

ADVO, INC.
AUDIT COMMITTEE CHARTER

Organization

This charter governs the operations of the Audit Committee. The committee shall be appointed by the board of directors, on the recommendation of the Compensation and Nomination Committee, and shall comprise at least three directors, each of whom are independent of management and the Company. The board of directors shall designate one member of the committee to serve as the chair of the committee. Committee members may be replaced by the board of directors on a vote of a majority of the independent directors.

Members of the committee shall be considered independent if they meet the independence criteria of the New York Stock Exchange, Section 10A(m)(3) of the Securities Exchange Act of 1934 (the “Exchange Act”), and the rules and regulations of the Securities and Exchange Commission (the “Commission”). All committee members shall be financially literate, and at least one member shall be an “audit committee financial expert” as defined by the Commission. Audit committee members shall not simultaneously serve on the audit committees of more than two other public companies unless the board of directors determines that such simultaneous service would not impair the member’s ability to serve on the committee.

The committee shall meet as often as it determines, but not less frequently than quarterly. The committee may form and delegate authority to a subcommittee of one or more of its members when appropriate, provided that the decisions of such subcommittee shall be reported to the full committee at its next scheduled meeting.

The committee shall make regular reports to the board of directors.

Statement of Policy and Purpose

The primary purpose of the committee shall be to provide assistance to the board of directors in fulfilling its responsibility to oversee the integrity of the Company’s financial statements and financial reporting process, the performance of the Company’s systems of internal accounting and financial controls, the Company’s internal audit function, the annual independent audit of the Company’s financial statements, and the Company’s compliance with legal and regulatory requirements. The committee shall have sole authority and direct responsibility over the selection and engagement of the Company’s independent auditors, and shall evaluate their qualifications, independence, and performance. For purposes of this charter, “independent auditors” shall include any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services in connection with the Company’s financial statements or financial reporting process. The committee shall also prepare the Audit Committee Report to be included in the Company’s proxy statement for each annual meeting of stockholders and any other meeting of stockholders at which members of the board of directors are to be elected.

It is the responsibility of the committee to maintain free and open communication between the committee, the independent auditors, the internal auditors, and management of the Company. In discharging its oversight role, the committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company. The committee shall have the power to retain outside counsel, auditors, or other advisors as it deems appropriate and to determine the compensation and other terms of engagement of such outside counsel, auditors, or other advisors. The Company shall provide appropriate funding, as determined by the committee, for the compensation of such outside counsel, auditors, or other advisors, in addition to any ordinary administrative expenses of the committee that are necessary or appropriate in carrying out its duties.

Responsibilities and Procedures

The primary responsibility of the committee is to oversee the Company's financial reporting process on behalf of the board and report the results of the committee's activities to the board. Management is responsible for preparing the Company's financial statements, and the independent auditors are responsible for auditing those financial statements.

The committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The committee should take the appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices, and ethical behavior.

The following shall be the principal recurring processes of the committee in carrying out its oversight responsibilities. The processes are set forth as a guide with the understanding that the committee may supplement them as appropriate.

- The committee shall have sole authority and direct responsibility over the selection of the Company's independent auditors, subject to stockholder ratification if the committee so elects. The committee shall also have sole authority and direct responsibility over the evaluation and replacement (as the committee may deem appropriate) of the independent auditors, and the determination of the compensation and other terms of engagement of such independent auditors. The committee shall review the selection of the Company's independent auditors on an annual basis.
- The committee shall pre-approve all audit services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditors, subject to de minimis exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act that are approved by the committee prior to the completion of the audit. The committee shall consider whether any provision of permitted non-audit services by the Company's independent auditors is compatible with their independence.
- The committee shall be responsible for resolving any disputes between management and the independent auditors concerning financial reporting.

- The committee shall discuss with the auditors their independence from management and the Company and the matters included in the written disclosures required by the Independence Standards Board.
- At least annually, the committee shall obtain and review a report by the independent auditors describing: their internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, 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, any steps taken to deal with such issues; and (to assess the auditors' independence), all relationships between the independent auditors and the Company.
- The committee shall review and evaluate the lead (or coordinating) audit partner and ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit.
- The committee shall discuss with the internal auditors and the independent auditors the overall scope and plans for their respective audits, including the adequacy of staffing and compensation. Also, the committee shall discuss with management, the internal auditors, and the independent auditors the adequacy and effectiveness of the accounting and financial controls, including the Company's system to monitor and manage business risk, and legal and ethical compliance programs. Further, the committee shall meet separately with the internal auditors and the independent auditors, with and without management present, to discuss the results of their examinations.
- The committee shall review disclosures made to the committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process for the 10-K and the Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.
- The committee shall review with management and the independent auditors the financial statements to be included in the Company's Annual Report on Form 10-K (or the annual report to stockholders if distributed prior to the filing of Form 10-K), including disclosures made in management's discussion and analysis, and recommend to the board of directors whether the audited financial statements should be included in the Company's Form 10-K. Also, the committee shall discuss with the independent auditors the results of the annual audit and any other matters required to be communicated to the committee by the independent auditors under generally accepted auditing standards.
- The committee shall review the interim financial statements with management and the independent auditors prior to the filing of the Company's Quarterly Report on Form 10-Q. Also, the committee shall discuss the results of the quarterly review and any other matters required to be communicated to the committee by the independent auditors under generally accepted auditing standards. The chair of the committee may represent the entire committee for the purposes of this review.

- The committee shall discuss with management and the independent auditors significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including their judgment about the quality, not just acceptability, of accounting principles, the reasonableness of significant judgments, and the clarity of the disclosures in the financial statements. The committee shall review major changes to the Company's accounting principles and practices as suggested by the independent auditors, internal auditors, or management, as well as the expected impact of new accounting initiatives.
- The committee shall obtain reports from the independent auditors on: all critical accounting policies and practices to be used; all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramification of such alternative disclosures and treatments, and the treatment preferred by the independent auditors; and other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.
- The committee shall discuss with management the Company's earnings press releases, as well as any financial information and earnings guidance provided by the Company to analysts and ratings agencies, and any use of non-GAAP financial information. This discussion may be done generally through a discussion of the types of information to be disclosed and the types of presentations to be made.
- The committee shall also:
 - Recommend to the board of directors policies for the hiring of employees or former employees of the independent auditor.
 - Have ultimate control of, and full oversight authority over, the appointment of the outsourced internal audit firm.
 - Have the authority to review and set the scope of reports to management prepared by the internal auditing department, and management's responses.
 - Obtain from the independent auditors a representation that they noted no matters required to be reported under Section 10A(b) of the Exchange Act.
 - Review and oversee the Company's processes to assure that its management, its internal auditors, and the independent auditor provide representations that they did not note any violations of the Company of applicable legal requirements.
 - Oversee the Company's legal counsel and others regarding their monitoring of compliance with the Company's Code of Business Ethics and Conduct.
 - Review and oversee the Company's processes, and work with the Company's legal counsel in identifying and assessing any transactions that may involve a conflict of interest on the part of a director or executive officer.

- Establish, review and oversee the implementation of the committee's procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- Review with the Company's legal counsel any legal matters that may have a material impact on the financial statements, the Company's compliance policies, and any material reports or inquiries received from regulators or governmental agencies.

Qualified Legal Compliance Committee

The committee shall also serve as the Company's Qualified Legal Compliance Committee in accordance with the Qualified Legal Compliance Committee Charter.

Evaluation of the Charter and Committee Performance

The committee shall review and reassess the charter at least annually and obtain the approval of the board of directors for any proposed changes to the charter. The committee shall evaluate its own performance on an annual basis.