulation S-K and under Nasdaq listing requirements) as determined by the Board.

Statement of Policy

The Audit Committee is established to oversee the accounting and financial reporting requirements of the Corporation, the audits of the financial statements of the Corporation, the Corporation’s compliance with legal, regulatory, and Nasdaq listing requirements, the independence and qualifications of the independent auditors, and the performance of the Corporation’s internal auditors (if any), and independent auditors. The members of the Audit Committee will act in a manner intended to fulfill their responsibility to the shareholders, potential shareholders and investment community relating to corporate accounting and reporting practices of the Corporation, and to assess the quality and integrity of the financial reports of the Corporation. In so doing, it is the responsibility of the Audit Committee to maintain free and open means of communication among the directors, the independent auditor, the internal auditors (if any) and the financial management of the Corporation.

While the Audit Committee has the responsibilities and authority set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits, to determine that the Corporation’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles or to determine that the Corporation’s internal controls are free of material defects. These are the responsibilities of the financial management of the

¹ Amended and restated on June 2, 2010.

Corporation and the independent auditor. Furthermore, it is not the duty of the Audit Committee to conduct investigations (except as expressly set forth in this Charter), to resolve disagreements, if any, between the financial management of the Corporation and the independent auditor or to assure compliance with laws and regulations or the Corporation's other business conduct guidelines.

Statement of Support

Appropriate funding, as determined in the sole discretion of the Audit Committee, shall be provided by the Corporation to the Audit Committee, for the purposes of compensating the independent auditors, retaining any other advisors deemed necessary by the Audit Committee, and for providing for any other expenditures of the Audit Committee related to the performance of its duties.

The officers and employees of the Corporation shall, upon request, meet with the Audit Committee or any advisor to the Audit Committee.

Responsibilities

In carrying out its responsibilities, the Audit Committee believes its policies and procedures should remain flexible, in order to best react to changing conditions. The Audit Committee will meet at least four times annually and at such other times as it deems necessary to fulfill its responsibilities. To foster open communications, the Audit Committee should meet periodically with management, the manager of internal audit, if any, and the independent auditor in separate executive sessions to discuss privately any matters of concern of the Audit Committee or any of these groups. The Audit Committee has the following responsibilities or authority:

Selection & Evaluation of Independent Auditor

1. Select a registered public accounting firm (the "independent auditor") to audit the financial statements of the Corporation (all such references include its divisions and consolidated subsidiaries) and approve all ancillary services provided by and compensation to the independent auditor in accordance with the Audit Committee's separate "Policy Statement for Approval of Audit, Audit-Related, Tax and Other Services Provided by the Independent Auditor."
2. Instruct the independent auditor that it is ultimately accountable to the Audit Committee, as representatives of the shareholders, and as such, the Audit Committee has the ultimate authority and responsibility to select, evaluate, compensate and, where appropriate, replace the independent auditor.
3. Review the independent auditor's report and services throughout the year and annually evaluate (after taking into account the opinions of management and the internal auditor) the auditor's qualifications, performance and lead audit partner. In addition to assuring the regular rotation of the lead audit partner and the audit

partner responsible for reviewing the audit as required by applicable law, consider whether, in order to assure continuing auditor independence, there should be regular rotation of the independent auditor.

4. Oversee the independence of the independent auditor. Obtain and review a formal written statement from the independent auditor prior to its initial engagement, and at least annually thereafter prior to renewal, delineating all relationships between the auditor and the Corporation, consistent with applicable requirements of the Public Accounting Oversight Board Rule 3526 (as may be modified or amended).
5. Discuss with the independent auditor any disclosed relationships or services that may affect the objectivity and independence of the auditor, and take appropriate actions to ensure the independence of the auditor. The Audit Committee will also cause the independent auditor to affirm, in writing, that it is independent and in compliance with PCAOB Rule 3520.
6. Review periodically the Corporation's guidelines for hiring of employees or former employees of the independent auditors.
7. Meet at least annually with the independent auditor and management in separate executive sessions to discuss any matters that the Audit Committee or these groups believe should be discussed privately with the Audit Committee, including any disagreements with management, any restrictions in the scope of activities or access to information, and any management letter provided by the independent auditor and management's response.
8. Meet with the independent auditor and financial management of the Corporation to review the scope of the proposed audit for the current year and the material audit procedures to be utilized.
9. Review, at least annually, reports from the independent auditor describing the firm's internal quality-control procedures and any material issues raised (i) by the most recent internal quality control review, or peer review, of the independent auditor, or (ii) by any inquiry, investigation or regulatory action by any governmental body or professional auditor, within the preceding five years, respecting one or more independent audits carried out by the firm and any steps taken to deal with any such issues.

