

EAGLE TEST SYSTEMS, INC.

Audit Committee Charter

I. STATEMENT OF POLICY

This Charter specifies the scope of the responsibilities of the Audit Committee of the Board of Directors (the “Audit Committee”) of Eagle Test Systems, Inc. (the “Company”) and the manner in which those responsibilities shall be performed, including the Audit Committee’s structure, processes and membership requirements.

The primary purpose of the Audit Committee is to assist the Board of Directors of the Company (the “Board”) in fulfilling its oversight responsibilities by reviewing and reporting to the Board on the integrity of the financial reports and other financial information. The Audit Committee shall also review the qualifications, independence and performance, and approve the terms of engagement, of the Company’s independent auditor and prepare any reports required of the Audit Committee under rules of the Securities and Exchange Commission (the “SEC”). Consistent with these functions, the Audit Committee shall encourage continuous improvement of, and foster adherence to, the Company’s financial policies, procedures and practices at all levels. The Audit Committee’s primary duties and responsibilities are to:

- Retain the Company’s independent auditor, evaluate its independence, qualifications and performance, and approve the terms of engagement for audit services and non-audit services.
- Review with management and the Company’s independent auditor, as appropriate, the Company’s financial reports and other financial information, including any reports and information provided by the Company to any governmental body or the public, and the Company’s compliance with legal and regulatory requirements.
- Regularly communicate with the Company’s independent auditor and financial and senior management and regularly report to the Board.
- Establish and observe complaint procedures regarding accounting, internal auditing controls and auditing matters.
- Prepare any reports required by the SEC.

The Company shall provide appropriate funding, as determined by the Audit Committee, to permit the Audit Committee to perform its duties under this Charter and to compensate its advisors. The Audit Committee, at its discretion, has the authority to initiate special investigations and, if appropriate, hire special legal, accounting or other outside advisors or experts to assist the Audit Committee to fulfill its duties under this Charter. The Audit Committee may also perform such other activities consistent with this Charter, the Company’s By-laws and governing law, as the Audit Committee or the Board deems necessary or appropriate. In performing its oversight function, the Audit Committee shall be entitled to rely upon advice and information that

it receives in its discussions and communications with management, the independent auditor and such experts, advisors and professionals as may be consulted with by the Audit Committee.

II. ORGANIZATION AND MEMBERSHIP REQUIREMENTS

The Audit Committee shall consist of at least three (3) members of the Board, each of whom must (1) be “independent” as defined in Rule 4200(a)(15) under the Marketplace Rules of the National Association of Securities Dealers, Inc. (“NASD”); (2) meet the criteria for independence set forth in Rule 10A-3(b)(1) promulgated under Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), subject to the exemptions provided in Rule 10A-3(c) under the Exchange Act; and (3) not have participated in the preparation of the financial statements of the Company or a current subsidiary of the Company at any time during the past three years. One or more members of the Audit Committee shall qualify as an “audit committee financial expert” under the rules promulgated by the SEC.

Notwithstanding the foregoing, one director who (1) is not “independent” as defined in Rule 4200 under the Marketplace Rules of the NASD; (2) satisfies the criteria for independence set forth in Section 10A(m)(3) of the Exchange Act and the rules thereunder; and (3) is not a current officer or employee or a “family member” of such officer or employee, may be appointed to the Audit Committee, if the Board, under exceptional and limited circumstances, determines that membership on the Audit Committee by the individual is required by the best interests of the Company and its stockholders, and the Board discloses, in the next annual proxy statement subsequent to such determination (or, if the Company does not file a proxy statement, in its Form 10-K), the nature of the relationship and the reasons for that determination. A member appointed under this exception may not serve on the Audit Committee for more than two years and may not chair the Audit Committee.

Each member of the Audit Committee must be able to read and understand fundamental financial statements, including a balance sheet, income statement and cash flow statement. The members of the Audit Committee shall be appointed by the Board and shall serve until their successors are duly elected and qualified or their earlier resignation or removal. Any member of the Audit Committee may be replaced by the Board. Unless a chairman of the Audit Committee is elected by the full Board, the members of the Audit Committee may designate a chairman by majority vote of the full Audit Committee membership. A majority of the members of the Audit Committee shall constitute a quorum for purposes of holding a meeting and the Audit Committee may act by a vote of a majority of the members present at such meeting. In lieu of a meeting, the Audit Committee may act by unanimous written consent. All indemnification, exculpation, expense reimbursement and advancement provisions and rights available to members of the Audit Committee in their capacities as Directors of the Company shall be fully applicable with respect to their service on the Audit Committee or any subcommittee thereof. Resignation or removal of a Director from the Board, for whatever reason, shall automatically and without further action constitute resignation or removal, as applicable, from the Audit Committee.

