



Charter for the Audit Committee

ADAPTEC, INC. CHARTER FOR THE AUDIT COMMITTEE March 22, 2004

PURPOSE:

The purpose of the Audit Committee of the board of directors of Adaptec, Inc. (the "**Company**") shall be:

- to provide oversight and monitoring of Company management and the independent auditors and their activities with respect to the Company's financial reporting process and systems of internal control;
- to provide the Company's board of directors with the results of its monitoring and recommendations derived therefrom;
- to appoint independent auditors to audit the Company's financial statements and review and evaluate the qualifications, independence and performance of the auditors;
- to provide to the board of directors such additional information and materials as it may deem necessary to make the board of directors aware of significant financial matters that require the attention of the board of directors; and
- to serve as the "qualified legal compliance committee" of the Company within the meaning of Part 205 of Charter II of Title 17 of the Federal Register ("Part 205") (in such capacity, the "QLCC").

The Audit Committee will fulfill these functions primarily by carrying out those specific duties and responsibilities listed below, and such other duties as the board of directors may from time to time prescribe. In so doing, the Audit Committee will maintain free and open communication between the independent auditors, the Company's management and the board of directors. In order to fulfill these responsibilities, the Audit Committee shall have unrestricted access to Company personnel and documents, shall have authority to direct and supervise an investigation into any matters within the scope of its duties, and shall have authority to retain such outside counsel, experts and other advisors as it determines to be necessary to carry out its responsibilities. The Company shall provide appropriate funding to the Audit Committee, as determined by the Audit Committee in its capacity as a committee of the board of directors, for payment of compensation to (i) the Company's independent auditors for the purpose of rendering or issuing an audit report and (ii) to any outside advisors employed by the Audit Committee pursuant to this charter.

The Audit Committee relies on the expertise and knowledge of management and the independent auditor in carrying out its oversight responsibilities. Management of the Company is responsible for complete and accurate preparation of the Company's financial statements in accordance with generally accepted accounting principles. The independent auditor is responsible for auditing the Company's financial statements. It is not the duty of the Audit Committee to plan or conduct audits, to determine that the financial statements are complete and accurate and are in accordance with generally accepted accounting principles or to assure compliance with laws and regulations or the Company's policies and procedures.

COMPOSITION OF AUDIT COMMITTEE

The Audit Committee members will be appointed by, and will serve at the discretion of, the board of directors.

1. The Audit Committee will consist of at least three members of the board of directors;

2. Each member will be an independent director, in accordance with the Securities Exchange Act and the Nasdaq National Market Audit Committee requirements;
3. Each member will be able to read and understand fundamental financial statements, in accordance with the Nasdaq National Market Audit Committee requirements; and
4. At least one member will have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background, including a current or past position as chief executive or financial officer or other senior officer with financial oversight responsibilities, in accordance with the Nasdaq National Market Audit Committee requirements.

RESPONSIBILITIES:

The following shall be the principal recurring duties of the Audit Committee in carrying out its oversight responsibilities. These duties are set forth as a guide with the understanding that the Audit Committee may supplement them as appropriate and may establish policies and procedures from time to time that it deems necessary or advisable in fulfilling its responsibilities under this charter, the Company's By-laws and governing law. The Audit Committee's responsibilities shall include:

- Reviewing at least annually the Audit Committee's own structure, process and membership requirements;
- Periodically reviewing the charter and recommending any proposed changes to the board of directors;
- Establishing procedures to receive and process complaints regarding accounting, internal auditing controls or auditing matters, and for employees to make confidential, anonymous complaints regarding questionable accounting or auditing matters;
- Reviewing the qualifications, independence and performance of the independent auditors, who shall directly report to the Audit Committee, and providing oversight and monitoring of Company management and the independent auditors and their activities with respect to the Company's financial reporting process;
- Appointing, compensating and, where appropriate, replacing the independent auditors;
- Pre-approving all audit and non-audit services to be provided by the independent auditors. The Audit Committee may delegate the authority to grant such pre-approvals to one or more members of the committee, provided that the pre-approval decision and related services are presented to the Audit Committee at its next regularly scheduled meeting;
- Reviewing the independent auditor's proposed audit scope, approach and fee arrangement;
- Upon completion of the audit of the Company's annual financial statements by the independent auditors and prior to distribution of such financial statements to the public or filing with the SEC, reviewing and discussing with the independent auditors: the annual financial statements, the independent auditor's report thereon, any other matters related to the conduct of the audit, which are to be communicated to the committee under generally accepted auditing standards, any significant changes required in the audit plan, any serious difficulties or disputes with management encountered during the audit, and any other matters required to be discussed by Statement on Auditing Standards (SAS) No. 61 and Standard of Auditing Standard (SAS) No. 90 (Communications with Audit Committees), as they may be modified or supplemented, including the auditor's judgment about the quality, not just acceptability, of the Corporation's accounting principles as applied in its financial reporting.
- Requesting from the independent auditors a formal written statement delineating all relationships between the auditor and the Company, consistent with Independence Standards Board Standard No. 1, and evaluating and discussing with the auditors any disclosed relationships or services that may impact the objectivity and independence of the auditors including consideration of whether fees billed for information technology services and other non-audit services are compatible with maintaining the independence of the auditors;
- Reviewing the Company's interim financial statements and quarterly earnings press releases with the independent auditors and management prior to public release, including discussing with the independent auditors and management the results of the independent auditors' SAS 71 review of the interim financial statements and direct the Company's independent auditors to review, before filing with the SEC, the Company's interim financial statements included in Quarterly Reports on Form 10-Q;
- Before release, reviewing the Company's Annual Report on Form 10-K with management and the independent auditors;

