

WASTE SERVICES, INC.

AUDIT COMMITTEE CHARTER

Purpose

The Committee is established by the Board of Directors primarily for the purpose of overseeing the accounting and financial reporting processes of the Company and audits of the financial statements of the Company.

The Committee is responsible for assisting the Board's oversight of (1) the independent auditor's qualifications and independence, (2) the integrity of the Company's financial statements and related disclosure, (3) the performance of the Company's internal audit function and independent auditor, (4) the effectiveness of the Company's financial risk management and applicable legal and regulatory compliance issues, and (5) the Company's compliance with legal and regulatory requirements.

Composition

1. Members. The Committee shall consist of as many members as the Board shall determine, but in any event not fewer than three members. The members of the Committee shall be appointed annually by the Board upon the recommendation of the Corporate Governance Committee.
2. Qualifications. Each member of the Committee shall meet all applicable independence, financial literacy and other requirements of the law and the listing requirements of Nasdaq Stock Market, Inc. At least one member of the Committee must have accounting or related financial management expertise in accordance with the listing requirements of the Nasdaq Stock Market, Inc. The Board shall determine if any member of the Committee is an "audit committee financial expert" as defined by the Securities and Exchange Commission.
3. Chair. The Chair of the Committee shall be appointed by the Board upon the recommendation of the Corporate Governance Committee.
4. Removal and Replacement. The members of the Committee may be removed or replaced, and any vacancies on the Committee shall be filled, by the Board upon the recommendation of the Corporate Governance Committee.

Operations

5. Meetings. The Chair of the Committee, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings. The Committee shall meet separately, periodically, with management, the general counsel, the internal auditors and the independent auditor. The Committee shall also meet separately with the independent auditor at every meeting of the Committee at which the independent auditor is present.

6. Agenda. The Chair of the Committee shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and management. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review. Written minutes of all Committee meetings shall be kept.
7. Report to Board. The Committee shall report regularly to the entire Board, including a description of all actions taken by the Committee at each meeting.
8. Self-Evaluation; Assessment of Charter. The Committee shall conduct an annual performance self-evaluation and shall report to the entire Board the results of the self-evaluation. The Committee shall assess the adequacy of this Charter on an annual basis and recommend any changes to the Board.

Authority and Duties

Independent Auditor's Qualifications and Independence

9. The Committee shall be directly responsible for the appointment, retention, compensation and oversight of the work of the independent auditor employed by the Company, including resolution of disagreements between management and the independent auditor regarding financial reporting, for the purpose of preparing or issuing an audit report or performing other audit, review or attest services or related work. The independent auditor shall report directly to the Committee.
10. The Committee shall have the sole authority to preapprove any non-audit services to be provided by the independent auditor. The Committee shall review with the lead audit partner whether any of the audit team members receive any discretionary compensation from the audit firm with respect to non-audit services performed by the independent auditor.
11. The Committee shall obtain and review with the independent auditor, annually or more frequently as the Committee considers appropriate, a report by the independent auditor describing: the independent auditor's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor, or by any inquiry, review or investigation by governmental, professional or other regulatory authorities, within the preceding five years, respecting independent audits carried out by the independent auditor, and any steps taken to deal with these issues; and (to assess the independent auditor's independence) all relationships between the independent auditor and the Company. The Committee shall, in addition to assuring the regular rotation of the lead audit partner and the audit partner responsible for reviewing the audit, consider whether there should be regular rotation of the audit firm.

12. The Committee shall evaluate the experience, qualifications and performance of the senior members of the independent auditor team.
13. The Committee shall establish clear hiring policies for employees or former employees of the independent auditor and monitor compliance with such policies.
14. The Committee is responsible for ensuring its receipt from the independent auditor of a formal written statement delineating all relationships between the independent auditor and the Company, consistent with Independence Standards Board Standard 1, and the Committee's responsibility for actively engaging in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor and for taking, or recommending that the Board take, appropriate action to oversee the independence of the independent auditor.

