
**CHARTER FOR THE AUDIT COMMITTEE OF
THE BOARD OF DIRECTORS OF
OUTDOOR CHANNEL HOLDINGS, INC.**

**As adopted by the Board of
Directors on July 5, 2004**

**CHARTER FOR THE AUDIT COMMITTEE OF
THE BOARD OF DIRECTORS OF
OUTDOOR CHANNEL HOLDINGS, INC.**

INTRODUCTION

The executive management of Outdoor Channel Holdings, Inc. (the “Company”) is primarily responsible for (1) the completeness and accuracy of its financial reporting and the adequacy of its internal financial and operating controls and (2) the Company’s compliance with applicable corporate governance requirements regarding its corporate accounting and reporting practices. Its Board of Directors (the “Board”) has responsibility to oversee management’s exercise of these responsibilities. To assist the Board, the Company has established an Audit Committee (the “Committee”) whose authority and responsibilities are described by this Charter.

PURPOSE AND RESPONSIBILITIES

The primary purpose of the Committee is to oversee the accounting and financial reporting processes of the Company and audits of the Company’s financial statements. In this regard, the Committee shall:

- oversee the Company’s compliance with certain legal and regulatory requirements,
- oversee the appointment, compensation, retention and oversight of the work of the Company’s independent auditors,
- oversee the performance of the Company’s internal audit function and independent auditor, and
- oversee the Company’s system of disclosure controls and system of internal controls regarding finance, accounting, legal compliance and ethics.

The Committee shall also perform such other functions as the Board may delegate to the Committee from time to time.

This Charter defines the Committee’s objectives, the range of its authority, the scope of its activities and its duties and responsibilities. This Charter is intended to give Committee members, management, external and internal auditors an understanding of their respective roles. The Committee and the Board will review and assess the adequacy of this Charter annually.

The Committee is to perform activities required of audit committees by applicable law, rules or regulations, including the rules of the Securities and Exchange Commission (“SEC”) and any stock exchange or market on which the Company’s securities may be listed from time to time, and perform such other activities that are consistent with this Charter, the Company’s articles or certificate of incorporation, bylaws and governing laws, as the Committee deems necessary or appropriate. The Committee’s policies and procedures shall remain flexible, in

order to monitor the Company's compliance with laws, regulations and internal policies with respect to its corporate accounting and reporting practices.

ORGANIZATION

Size, Composition and Term of Appointment

The Committee shall consist of no fewer than three directors, with the exact number established by the Board, each of whom shall be determined by the Board to be independent as required by the rules established by the SEC and any stock exchange or market on which the Company's securities may be listed from time to time. Each member must be able to read and understand financial statements, including the Company's balance sheet, income statement and cash flow statement. No member shall have participated in the preparation of the financial statements of the Company at any time during the three (3) years prior to such director's appointment to the Committee. When and as required by applicable listing standards, at least one member shall be an audit committee financial expert who shall have accounting or related financial management expertise as defined by the relevant rules promulgated by the Public Company Accounting Oversight Board ("PCAOB"), the Financial Accounting Standards Board ("FASB"), SEC, and the National Association of Securities Dealers ("NASD") or other regulatory body. The Board of Directors shall appoint the Committee's Chairperson and members annually and, when required, shall determine which member(s) are audit committee financial expert(s). Committee members may be removed by the Board at any time in its discretion.

The Committee may select, engage and determine funding for independent counsel and any other advisors as it deems necessary and appropriate as required by the Sarbanes-Oxley Act of 2002. In addition, the Committee is authorized to approve such ordinary administrative expenses as it deems necessary or advisable to carry out its duties. The Committee shall meet regularly with the Company's legal counsel to discuss legal and compliance affairs of the Company.

Meetings

The Committee will meet periodically, and special meetings may be called when circumstances require. The Committee may meet in person or by telephone or video conference call. One regular meeting shall be held prior to the start of each regular annual audit to review the proposed scope of the audit, cost estimates and current developments in the accounting and regulatory areas that may affect the Company or its financial statements and at the conclusion of the audit to review the Company's financial statements. The Committee shall record and keep minutes of all Committee meetings.

Quorum and Voting

A majority of the Committee's members shall constitute a quorum. At any meeting of the Committee, the decision of a majority of the members present and voting will be determinative as to any matter submitted to a vote.

Report to the Board

The Committee will report its activities to the full Board on a regular basis so that the Board is kept informed of its activities. The Board will determine annually that the Committee's members are independent, as required by the relevant rules and listing standards, and that the Committee has fulfilled its duties and responsibilities. The Committee shall also review the adequacy of this Charter on an annual basis and recommend changes to the Board for approval.

AUTHORITY

The Committee derives its authority from the Board, the articles or certificate of incorporation and bylaws of the Company. The Committee is authorized to have full and unrestricted access to all personnel, records, operations, properties, and other informational sources of the Company as required to properly discharge its responsibilities.

Further, the Committee is granted the authority to, and shall, conduct or authorize investigations into any matters within the Committee's scope of responsibilities.

