



ICON p.l.c.

AUDIT COMMITTEE CHARTER

Adopted 2nd June, 2000

Updated June 2004, 23 February 2010, 15 February 2013, 17 October 2014 and 23 October 2015

1. PURPOSE

The primary function of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of ICON p.l.c. (the “Company”) shall be:

- to oversee and monitor the accounting and financial reporting processes of the Company;
- to oversee and monitor (i) the statutory audit of the consolidated financial statements and parent company balance sheet prepared in accordance International Auditing Standards (UK & Ireland) (‘ISAs’) and the audit of the consolidated financial statements prepared in accordance with the relevant provisions of the standards of the Public Company Accounting Oversight Board (‘PCAOB’), (United States), (together, ‘the financial statements’), (ii) the audit of Internal Control over Financial Reporting (‘ICOFR’), (together the ‘Audits’), (iii) the integrity of the Company’s financial statements, (iv) the independent statutory auditor or independent registered public accounting firm (together, the ‘Independent Auditor’) and its activities with respect to its audits and (v) the accounting policies and disclosure practices of the Company’s financial statements;
- to oversee and monitor the effectiveness of the Company’s systems of internal control, internal audit function and financial risk management processes;
- to review and monitor the independence of the Independent Auditor and in particular the provision of additional [non-audit] services to the company;
- to provide the Board with the results of its monitoring and recommendations derived therefrom; and
- to provide the Board with such additional information and materials as necessary to make the Board aware of significant financial matters that require its attention.

In carrying out its function, the Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board may from time to time prescribe.

2. MEMBERSHIP

The Committee members will be appointed by, and will serve at the discretion of, the Board and will consist of at least three members of the Board. The Nominating and Corporate Governance Committee shall review the composition of the Committee annually and shall recommend nominees for appointment to the Committee as vacancies or newly created positions occur. The members will meet the following criteria:

- Each member will meet the criteria for independence in accordance with (i) The NASDAQ Stock Market LLC (“NASDAQ”) Audit Committee requirements, and (ii) the rules and regulations of the U.S. Securities and Exchange Commission (the “SEC”).
- At least one of the members of the Audit Committee will satisfy the criteria for independence prescribed by the Irish Companies Act 2014.
- Each member, for the period three years prior to and for the duration of his or her appointment, will not have been a member of management and will not have participated in the preparation of the financial statements of the Company.
- Each member will not have any relationship which, in the opinion of the Board, would (i) make him or her not independent and/or (ii) interfere with the exercise of his or her independent judgment as a member of the Committee. For this purpose each director will disclose to the chairman of the Committee (the “Committee Chairman”) any such relationship when it arises and the Committee Chairman shall inform the Board for its determination whether such relationship compromises independence.
- Each member will meet the Audit Committee financial literacy requirements of NASDAQ.
- At least one member of the Committee will be an “audit committee financial expert” as such term is defined in Regulation S-K of the SEC rules, as designated annually by the full Board.

At least one of the members of the Audit Committee will have past employment experience in finance or accounting, professional certification in accounting, or other recent and relevant accounting or related financial expertise such as a current or past position as a chief executive or financial officer or other senior officer with financial oversight responsibilities, and satisfy the criteria for competency prescribed by the Irish Companies Act 2014.

The Board shall designate the Committee Chairman but shall have regard to the views of the Nominating and Governance Committee before doing so. In the absence of the Committee Chairman from any meeting of the Committee, the chairman of the meeting shall be elected by a vote of the members present. Committee members may be removed by the Board at any time with or without cause. Members shall continue to be

members until their successors are elected and qualified or until their earlier resignation or removal.

The Board shall nominate a person to act as Secretary of the Committee taking into account other roles within the Company held by that person. The Board may replace the Secretary with or without cause from time to time.

3. RESPONSIBILITIES

The responsibilities of the Committee shall include:

I) Internal Controls

- Providing oversight and monitoring of the internal audit function including reviewing the scope of work to be performed, and reviewing recommendations made and progress of implementation.
- Reviewing on a continuing basis with management and the independent auditors the quality, adequacy and effectiveness of the Company's system of internal control over financial reporting.
- Discussing with the independent auditors any significant matters regarding internal controls over financial reporting that have come to their attention during the conduct of their audit.
- Reviewing before release management's disclosures regarding internal controls over financial reporting required by SEC rules. Reviewing before release the independent auditors' attestation related to management's assessment of the Company's internal control over financial reporting.
- Reviewing the Company's internal control and financial risk management systems (including policies with regard to risk identification and risk assessment).
- Reviewing the remit of the internal audit function.
- Reviewing and assessing the annual internal audit plan.
- Meeting the head of internal audit at least once a year, without management being present, to discuss internal audit's remit and any issues arising from the internal audits carried out. In addition, the head of internal audit shall be given the right of direct access to the chairman of the Company and to the Committee.

II) Independent Auditor

- Pre-approving audit and non-audit services provided to the Company by the Independent Auditor, taking into account relevant ethical guidance regarding the provision of non-audit services by the external audit firm.
- Overseeing the work of the Independent Auditor (including resolving disagreements between management and the independent auditors regarding

financial reporting). The Independent Auditor shall report directly to the Committee. The Independent Auditor shall report key matters arising from the Audits of the Company and in particular, on material weaknesses in internal control in relation to the financial reporting process.