- Recommending to the board of directors whether they should approve the annual financial statements for inclusion in the Annual Report on Form 10-K, based on (i) the committee's review and discussion with management of the annual financial statements, (ii) the committee's discussion with the independent auditors of the matters required to be discussed by SAS 61, and (iii) the committee's review and discussion with the independent auditors of the independent auditors' independence and the written disclosures and letter from the independent auditors required by Independence Standards Board Standard No. 1;
- In connection with the committee's review of the annual financial statements, discussing with management and the independent auditors the Company's development, selection, application and disclosure of critical accounting policies, any significant changes in the Company's accounting policies and any proposed changes in accounting or financial reporting that may have a significant impact on the Company;
- Obtaining and reviewing a report from the independent auditors addressing: (i) all critical accounting policies and practices used; (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of each alternative and the treatment preferred by the independent auditors; and (iii) other material communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences;
- Discussing with the independent auditors and management their periodic reviews of the adequacy of the Company's accounting and financial reporting processes and systems of internal control, including the adequacy of the systems of reporting to the audit committee by each group;
- Reviewing any (i) significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting or (ii) fraud involving management or any employee of the Company with a significant role in the Company's internal controls over financial reporting that are disclosed to the Audit Committee by the Company's Chief Executive Officer and Chief Financial Officer in connection with such officers' quarterly review of the Company's internal control over financial reporting;
- Resolving any disagreements between management and the auditor regarding financial reporting;
- Reviewing on at least a quarterly basis the status of any legal or regulatory matters that could have a significant impact on the Company's financial statements;
- In its capacity as QLCC, the committee (to the extent that terms used in the following description of the responsibilities of the QLCC are defined in Part 205, those terms shall be similarly defined herein):
 - shall adopt written procedures for the confidential receipt, retention, and consideration of any report of evidence of a material violation under 17 CFR 205.3;
 - has the authority and responsibility (i) to inform the Company's chief legal officer and chief executive officer (or the equivalents thereof) of any report of evidence of a material violation (except in the circumstances described in 17 CFR 205.3(b)(4)); (ii) to determine whether an investigation is necessary regarding any report of evidence of a material violation by the Company, its officers, directors, employees or agents and, if it determines an investigation is necessary or appropriate, to: (A) notify either this committee in its capacity as Audit Committee or the full Board of Directors; (B) initiate an investigation, which may be conducted either by the chief legal officer (or the equivalent thereof) or by outside attorneys; and (C) retain such additional expert personnel as the committee deems necessary; and (iii) at the conclusion of any such investigation, to: (A) recommend, by majority vote, that the Company implement an appropriate response to evidence of a material violation; and (B) inform the chief legal officer and the chief executive officer (or the equivalents thereof) and the Board of Directors of the results of any such investigation under this section and the appropriate remedial measures to be adopted; and
 - has the authority and responsibility, acting by majority vote, to take all other appropriate action, including the authority to notify the Securities and Exchange Commission in the event that the Company fails in any material respect to implement an appropriate response that the committee has recommended.
- Performing such other specific functions as the board of directors may from time to time direct, including reviewing and approving all transactions between the Company and any related party, as defined by applicable law and the listing regulations of the Nasdaq National Market.

PROXY STATEMENT DISCLOSURES:

The Audit Committee will be responsible for annually providing an Audit Committee Report in the Company's proxy statement and providing a copy of this charter as an appendix to the Company's proxy statement at least once every three years, in accordance with the requirements of Item 306 of SEC Regulation S-K and Item 7(d)(3)(i) of Schedule 14A of the SEC's proxy rules.

MEETINGS, MINUTES, AND REPORTS TO BOARD OF DIRECTORS:

The Audit Committee will meet at least three times per year in addition to the quarterly telephonic review of the financial statements prior to public releases. Meetings may be held telephonically or in person. The Audit Committee may establish its own schedule, which it will provide to the board of directors in advance.

The Audit Committee will meet separately with the independent auditors as well as members of the Company's management, as it deems appropriate in order to review the financial controls of the Company.

The Audit Committee will maintain written minutes of its meetings.

Apart from the report prepared pursuant to Item 306 of Regulation S-K and Item 7(d)(3)(i) of Schedule 14A, the Audit Committee will summarize its examinations and recommendations to the board from time to time as may be appropriate, consistent with the Audit Committee's charter.