Internal Control Procedures

10. Review with the independent auditor and financial management, the adequacy and effectiveness of the accounting and financial controls of the Corporation, and elicit any recommendations for the improvement of the internal control procedures or particular areas where new or more detailed controls or procedures are desirable.

11. Consult with the independent auditor and financial management regarding when to establish an internal audit function of the Corporation, and thereafter consult with the independent auditor and financial management regarding the independence and authority of the internal audit reporting obligations, the proposed internal audit plans for the coming year and the coordination of those plans with the independent auditor.

Financial Disclosure & Accounting Principles

12. Instruct financial management and the independent auditor to discuss with the Audit Committee their judgments about the quality, not just the acceptability, of accounting principles and financial disclosure practices used or proposed to be adopted by the Corporation.
13. Discuss with the independent auditor and financial management the reasoning for the appropriateness of the accounting principles and disclosure practices adopted by the Corporation with regard to material new transactions or events.
14. Review the independent auditor's communications on management's internal controls and hold timely discussions with the independent auditor and financial management regarding:
 - all critical accounting policies and practices;
 - all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor;
 - other material written communications between the independent auditor and management, including management letter and schedule of unadjusted differences; and
 - an analysis of the auditors judgment as to the quality of the Corporation's accounting principles, setting forth significant reporting issues and judgments made in connection with the preparation of the financial statements.

Financial Statements & SEC Filings

15. Review with financial management and the independent auditor the Corporation's annual financial statements and related footnotes, the independent auditor's audit of the financial statements and related report, any significant changes in the audit plan, any serious difficulties or disputes with management encountered during the course of the audit and any other matters related to the conduct of the audit that are required to be communicated to the Audit Committee under generally accepted auditing standards.

16. Review with financial management and the independent auditor the Corporation's annual report on Form 10-K before it is filed with the SEC and recommend to the Board whether the financial statements of the Corporation should be included in the annual report on Form 10-K.
17. Review with financial management and the independent auditor the Corporation's quarterly report on Form 10-Q before it is filed with the SEC.
18. Review all quarterly earnings releases prior to public release and review all other filings with the SEC containing the Corporation's financial statements.

Conflicts of Interest

19. Review and approve all material related party transactions, other than compensation matters with related persons, which shall be reviewed and approved by the Compensation Committee. Material related party transactions are those that are subject to disclosure in accordance with Item 404 of SEC Regulation S-K or the Related Party Disclosures topic of FASB Accounting Standards Codification.

Confidential Concerns

20. Establish procedures for the receipt and processing of confidential, anonymous submissions by Corporation employees of complaints or concerns regarding questionable accounting or auditing matters. Establish and maintain procedures for the receipt, retention and treatment of concerns regarding accounting, internal accounting or auditing matters.
21. Investigate any other matter brought to the Audit Committee's attention within the scope of its duties.
22. Obtain the advice and assistance from outside legal, accounting or other advisors as deemed appropriate to perform its duties and responsibilities under this Charter.

Corporate Compliance and Risk Management

23. Annually discuss policies with management with respect to risk assessment and risk management, including a discussion of (i) guidelines and policies that govern the process by which the Corporation's Chief Executive Officer and other members of management assess and manage the Corporation's exposure to risk, and (ii) the Corporation's risks related to financial matters, the financial statements and the financial reporting process and the steps taken by the Corporation's Chief Financial Officer and other members of management to monitor and control such exposures.

24. Review with the Corporation's Legal Department and, when appropriate, outside legal counsel, compliance matters and any legal matter that could have a significant impact on the Corporation's financial statements.
25. Review reports of known or suspected violations of applicable law or the Corporation's Code of Business Conduct and Ethics by directors, officers, employees and other personnel subject to that Code.

Other

26. Provide sufficient opportunity for Audit Committee to meet, either collectively or separately, with the independent auditor and financial management without other members of management present. Among the items to be discussed in these meetings are the independent auditor's evaluation of the Corporation's financial, accounting and auditing personnel, and the cooperation that the independent auditor received during the course of the audit.
27. Submit the minutes of all meetings of the Audit Committee to, or discuss the matters discussed at each Audit Committee meeting with, the Board.
28. Review the Audit Committee's Charter at least annually and update as appropriate.
29. Annually evaluate the Audit Committee's performance and report to the Board the results of its evaluation.
30. Perform all other functions as assigned by law, the Corporation's Articles of Incorporation or Bylaws, or the Board.
31. Prepare a report to the Corporation's shareholders to be included in the Corporation's proxy statement in accordance with SEC rules and regulations.

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