

Gateway, Inc. Audit Committee Charter

Purpose

The primary purpose of the Audit Committee (the “Committee”) is to assist the Board of Directors (the “Board”) in fulfilling its responsibility to oversee management's conduct of Gateway’s financial reporting process, including (i) the integrity of the financial statements of Gateway, (ii) the qualifications, independence and performance of Gateway's independent auditors, (iii) the performance of Gateway's internal audit function, (iv) Gateway's systems of internal accounting and financial controls, and (v) Gateway’s compliance with legal and regulatory requirements. The Committee shall also be responsible for preparing the Audit Committee Report for inclusion in Gateway’s proxy statement, in accordance with applicable rules and regulations. The Committee shall also undertake such other duties as may be assigned by the Board.

Membership

The Committee shall be comprised of not less than three members of the Board, as determined by the Board, and the Committee's composition will meet the requirements of the New York Stock Exchange or other principal exchange on which Gateway’s common stock may be listed.

Accordingly, all of the members will be directors:

1. Who have no relationship to Gateway that may interfere with the exercise of their independence from management and Gateway, including any relationship, other than service on the Board or its committees, that would cause such person to be deemed an affiliate of Gateway or its subsidiaries;
2. Who receive no compensation from Gateway other than compensation for service as a member of the Board or its committees; and
3. Who are financially literate or who become financially literate within a reasonable period of time after appointment to the Committee. In addition, the Committee chair shall be a financial expert.

Committee members shall be appointed by the Board annually and may be removed by the Board at any time. The Board shall designate the Chair of the Committee.

Key Responsibilities

The Committee's job is one of oversight and it recognizes that Gateway's management is responsible for preparing Gateway's financial statements and that the outside auditors are responsible for auditing those financial statements. Additionally, the Committee recognizes that management, as well as the independent auditors, have more time,

knowledge and more detailed information about Gateway than do Committee members. Consequently, in carrying out its oversight responsibilities, the Committee is not providing any special assurance as to the completeness and accuracy of Gateway's financial statements.

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 Gateway and the power to retain outside counsel, auditors or other experts for this purpose. The Board and the Committee are in place to represent Gateway's shareholders; accordingly, the independent auditors are ultimately accountable to the Board and the Committee.

In addition to any other responsibilities which may be assigned from time to time by the Board, the Committee is authorized to undertake, and has responsibility for, the following matters:

Independent Auditors

- The Committee shall have sole authority to select, retain, and/or replace and to determine the compensation of the independent auditors that audit the financial statements of Gateway, subject to shareholder ratification if requested by the Committee. The independent auditors shall report directly to the Committee.
- The Committee shall approve in advance all audit services and all non-audit services to be performed by the independent auditors for Gateway. The Committee may consult with management in the decision making process but may not delegate this authority to management. The Committee may, from time to time, delegate its authority to approve non-audit services on a preliminary basis to one or more Committee members, provided that such designees present any such approvals to the full Committee at the next Committee meeting.
- The Committee shall review and approve the scope and staffing of the independent auditors' annual audit plan.
- The Committee shall review with the independent auditors any audit problems or difficulties and management's response.
- The Committee shall evaluate the independent auditors' qualifications, performance and independence on at least an annual basis and shall:
 - request from the independent auditors annually, a report describing: the audit firm's internal quality-control procedures, and any material issues raised by (i) the most recent internal quality-control review or peer review, of the firm, or (ii) by any inquiry or investigation by governmental or professional authorities, within the preceding five years, with respect to one or more independent audits carried

out by the firm, and any steps taken to deal with such issues; and all relationships between the independent auditors and Gateway; and

- review and evaluate the performance of the lead partner of the independent auditor team, taking into account opinions of management and the internal auditors.
- The Committee shall establish a policy with respect to Company hiring of employees or former employees of the independent auditors.

Internal Auditors

- At least annually, the Committee shall evaluate the performance of Gateway's internal audit function, including responsibilities, work plan, budget and staffing.

Financial Statements; Disclosure and Other Risk Management and Compliance Matters

- The Committee shall review and discuss with management and the independent auditors the audited financial statements to be included in Gateway's Form 10-K, including Gateway's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and its discussion of critical accounting policies, and shall review and consider with the independent auditors any audit problems or difficulties and management's response, including the matters required to be discussed by Statement of Auditing Standards ('SAS') No. 61; these reviews shall occur before the Form 10-K is filed with the SEC.
- The Committee shall review and discuss with management and the independent auditors the quarterly financial statements to be included in Gateway's Form 10-Q, including Gateway's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations", and, to the extent required, its discussion of critical accounting policies, and shall review and consider with the independent auditors any audit problems or difficulties and management's response, including the matters required to be discussed by Statement of Auditing Standards ('SAS') No. 61; these reviews shall occur before the Form 10-Q is filed with the SEC.
- The Committee shall discuss with management and the independent auditors the quality and adequacy of Gateway's internal controls.
- The Committee shall discuss with management Gateway's guidelines and policies with respect to risk assessment and risk management, including Gateway's major financial risk exposures and the steps that have been taken to monitor and control such exposures.
- The Committee shall periodically conduct a general discussion of the practices and policies, including types of information to be disclosed and type of presentation to be

made, related to Gateway's earnings press releases, as well as financial information and earnings guidance provided to analysts and/or rating agencies.

- The Committee shall establish and periodically review procedures for the receipt, retention, and treatment of any complaints received by Gateway regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by Company employees of any concerns regarding questionable accounting or auditing matters.
- The Committee shall review any analyses or other written communications prepared by management, the internal auditors and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.
- The Committee shall review any major issues regarding accounting principles and financial statement presentations, including any significant changes in Gateway's selection or application of accounting principles.
- The Committee shall review the effect of regulatory and accounting initiatives or actions applicable to Gateway, as well as off-balance sheet transactions and structures on the financial statements of Gateway.
- The Audit Committee shall, in conjunction with the CEO and CFO of Gateway, review Gateway's disclosure controls and procedures, including whether there are any significant deficiencies in the design or operation of such controls and procedures, material weaknesses in such controls and procedures, any corrective actions taken with regard to such deficiencies and weaknesses and any fraud involving management or other employees with a significant role in such controls and procedures.
- The Committee shall prepare the Audit Committee report that SEC rules require to be included in Gateway's annual proxy statement.
- The Committee shall evaluate any actual or potential conflicts of interests that may arise under Gateway's Code of Ethics or otherwise with respect to executive officers and directors of Gateway and recommend to the Board any action to be taken.
- The Committee shall undertake an annual evaluation of the performance of the Committee and report the results of the evaluation to the Board.
- The Committee shall review and assess the adequacy of this Charter on an annual basis and recommend any proposed changes to the Board for approval.

Procedures

The Committee shall meet on a regular basis and at such times as the Committee deems appropriate to discharge its oversight role. The Committee shall report to the full Board at the first Board meeting following each such Committee meeting. The Committee shall meet separately, at least quarterly, with (i) management, (ii) the internal auditors and (iii) the independent auditors. The Committee may delegate its authority to subcommittees when it deems appropriate and in the best interest of Gateway.