III. MEETINGS

The Audit Committee shall meet as often as it determines appropriate, but not less frequently than quarterly. The Audit Committee may form and delegate authority to subcommittees when appropriate, or to one or more members of the Audit Committee. The Audit Committee shall meet with management and the independent auditor in separate executive sessions as appropriate, but at least quarterly. The Audit Committee shall meet with the Company's independent auditor and management on a quarterly basis to review the Company's financial statements, financial reports and other public disclosure of the Company's financial condition and results of operations. The Audit Committee shall maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. The Audit Committee will also record summaries of its recommendations to the Board in written form, which will be incorporated as part of the minutes of the Board meeting at which those recommendations are presented.

IV. COMMITTEE AUTHORITY AND RESPONSIBILITIES.

A. Oversight of the Company's Independent Auditor

The Audit Committee shall be solely responsible for the engagement of any independent auditor employed by the Company for the purpose of preparing or issuing an audit report or related work and shall be directly involved in the oversight of such engagement. Each independent auditor shall report directly to the Audit Committee. The Audit Committee shall:

1. Obtain periodically from the independent auditor a formal written statement of the matters required to be discussed by Statement of Auditing Standards No. 61, as amended, and, in particular, describing all relationships between the auditor and the Company, and discuss with the auditor any disclosed relationships or services that may impact auditor objectivity and independence.
2. Obtain and review annually a report from the independent auditor describing (i) the auditor's internal quality-control procedures, (ii) any material issues raised by the most recent internal quality-control review or peer reviews 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 firm, and any steps taken to deal with such issues, and (iii) all relationships between the independent auditor and the Company.
3. Evaluate annually the qualifications, performance and independence of the independent auditor, including whether the independent auditor's quality control procedures are adequate, the review and evaluation of the lead partner of the independent auditor, taking into account the opinions of management and the Company's internal auditors, if any, and report to the Board on its conclusions, together with any recommendations for additional action.

4. Assure the rotation, as required by law, of the lead audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit every five years.
5. Approve in advance the engagement of the independent auditing firm for all audit services and non-audit services (other than non-audit services prohibited under Section 10A(g) of the Exchange Act or the applicable rules of the SEC or the Public Company Accounting Oversight Board), based on independence, qualifications and, if applicable, performance, and approve the fees and other terms of any such engagement; provided, however, that the pre-approval requirement is waived with respect to the provision of non-audit services for the Company if the “de minimus” provision of Section 10A(i)(1)(B) of the Exchange Act are satisfied. The Audit Committee may form and delegate to subcommittees of one or more members the authority to grant pre approvals for audit and permitted non-audit services; provided, however, that the decisions of such subcommittees to grant any such pre approvals shall be presented to the Audit Committee at its next schedule meeting.
6. Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit.
7. Approve as necessary the termination of the engagement of the independent auditor and select a replacement independent auditor.
8. Establish policies for the hiring of employees or former employees of the independent auditor who participated in any capacity in any audit of the Company, taking into account the impact of such policies on auditor independence.
9. Regularly review with the independent auditor any significant difficulties encountered during the course of the audit, any restrictions on the scope of work or access to required information and any significant disagreement among management and the independent auditor in connection with the preparation of the financial statements. Review with the independent auditor any accounting adjustments that were noted or proposed by the auditor but that were “passed” (as immaterial or otherwise), any communications between the audit team and the auditor’s national office respecting auditing or accounting issues presented by the engagement and any “management” or “internal control” letter or schedule of unadjusted differences issued, or proposed to be issued, by the auditor to the Company.
10. Review with the independent auditor on a quarterly basis the critical accounting policies and practices used by the Company, all alternative treatments of financial information within generally accepted accounting principles (“GAAP”) that the independent auditor has discussed with management, the ramifications of the use of

such alternative disclosures and treatments and the treatment preferred by the independent auditor.

Notwithstanding the responsibilities and powers of the Audit Committee set forth in this Charter, the Audit Committee does not have the responsibility of planning or conducting audits of the Company's financial statements or determining whether the Company's financial statements are complete, accurate and in accordance with GAAP. Such responsibilities are the duty of management and, to the extent of the independent auditor's audit responsibilities, the independent auditor. In addition, it is not the duty of the Audit Committee to conduct investigations or to ensure compliance with laws and regulations or any code of conduct and ethics.