Financial Statements and Related Disclosure

15. The Committee shall review the annual audited financial statements and quarterly financial statements with management and the independent auditor, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," before the filing of the Company's Form 10-K and Form 10-Q.
16. The Committee shall review with management earnings press releases, including the use of any non-GAAP financial information, before they are issued.
17. The Committee shall review timely reports from the independent auditor on: (a) all critical accounting policies and practices to be used by the Company in preparing its financial statements, (b) all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of these alternative disclosures and treatments, and the treatment preferred by the independent auditor, and (c) other material communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences. In addition, the Committee shall review with the independent auditor any audit problems or difficulties, and management's response, and any significant disagreements with management.
18. The Committee shall review with management, and any outside professionals as the Committee considers appropriate, the effectiveness of the Company's disclosure controls and procedures.
19. The Committee shall review with management, and any outside professionals as the Committee considers appropriate, important trends and developments in financial reporting practices and requirements and their effect on the Company's financial statements.

20. The Committee shall prepare the report required by the Securities and Exchange Commission to be included in the Company's annual proxy statement.
21. The Committee shall review disclosures made by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q, including whether any significant deficiencies exist in the design or operation of internal controls that could adversely affect the Company's ability to record, process, summarize and report financial data, any material weaknesses exist in internal controls, or any fraud has occurred, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.

Performance of the Internal Audit Function and Independent Auditors

22. The Committee shall review with management, the internal auditor and the independent auditor the scope, planning and staffing of the proposed audit for the current year. The Committee shall also review the internal audit function's organization, responsibilities, plans, results, budget and staffing. In addition, management shall consult with the Committee on the appointment, replacement, reassignment or dismissal of the principal internal auditor.
23. The Committee shall review with management, the internal auditor and the independent auditor the quality, adequacy and effectiveness of the Company's internal controls and any significant deficiencies or material weaknesses in internal controls.

Risk Management

24. The Committee shall review policies with respect to risk assessment and risk management, including the Company's major financial risk exposure and steps taken by management to monitor and mitigate such exposure and the effectiveness of the Company's system for monitoring compliance with laws and regulations.
25. The Committee shall review periodically the Company's tax policies and any pending audits or assessments.

Compliance with Legal and Regulatory Requirements

26. The Committee shall review with management, and any internal or external counsel as the Committee considers appropriate, any legal matters (including the status of pending litigation) that may have a material impact on the Company and any material reports or inquiries from regulatory or governmental agencies.
27. The Committee shall review with the general counsel the adequacy and effectiveness of the Company's procedures to ensure compliance with its legal and regulatory responsibilities. The Committee shall also review the legal and

compliance function's organization, responsibilities, plans, results, budget and staffing.

28. The Committee shall review all related party transactions on an ongoing basis and shall review any potential conflict of interest situations where appropriate.
29. The Committee shall establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters or potential violations of law and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters or potential violations of law.
30. The Committee shall obtain reports from management, the internal auditor and the independent auditor regarding compliance with all applicable legal and regulatory requirements.

The foregoing list of duties is not exhaustive, and the Committee may, in addition, perform such other functions as may be necessary or appropriate for the performance of its oversight function. The Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee as it deems appropriate. In discharging its oversight role, the Committee shall have full access to all Company books, records, facilities and personnel. The Committee may retain counsel, auditors or other advisors, in its sole discretion. The Committee shall be given the resources, and shall determine the funding requirements, for the payment of compensation to the independent auditor and any advisers employed by the Committee, and the payment of the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Clarification of Audit Committee's Role

The Committee's responsibility is one of oversight. It is the responsibility of the Company's management to prepare consolidated financial statements in accordance with applicable law and regulations and of the Company's independent auditor to audit those financial statements. Therefore, each member of the Committee shall be entitled to rely, to the fullest extent permitted by law, on the integrity of those persons and organizations within and outside the Company from whom he or she receives information, and the accuracy of the financial and other information provided to the Committee by such persons or organizations.