

**CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS
OF REDDY ICE HOLDINGS, INC.**

This Charter identifies the purpose, composition, meeting requirements, committee responsibilities, annual evaluation procedures and investigations and studies of the Audit Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of Reddy Ice Holdings, Inc., a Delaware corporation (the “*Company*”).

I. PURPOSE

The Committee has been established to: (a) assist the Board in its oversight responsibilities regarding (1) the integrity of the Company’s financial statements, (2) the Company’s compliance with legal and regulatory requirements, (3) the effective evaluation and management of our financial risks, (4) the independent auditors’ qualifications and independence and (5) the performance of the Company’s internal audit function and independent auditors; (b) approve the retention of the Company’s independent auditors; (c) approve audit and non-audit services to be performed by the independent auditors; (d) prepare (or cause to be prepared) an Audit Committee report to be included in the Company’s annual proxy statement; and (e) perform such other functions as the Board may from time to time assign to the Committee. The Committee is directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged (including resolution of disagreements between management and such accounting firm regarding financial reporting) 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. In performing its duties, the Committee shall seek to maintain an effective working relationship with the Board, the independent auditors and management of the Company. The Audit Committee shall have the authority to engage independent counsel and other advisors as it believes necessary to conduct its duties.

II. COMPOSITION

The members of the Committee shall meet the independence requirements of the New York Stock Exchange (the “*NYSE*”), the United States Securities and Exchange Commission (the “*SEC*”) and the Sarbanes-Oxley Act of 2002. Each member of the Committee must be financially literate, as such qualification is interpreted by the Board in its business judgment, or must become financially literate within a reasonable period of time after his/her appointment to the Committee. In addition, at least one member of the Committee must have accounting or related financial management expertise and must be an “audit committee financial expert” as defined by the SEC. No member of the Committee may serve on the audit committees of more than two other public companies.

The Committee shall be composed of at least two, for the first year after adoption of this charter, and thereafter at least three, but not more than five, members (including a Chairperson). The members of the Committee and the Chairperson shall be selected annually by the Board and serve at the pleasure of the Board. A Committee member (including the Chairperson) may be removed at any time, with or without cause, by the Board. The Board may designate one or more directors as alternate members of the Committee, who may replace any absent or disqualified member or members at any meetings of the Committee. No person may be made a member of the Committee if his or her service on the Committee would violate any restriction on service imposed by any rule or regulation of the SEC or the NYSE. The Chairperson shall maintain regular communication with the Company’s executive officers and the lead partner of the independent auditors.

III. MEETING REQUIREMENTS

The Committee shall meet as necessary, but at least four times each year, to enable it to fulfill its responsibilities. The Committee shall meet at the call of its Chairperson, preferably in conjunction with regular Board meetings. The Committee may meet by telephone conference call or by any other means permitted by law or the Company's Bylaws. A majority of the members of the Committee shall constitute a quorum. The Committee shall act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. Without a meeting, the Committee may act by unanimous written consent of all members. The Committee shall determine its own rules and procedures, including designation of a chairperson pro tempore, in the absence of the Chairperson, and designation of a secretary. The secretary need not be a member of the Committee and shall attend Committee meetings and prepare minutes. The Committee shall keep written minutes of its meetings, which shall be recorded or filed with the books and records of the Company. Any member of the Board shall be provided with copies of such Committee minutes if requested.

The Committee may ask members of management, employees, outside counsel, the independent auditors or others whose advice and counsel are relevant to the issues then being considered by the Committee to attend any meetings and to provide such pertinent information as the Committee may request.

The Chairperson of the Committee shall be responsible for leadership of the Committee, including preparing the agenda, presiding over Committee meetings, making Committee assignments and reporting the Committee's actions to the Board from time to time (but at least once each year) as requested by the Board.

As part of its responsibility to foster free and open communication, the Committee should meet periodically with management and the independent auditors in separate executive sessions to discuss any matters that the Committee or any of these groups believe should be discussed privately. In addition, the Committee or at least its Chairperson should meet with the independent auditors and management quarterly to review the Company's financial statements prior to their public release consistent with the provisions set forth below in Section IV.

IV. COMMITTEE RESPONSIBILITIES

In carrying out its responsibilities, the Committee's policies and procedures should remain flexible to enable the Committee to react to changes in circumstances and conditions so as to ensure the Company remains in compliance with applicable legal and regulatory requirements. In addition to such other duties as the Board may from time to time assign, the Committee shall have the following responsibilities:

A. Oversight of the Financial Reporting Processes

1. In consultation with the independent auditors, review the integrity of the organization's accounting and financial reporting processes, both internal and external.
2. (a) Review and approve (i) all related-party transactions which involve directors and officers who are subject to the reporting and liability provisions of Section 16 of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder and (ii) all related-party transactions, or series of similar transactions, in which the amount involved exceeds \$60,000 and (b) annually review all related-party transactions. Establish guidelines for the review by management of related-party transactions which are not covered by clause (a) above.

