

**COMPUWARE CORPORATION
AUDIT COMMITTEE CHARTER**

Purpose

The Audit Committee is established by and amongst the Board of Directors for the primary purpose of:

- Overseeing the Company's accounting and financial reporting processes and the audits of the Company's financial statements; and
- Assisting the Board in:
 - overseeing the integrity of the Company's financial statements,
 - overseeing the Company's compliance with legal and regulatory requirements,
 - overseeing the independent auditor's qualifications and independence,
 - overseeing the performance of the Company's internal audit function and independent auditor, and
 - overseeing the Company's system of disclosure controls and system of internal controls regarding finance, accounting, legal compliance, and ethics that management and the Board have established.

Consistent with this function, the Audit Committee should encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Audit Committee should also provide an open avenue of communication among the independent auditors, financial and senior management, the internal auditing function, and the Board of Directors.

The Audit Committee has the authority to obtain advice and assistance from outside legal, accounting, or other advisors as it deems appropriate to perform its duties and responsibilities.

The Company shall provide appropriate funding, as determined by the Audit Committee, for compensation to the independent auditor and to any advisers that the Audit Committee chooses to engage, as well as for ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

The Audit Committee will primarily fulfill its responsibilities by carrying out the activities enumerated in the "Responsibilities and Duties" section of this Charter. The Audit Committee will report regularly to the Board of Directors regarding the execution of its duties and responsibilities.

Composition

The Audit Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be an independent director within the meaning of Rule 4200(a)(15) of the Nasdaq Stock Market Marketplace Rules and Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, as amended. All members of the Committee shall be able to read and understand fundamental financial statements at the time of their appointment, and at least one member of the Committee shall have financial sophistication as a result of his or her past employment experience, professional certification, or other comparable experience or background. No member may have participated in the preparation of the Company's financial statements or any current subsidiary of the Company at any time during the past three years. In addition, the Company shall endeavor to cause at least one member of the Committee to be an "audit committee financial expert" as defined by the criteria established by the SEC and other relevant regulations. The existence of such member(s) shall be disclosed in periodic filings as required by the SEC. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant. The Chairman may nominate the Committee members and a Chairperson, who shall be submitted to

the Board for approval. The Board may remove a Committee member from the Committee at any time with or without cause.

Meetings

The Committee shall meet at least four times annually, and more frequently as circumstances dictate. As part of its job to foster open communication, the Committee should meet periodically with management, the director of the internal auditing function and the independent auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. The Committee should report to the Board of Directors following the meetings of the Committee.

Responsibilities and Duties

Documents/Reports/Accounting Information Review

- Review the adequacy of this Charter periodically, at least annually, and recommend to the Board of Directors any necessary amendments as conditions dictate.
- Review and discuss with management the Company's annual financial statements, and quarterly financial statements. Review other relevant reports rendered by the independent auditors (or summaries thereof).
- Recommend to the Board whether the financial statements should be included in the Annual Report on Form 10-K. Review the 10-Q prior to its filing.

Independent Auditors

- Appoint, compensate, retain and oversee the work performed by the independent auditor for the purpose of preparing or issuing an audit report or related work. Review the performance of the independent auditors and remove the independent auditors if circumstances warrant. The independent auditors shall report directly to the Audit Committee and the Audit Committee shall oversee the resolution of disagreements between management and the independent auditors in the event that they arise.
- Review with the independent auditor any problems or difficulties and management's response; review the independent auditor's attestation and report on management's internal control report; and hold timely discussions with the independent auditors and management on critical or material accounting events, policies and procedures, including all matters required under standard accounting rules.
- Ensure that the independent auditors prepare and deliver annually to the Audit Committee a formal written statement delineating all relationships between such independent auditors and the Company, consistent with Independent Standards Board Standard No. 1; actively engage in a dialogue with the independent auditors with respect to all relationships or services disclosed in the Statement that may impact the auditors' objectivity and independence; and take, or recommend that the full Board take, appropriate action to satisfy itself of the independent auditors' independence.
- At least annually, obtain and review a report by the independent auditor describing:
 - the accounting firm's internal quality-control procedures;
 - any material issues raised by the most recent internal quality-control review of the accounting firm, or peer review, 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 any such issues; and

- all relationships between the independent auditors and the Company.
- Review and pre-approve all audit and non-audit services to be provided by the independent auditor. Approval of non-audit services shall be disclosed to investors in periodic reports required by Section 13(a) of the Securities Exchange Act of 1934.

Financial Reporting Processes and Accounting Policies

- In consultation with the independent auditors and the internal auditors, review the integrity of the organization's financial reporting processes (both internal and external), and the internal control structure (including disclosure controls).
- Review with management the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
- Review and approve all related party transactions.
- Establish and maintain procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting, or auditing matters.
- Establish and maintain procedures for the confidential, anonymous submission by Company employees regarding questionable accounting or auditing matters.
- Consider the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied to its financial reporting.
- Consider and approve, if appropriate, major changes to the Company's auditing and accounting principles and practices.
- Receive and discuss any reports or communications submitted to the Audit Committee by the independent auditors required by or referred to in SAS 61. Periodically consult with the independent auditors without the presence of management about internal controls and the fullness and accuracy of the Company's financial statements.

Internal Audit

- Review activities, organizational structure, funding, and qualifications of the internal audit function.
- Periodically review with the internal audit director any significant difficulties, disagreements with management, or scope restrictions encountered in the course of the function's work.
- Receive and discuss with management, the independent auditors and the internal auditors all reports regarding any significant changes to the Company's accounting principles, practices, policies and controls.

- Review on a continuing basis the adequacy of internal controls, including meeting periodically with management and the independent auditors to review the adequacy of such controls and to review before release the disclosure regarding such system of internal controls required under SEC rules to be contained in the Company's periodic filings and the attestations or reports by the independent auditors relating to such disclosure.

Ethical and Legal Compliance

- Periodically review Compuware's Code of Conduct as it relates to employees and ensure that management has established a system to monitor and enforce this Code. Periodically review and assess the adequacy of Compuware's Code of Conduct as it relates to directors, and oversee compliance with the Code of Conduct by the directors. Ensure that the Code is in compliance with all applicable rules and regulations.
- Review, with the organization's counsel, legal compliance matters including corporate securities trading policies.
- Review, with the organization's counsel, any legal matter that could have a significant impact on the organization's financial statements.