B. Review of Financial Reporting Policies and Processes

To fulfill its responsibilities and duties, in addition to the items described above, the Audit Committee shall:

1. Review and discuss with management and the independent auditor the Company's annual audited financial statements, and any certification, report, opinion or review rendered by the independent auditor, and recommend to the Board whether the audited financial statements should be included in the Company's annual report on Form 10-K.
2. Review and discuss with management and the independent auditor the Company's disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations" in connection with the Company's annual report on Form 10-K.
3. Review and discuss with management and the independent auditor the Company's quarterly financial statements prior to filing such reports and the Company's disclosure under "Management's Discussion and Analysis of Results of Operation."
4. Review and discuss press releases regarding the Company's financial results and other information provided to securities analysts and rating agencies, including any "pro forma" or adjusted financial information, prior to its public release.
5. At least quarterly, meet separately with management and with the independent auditor.
6. Review with management and the independent auditor any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.
7. Review at least annually with management its assessment of the effectiveness of the Company's internal control structure and procedures for financial reporting ("Internal Controls"), and review annually with the independent auditor the attestation to and report on, the assessment made by management, and consider

whether any changes to the Internal Controls are appropriate in light of management's assessment or the independent auditor's report.

8. Review quarterly with management its evaluation of the Company's procedures and controls ("Disclosure Controls") designed to assure that information required to be disclosed in its periodic public reports is recorded, processed, summarized and reported in such reports within the time periods specified by the SEC for the filing of such reports, and consider whether any changes are appropriate in light of management's evaluation of the effectiveness of such Disclosure Controls.
9. Review and discuss with management and the independent auditor any off balance sheet transactions or structures and their effect on the Company's financial results and operations, as well as the disclosure regarding such transactions and structures in the Company's public filings.
10. Review with management and the independent auditor the effect of regulatory and accounting initiatives on the financial statements. Review any major issues regarding accounting principles and financial statement presentations, including any significant changes in selection of an application of accounting principles. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the independent auditor or management.
11. The Audit Committee shall review and discuss with the independent auditor (outside of the presence of management) how the independent auditor plans to handle its responsibilities under the Private Securities Litigation reform Act of 1995, and request assurance from the auditor that Section 10A of the Private Securities Litigation Reform Act of 1995 has not been implicated.
12. Review with the independent auditor and management the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented.
13. The Audit Committee shall regularly report to and review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the independent auditors, the performance of the internal audit function, if any, and any other matters that the Audit Committee deems appropriate or is requested to review for the benefit of the Board.

C. Additional Responsibilities and Authority

To further fulfill its responsibilities and duties, in addition to the items described above, the Audit Committee shall:

1. Review with the principal executive and financial officers of the Company any report on significant deficiencies or material weaknesses in the design or operation

of Internal Controls which are reasonably likely to adversely affect the Company's ability to record, process, summarize or report financial data required to be disclosed by the Company in the reports that it files or submits under the Exchange Act, within the time periods specified in the SEC's rules and forms, and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.

2. Establish a procedure for the receipt from management of a description of proposed transactions between the Company and any related parties. Consider and approve such transactions after reviewing each such transaction for potential conflicts of interests and other improprieties.
4. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies that raise material issues regarding the Company's financial statements or accounting policies.
5. Prepare the Audit Committee's report required by the rules of the Securities Exchange Commission to be included in The Company's annual proxy statement.
6. Regularly report to the Board on the Audit Committee's activities, recommendations and conclusions.
7. Review and reassess the Charter's adequacy at least annually.

D. Legal and Regulatory Compliance

The Audit Committee may discuss with management and the independent auditor, and review with the Board, the legal and regulatory requirements applicable to the Company and its subsidiaries and the Company's compliance with such requirements. After these discussions, the Audit Committee may, if it determines it to be appropriate, make recommendations to the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations.

The Audit Committee may discuss with management legal matters (including pending or threatened litigation) that may have a material effect on the Company's financial statements or its compliance policies and procedures.

E. Procedures for Addressing Complaints and Concerns

The Audit Committee shall establish procedures for (1) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matter and (2) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. Adopt, as necessary, appropriate remedial measures or actions with respect to such complaints or concerns.

F. Risk Assessment and Management

The Audit Committee may discuss guidelines and policies to govern the process by which risk assessment and management is undertaken and handled.

The Audit Committee may discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

G. Compensation

A member of the Audit Committee may not, other than in his or her capacity as a member of the Audit Committee, the Board or any other committee established by the Board, receive directly or indirectly from the Company any consulting, advisory or other compensatory fee from the Company. A member of the Audit Committee may receive additional directors' fees to compensate such member for the significant time and effort expended by such member to fulfill his or her duties as an Audit Committee member.

ADOPTED: February 14, 2006