

**Charter of the Audit Committee
of the Board of Directors of
CorVel Corporation**

Amended as of May 6, 2004

1. Purposes.

The primary purposes of the Audit Committee (the "**Committee**") of CorVel Corporation (the "**Company**") are to oversee on behalf of the Company's Board of Directors (the "**Board**"): (a) the conduct of the Company's accounting and financial reporting processes, the audits of the Company's financial statements and the integrity of the Company's audited financial statements and other financial reports; (b) the performance of the Company's internal accounting and financial controls function; (c) the engagement, replacement, compensation, qualifications, independence and performance of the Company's independent auditors, and (d) the portions of the Company's Code of Ethics and Conduct and related policies regarding the Company's accounting, internal accounting controls or auditing matters. The Committee's function is one of oversight only and shall not relieve the responsibilities of the Company's management for preparing financial statements that accurately and fairly present the Company's financial results and condition, or the responsibilities of the independent auditors relating to the audit or review of financial statements.

2. Composition.

(a) At Least Three Members; Chairperson. The Committee shall consist of a minimum of three independent directors as defined in Section 2(b) below. The Board shall designate a Committee member as the Chairperson of the Committee, or if the Board does not do so, the Committee members shall appoint a Committee member as Chairperson by a majority vote of the authorized number of the Committee members.

(b) Independence. All members of the Committee shall be "**independent**" as determined by the Board and as defined in the listing standards of the Nasdaq Stock Market or such other national securities exchange on which the Company's securities are then listed, as the same may be amended from time to time (the "**listing standards**"), Rule 10A-3 of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), any other rules or regulations of the Securities and Exchange Commission (the "**SEC**") and any other laws applicable to the Company.

(c) Financial Literacy. Each member of the Committee shall, upon appointment to the Committee, be able to read and understand fundamental financial statements, including balance sheets, income statements and cash flow statements. At least one member of the Committee shall be an "**audit committee financial expert**" as defined in applicable SEC rules and regulations, or otherwise meet the "**financial sophistication**" requirements set forth in the listing standards.

(d) Prohibition Against Past Involvement in Company Financial Statements. No Committee member shall have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the preceding three years.

(e) Appointment. Subject to the requirements of the listing standards and the Bylaws of the Company, the Board initially shall appoint the Committee members to serve until the first meeting of the Board following the next Annual Meeting of Stockholders. Thereafter, the Committee members shall be appointed by the Board, for one year terms and until their successors are appointed and qualified, or until their earlier retirement, resignation or removal. Any member of the Committee may be removed, with or without cause, by the approval of a majority of the independent directors then serving on the full Board. The Board may fill any vacancies on the Committee by a majority vote of the authorized number of directors.

3. Meetings; Reports and Resources of the Committee.

(a) Meetings. The Committee shall meet as often as it determines necessary or advisable, but not less frequently than quarterly. The Committee also may hold special meetings or act by unanimous written consent as