DUTIES AND RESPONSIBILITIES

Independent Auditors

The Committee has the sole authority to select, evaluate, engage, oversee, determine funding for and, where appropriate, replace the independent public accountants, or to nominate the independent public accountants to be proposed to the full Board for concurrence or ratification to the extent required by law. The Committee will review with management the performance, appointment and/or termination of the independent public accountants.

The Committee shall give prior approval of all audit services and any non-audit services permissible pursuant to the Sarbanes-Oxley Act of 2002 performed by the independent auditors for the Company. The Committee may establish pre-approval policies and procedures, provided the policies and procedures are detailed as to the particular service, the Committee is informed of each service and such policies and procedures do not include delegation of any of the Committee's responsibilities to the management of the Company.

The Committee will determine that the independent public accountants provide, at least annually, a formal written statement to the Committee setting forth all relationships between the independent public accountants and the Company, consistent with applicable rules and requirements. The Committee will discuss with the independent public accountants any disclosed relationships or services which may impact the objectivity and independence of the independent public accountants. The Committee will take, or recommend that the full Board take, appropriate action to ensure the independence of the independent public accountants.

The Committee will review with management and the independent public accountants the annual audit scope and approach, critical accounting policies and practices (including accounts receivable and revenue recognition policies and practices), controls over transactions, record keeping, audit conclusions regarding significant accounting estimates/reserves and proposed fee arrangements for ongoing and special projects. The Committee will instruct the independent

public accountants and the Company's management that the Committee expects to be advised if there are any areas that require special attention.

The Committee will review with management and the independent public accountants their assessments of the adequacy of internal controls, and the resolution of identified material weaknesses and reportable conditions in internal controls, including the prevention or detection of management override or compromise of the internal control system.

The Committee will meet privately with the independent public accountants, as may be necessary or advisable, to request their opinion on various matters including the Company's accounting policies as applied in its financial reporting, and the performance of its financial and accounting personnel. The Committee will also discuss privately with the independent public accountants any issues required from time to time by rules of the SEC, PCAOB, FASB and NASD.

The Committee will confirm through discussions with the independent public accountants that no restrictions were placed by management on the scope of the examination or its implementation. The Committee will review with management and the independent public accountants the Company's compliance with laws and regulations having to do with accounting and financial matters.

The Committee will review with management and the independent public accountants the comments in the annual Management Letter submitted by the independent public accountants and management's responses to each. The Committee will ask the independent public accountants what their greatest concerns were (including any serious difficulties encountered) and if they believe anything else should be discussed with the Committee that has not been raised or covered elsewhere.

The Committee and the Board should consider whether the independent public accountants should meet with the full Board to discuss any matters relative to the financial statements and/or any potentially relevant matters, and to answer any questions that other directors may have.

Financial Statements

The Committee will review with management and the independent public accountants, the Company's interim and year-end financial statements, including management's discussion and analysis, and audit findings. Such review will include a discussion of significant adjustments recorded or adjustments passed and will conform with applicable rules and requirements. Following such review, the Committee will recommend to the Board whether the audited financial statements should be included in the Company's annual report.

The Committee will request from management and the independent public accountants, a briefing on any significant accounting and reporting issues, or significant unusual transactions, including any changes in accounting standards or rules promulgated by the PCAOB, FASB, SEC or other regulatory bodies, that have an effect on the financial statements.

The Committee will inquire of management and the independent public accountants if there were any significant financial accounting or reporting issues, or significant unusual transactions, discussed during the accounting period and, if so, how they were resolved or if not resolved, inquire as to the disagreements. The Committee will inquire about the existence and substance of any significant accounting accruals, reserves, or estimates made by management that had a material impact on the financial statements.

The Committee will hold timely discussions with the independent auditor regarding the following:

- all critical accounting policies and practices;
- all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications or the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and
- other material written communications between the independent auditor and management including, but not limited to, the management letter and schedule of unadjusted differences.

The members of the Committee will discuss among themselves, without management or the independent public accountants present, the quality of the accounting policies applied in the preparation of the Company's financial statements and significant judgments affecting the financial statements; and the independent public accountants' view of the quality, not merely the acceptability, of those policies as applied in its financial reporting.

Litigation

The Committee will discuss/review with management, company counsel and the independent public accountants the substance of any significant issues raised by counsel concerning litigation, contingencies, claims or assessments. The Committee should understand how such matters are reflected in the Company's financial statements.

Internal Audit

The Committee will review the performance of the internal audit function of the Company.

Conflicts of Interest

As required from time to time by the rules of the SEC, PCAOB, FASB and the NASD, the Committee or a comparable independent body of the Company's Board of Directors shall conduct an appropriate review of all related party transactions on an on-going basis and all such transactions must be approved by the Committee or other comparable independent body of the Board.

Complaint Procedures

As required from time to time by the rules of the SEC and by the listing standards applicable to the Company's securities and other applicable rules, the Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters. Such procedures shall provide for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Committee Report

As required by applicable rules, the Committee will prepare a report describing the activities in which it has engaged during the prior year pursuant to this Charter. The report will address the issues then required by the rules of the SEC and any stock exchange or market on which the Company's securities may be listed from time to time.