3. Consider the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting. Consider alternative accounting principles and estimates.
4. Annually review major issues regarding the Company's auditing and accounting principles and practices and its presentation of financial statements, including the adequacy of internal controls and special audit steps adopted in light of material internal control deficiencies.
5. Discuss with management and legal counsel the status of pending litigation, taxation matters, compliance policies and other areas of oversight applicable to the legal and compliance area as may be appropriate.
6. Meet at least annually with the chief financial officer and the independent auditors in separate executive sessions.
7. Review all analyst reports and press articles about the Company's accounting and disclosure practices and principles.
8. Review all analyses prepared by management and the independent auditors of significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any analysis of the effect of alternative generally accepted accounting principle ("**GAAP**") methods on the Company's financial statements and a description of any transactions as to which management obtained Statement on Auditing Standards No. 50 letters.
9. Review with management and the independent auditors the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements.
10. Prepare (or cause to be prepared) an Audit Committee report as required by the SEC to be included in the Company's annual proxy statement.

B. Review of Documents and Reports

1. Review and discuss with management and the independent auditors the Company's annual audited financial statements and quarterly financial statements (including disclosures under the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*") and any reports or other financial information submitted to any governmental body, or the public, including any certification, report, opinion or review rendered by the independent auditors, considering, as appropriate, whether the information contained in these documents is consistent with the information contained in the financial statements and whether the independent auditors and legal counsel are satisfied with the disclosure and content of such documents. These discussions shall include consideration of the quality of the Company's accounting principles as applied in its financial reporting, including review of audit adjustments (whether or not recorded) and any such other inquiries as may be appropriate. Based on the review, the Committee shall make its recommendation to the Board as to the inclusion of the Company's audited consolidated financial statements in the Company's annual report on Form 10-K.

2. Review and discuss with management and the independent auditors earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. The Committee need not discuss in advance each earnings release but should generally discuss the types of information to be disclosed and the type of presentation to be made in any earnings release or guidance (paying particular attention to any use of “pro forma,” or “adjusted” non-GAAP information).
3. Review reports from management and the independent auditors on the Company’s subsidiaries and affiliates, compliance with the Company’s code of conduct, applicable law and insider and related-party transactions.
4. Review with management and the independent auditors any correspondence with regulators or government agencies and any employee complaints or published reports that raise material issues regarding the Company’s financial statements or accounting policies.
5. Submit the minutes of all meetings of the Committee to, or discuss the matters discussed at each Committee meeting with, the Board.
6. Review any restatements of financial statements that have occurred or were recommended.

C. Independent Auditors Matters

1. Interview and approve the appointment, compensation, retention, and oversight of the work of the independent auditors (including resolution of disagreements between management and the auditors regarding financial reporting) or any other 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. The Company shall provide appropriate funding as determined by the Audit Committee for the payment of compensation to the independent auditors. The independent auditors shall submit to the Audit Committee annually a formal written statement of the fees billed in each of the last two fiscal years for each of the following categories of services rendered by the independent auditors: (i) the audit of the Company’s annual financial statements and the reviews of the financial statements included in the Company’s Quarterly Reports on Form 10-Q or services that are normally provided by the independent auditors in connection with statutory and regulatory filings or engagements; (ii) assurance and related services not included in clause (i) that are reasonably related to the performance of the audit or review of the Company’s financial statements, in the aggregate and by each service; (iii) tax compliance, tax advice and tax planning services, in the aggregate and by each service; and (iv) all other products and services rendered by the independent auditors, in the aggregate and by each service.
2. On an annual basis, the Committee shall evaluate the independent auditors’ qualifications, performance and independence. In making its determination, the Committee shall consider not only auditing and other traditional accounting functions performed by the independent auditors, but also consulting, legal, information technology services and other professional services rendered by the independent auditors and its affiliates.
3. Review on an annual basis the experience and qualifications of the senior members of the audit team. Discuss the knowledge and experience of the independent auditors and the senior members of the audit team with respect to the Company’s industry.