- Appointing and removing the Independent Auditor, and approving their audit engagement fees and terms. Among other things, prior to initially engaging an independent audit firm, the Committee shall receive a written statement consistent with the applicable requirements of the PCAOB regarding independent accountant's communications with the audit committee concerning independence.
- Reviewing the Independent Auditor's proposed audit scope, approach and independence taking into account relevant professional and regulatory requirements (including the Irish Companies Act 2014).
- Requesting on an annual basis from the Independent Auditor a written statement delineating all relationships between the Independent Auditor and the Company, consistent with the applicable requirements of the PCAOB regarding independent accountant's communications with the audit committee concerning independence, and engaging in a dialogue with the independent Auditor with respect to any disclosed relationships or services that may impact their objectivity and independence, presenting this statement to the Board, and to the extent there are relationships, monitoring and investigating them.
- Monitoring the statutory audit of the Company's statutory financial statements, including parent company balance sheet.
- Monitoring the rotation of the partners of the Independent Auditor, as required by applicable laws and regulations.
- Directing the Company's Independent Auditor to review before filing with the SEC the Company's interim financial statements included in the Company's quarterly reports, using professional standards for conducting such reviews.
- Discussing with the Company's Independent Auditor the matters required to be discussed by Statement on Auditing Standards No. 114 and International Standard on Auditing ('ISA') 260.

III) Financial Reporting Process

- Reviewing reports submitted to the Committee by the Independent Auditor in accordance with the applicable SEC requirements, including reports related to critical accounting policies and procedures used by the Company and the alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the Independent Auditor.

- Approval of (a) the financial statements to be included in the Company's Annual Report on Form 20 F to be filed with the SEC and (b) the statutory financial statements to be filed with the Companies Registration Office as part of the Company's annual return, (together, the 'Annual Report').
- Monitoring the integrity of the financial statements (which shall include Annual and Interim Reports, trading statements and any other announcement relating to the financial performance of the Company).
- Reviewing with management and the Independent Auditor, before submission to the Board, the audited financial statements and Management's Discussion and Analysis (or equivalent disclosure) in the Company's Annual Report and generally reviewing all financial statements to ensure that they have been prepared in accordance with applicable accounting standards and give a true and fair view of the state of the affairs of the Company.
- Reviewing with management and the Independent Auditor, before release, the unaudited financial statements included in quarterly earnings releases.

IV) Ethical and Legal Compliance

- Overseeing compliance with the requirements of the SEC and all legislative and other regulatory requirements related to disclosure of the Independent Auditor's services and fees, Committee members and qualifications in any public disclosures made periodically by the Company.
- Reviewing, in conjunction with counsel, any legal matters that could have a significant impact on the Company's financial statements.
- As appropriate, obtaining advice and assistance from outside independent legal, accounting or other advisers; in this regard the Committee shall have sole authority to approve related fees and retention terms.
- Reviewing and approving in advance any proposed related party transactions (as set out in the relevant requirements of NASDAQ).
- Establishing and overseeing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters and any other aspects of the Company's internal controls over financial reporting, and the submission (in confidence or otherwise) by employees of concerns regarding questionable accounting, financial reporting or auditing matters. The Committee shall review any complaints regarding accounting, internal accounting controls or auditing matters received pursuant to such procedures.

V) Other Responsibilities

- Reviewing, at least on an annual basis, the Committee's own structure, processes and membership requirements, including reviewing the adequacy of this Charter; and

- Performing such other duties as may be requested by the Board.

4. MEETINGS

The Committee will meet four times per year, and more frequently if deemed advisable by the Committee Chairman or as circumstances dictate. The Committee may establish its own schedule, which it will provide to the Board in advance. An agenda will be circulated prior to each meeting. Meetings of the Committee may be held telephonically in accordance with the provisions of the Company's Articles of Association. In the absence of a meeting, the Committee may act by unanimous written consent.

Two members of the Committee shall constitute a quorum for a meeting and the affirmative vote of a majority of members present at a meeting at which a quorum is present shall constitute the action of the Committee. In other respects the Committee shall establish its own rules of procedure subject to the Articles of Association of the Company. Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Executive Officer, the Chief Financial Officer, the Independent Auditor, the head of internal audit, senior financial personnel and external advisers may be invited to attend all or part of any meeting as and when appropriate.

The Committee will meet separately with the Independent Auditor as well as members of the Company's management as it deems appropriate in order to review the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company.

5. MINUTES

The Committee will maintain written minutes of its meetings, which will be kept with the minutes of the meetings of the Board.

6. REPORTS

The Committee will report to the Board on its deliberations after each meeting and shall formally summarise its examinations and recommendations to the Board where appropriate or where requested by the Board. The Committee shall also make to the Board whatever recommendations it deems appropriate on any area within its remit where action or improvement is needed.

7. COMPENSATION

Members of the Committee may not receive any compensation from the Company except the fees that they receive for service as a member of the Board or any committee thereof.

8. AUTHORITY

The Committee is authorised to inquire into any matter that it considers appropriate to carry out its responsibilities, with access to all books, records, facilities and personnel of

the Company for this purpose. The Committee has the power to retain outside counsel, advisers, consultants and/or auditors in carrying out its function.

9. FUNDING

The Committee's effectiveness may be compromised if it is dependent on management's discretion to compensate the Independent Auditor or the advisers employed by the Committee. Consequently, the Company shall provide for appropriate funding, as determined by the Committee, for payment of any compensation (1) to any independent auditors engaged for the purpose of rendering or issuing an audit report or related work or performing other audit, review or attest services for the Company, and (2) to any independent counsel, advisers or consultants employed by the Committee.

10. MISCELLANEOUS

The Board shall review this Charter annually and approve any changes to the terms of this Charter pursuant to that review in accordance with the Irish Companies Act 2014, NASDAQ Rules and SEC Rules.