4. Discuss with management the timing and process for implementing the rotation of the lead audit partner, the concurring partner and any other active audit engagement team partner and consider whether there should be a regular rotation of the audit firm itself. The Committee shall determine that the independent audit firm has a process in place to address the rotation of the lead audit partner and other audit partners serving the account as required under the SEC independent rules.
5. Pre-approve all audit and non-audit services provided by the independent auditors. The Audit Committee shall not engage the independent auditors to perform non-audit services proscribed by law or regulation. The Committee may delegate pre-approval authority to a member of the Audit Committee.
6. Obtain and review a report from the independent auditors at least annually describing (a) the internal quality-control procedures of the independent auditors, (b) 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 governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditors, and any steps to deal with any such issues and (c) all relationships between the independent auditors and the Company (in order to assess the auditors' independence).
7. Review the performance of the independent auditors and prepare recommendations to the Board to terminate the independent auditors when circumstances warrant.
8. Establish and periodically review hiring policies for employees or former employees of the independent auditors.
9. Review with the independent auditors any problems or difficulties the auditor may have encountered and any "management" or "internal control" letter provided by the independent auditors and the Company's response to that letter. Such review should include:
 - (a) any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information and any disagreements with management;
 - (b) any accounting adjustments that were proposed by the independent auditors that were not agreed to by the Company; and
 - (c) communications between the independent auditors and its national office regarding any issues on which it was consulted by the audit team and matters of audit quality and consistency.
10. Communicate with the independent auditors regarding (a) alternative treatments of financial information within the parameters of GAAP, (b) critical accounting policies and practices to be used in preparing the audit report and (c) such other matters as the SEC, or other authority with jurisdiction over the Company may direct by rule or regulation.
11. Periodically (but at least once per year) consult with the independent auditors out of the presence of management about internal controls and the fullness and accuracy of the organization's financial statements.

12. Oversee the independent auditors relationship by discussing with the independent auditors the nature and rigor of the audit process, receiving and reviewing audit reports and ensuring that the independent auditors has full access to the Committee (and the Board) to report on any and all appropriate matters.
13. Discuss with the independent auditors prior to the audit the general planning and staffing of the audit.
14. Obtain from the independent auditors assurance that the audit was conducted in a manner consistent with Section 10A of the Securities Exchange Act of 1934, as amended, which sets forth certain procedures to be followed in any audit of financial statements required under the Securities Exchange Act of 1934.

D. Internal Control Matters

1. Discuss with management policies with respect to risk assessment and risk management. Although it is management's duty to assess and manage the Company's exposure to risk, the Committee should discuss guidelines and policies to govern the process by which risk assessment and risk management are handled and review the steps management has taken to monitor and control the Company's risk exposure.
2. Establish regular and separate systems of reporting to the Committee by management and the independent auditors regarding any significant judgments made in management's preparation of the financial statements and the view of each as to the appropriateness of such judgments.
3. Following completion of the annual audit, review separately with management and the independent auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
4. Review with the independent auditors and management the extent to which changes or improvements in financial or accounting practices have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.
5. Advise the Board about the Company's policies and procedures for compliance with applicable laws and regulations and the Company's code of conduct.
6. Establish procedures for the receipt, retention and treatment of complaints received from employees and others regarding accounting, internal accounting controls or auditing matters. Establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
7. Periodically discuss with management, the internal auditors and the independent auditors the adequacy and effectiveness of internal control over financial reporting, including any significant deficiencies or material weaknesses identified by management of the Company in connection with its required quarterly certifications under Section 302 of the Sarbanes-Oxley Act which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information and as to the existence of 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. In ad-

dition, the Audit Committee shall discuss with management, the internal auditors and the independent auditors any significant changes in internal control over financial reporting that are disclosed, or considered for disclosures, in the Company's periodic filings with the SEC.

8. Ensure that no officer, director or any person acting under their direction fraudulently influences, coerces, manipulates or misleads the independent auditors for purposes of rendering the Company's financial statements materially misleading.

E. Evaluation of Internal Audit Function

1. Review the activities, organizational structure and qualifications of the internal audit function, including:
 - (a) the planned scope of internal audit work;
 - (b) findings and recommendations of the internal auditors and related management action; and
 - (c) the adequacy of the staffing and organizational structure of the internal audit function.
2. Meet separately and periodically (and as needed) with the head of the internal audit function to discuss any matters that the Committee or the head of the internal audit function believes should be discussed privately.
3. Consider and review with management and the head of the internal audit function:
 - (a) significant internal audit findings during the year and management's responses thereto;
 - (b) any difficulties encountered in the course of internal audits, including any restrictions on the scope of the internal audit function's work or access to required information; and
 - (c) the annual internal audit function's audit plan and any significant changes thereto.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditors.

V. ANNUAL EVALUATION PROCEDURES

The Committee shall annually assess its performance to confirm that it is meeting its responsibilities under this Charter. In this review, the Committee shall consider, among other things, (a) the appropriateness of the scope and content of this Charter, (b) the appropriateness of matters presented for information and approval, (c) the sufficiency of time for consideration of agenda items, (d) frequency and length of meetings and (e) the quality of written materials and presentations. The Committee may recommend to the Board such changes to this Charter as the Committee deems appropriate.

VI. INVESTIGATIONS AND STUDIES

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities as described herein, and may retain, at the expense of the Company, independent counsel or other consultants necessary to assist the Committee in any such investigations or studies, with the Board's approval.

VII. MISCELLANEOUS

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

Adopted by the Audit Committee and approved
by the Board of Directors on August 8, 2005.