

AUDIT COMMITTEE CHARTER
Adopted by the Board of Directors of
Hyperion Solutions Corporation

Purpose

The purpose of the Audit Committee (the “Committee”) of the board of directors (the “Board”) of Hyperion Solutions Corporation (the “Company”) is to oversee the accounting and financial reporting processes of the Company, the audits of its financial statements and the effectiveness of the Company’s internal control over financial reporting, and the internal audit function.

Composition

The Committee shall be composed of three or more directors, as determined by the Board, each of whom shall be independent, and at least one of whom shall be a financial expert. Applicable laws and regulations, including NASDAQ rules, shall be followed in evaluating a member’s independence and financial expertise.

Unless a chair is designated by the Board, the Committee members may appoint their own chair by majority vote.

Communications and Reporting

The independent auditor and the internal auditor shall report directly to the Committee. The Committee is expected to maintain free and open communication with the independent auditor, the internal auditor, and the Company’s management. This communication shall include separate sessions, from time to time, with each of these parties. The Committee chairperson shall report on Committee activities to the full Board.

Authority

In discharging its oversight role, the Committee is authorized to perform its responsibilities, retain outside counsel or other advisors as the Committee determines necessary to carry out its responsibilities, and cause the officers of the Company to provide such funding as the Committee shall determine to be appropriate for the compensation of the Company’s independent auditor, the internal auditor and any outside counsel and outside advisors engaged by the Committee, and payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Responsibilities

While the Committee is not responsible for planning or conducting audits, determining whether the Company’s financial statements are complete and accurate or in accordance with generally accepted accounting principles or establishing and maintaining internal controls and procedures

for accounting and financial reporting, the Committee is charged by the Board with the responsibility to:

1. Appoint and provide for the compensation of the independent auditor, oversee the work of the independent auditor (including resolution of any disagreements between management and the independent auditor regarding financial reporting), evaluate the performance of the independent auditor and, if so determined by the Committee, replace the independent auditor; it being acknowledged that the independent auditor is ultimately accountable to the Board and the Committee, as representatives of the stockholders.
2. Ensure the receipt of, and evaluate, the written disclosures and the letter that the independent auditor submits to the Committee regarding the auditor's independence in accordance with applicable standards, discuss such reports with the auditor, oversee the independence of the auditor and, if so determined by the Committee in response to such reports, take appropriate action to address issues raised by such evaluation.
3. Discuss with the independent auditor the matters required to be discussed under applicable standards, including the independent auditor's responsibility under generally accepted auditing standards, significant accounting policies, management judgments and accounting estimates, audit adjustments, the independent auditor's judgments about the quality of the Company's accounting principles, other information in documents containing audited financial statements, disagreements with management, consultation with other accountants, major issues discussed with management prior to retention, and difficulties encountered in performing the audit, including restrictions on the scope of activities and access to required information.
4. Instruct management, the independent auditor and the internal auditor that the Committee expects to be informed if there are any subjects that require special attention or if they perceive any significant weaknesses in the Company's information and reporting systems.
5. Instruct the independent auditor to report to the Committee on all critical accounting policies and practices of the Company, all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the auditors, and other material written communication between the auditors and management, and discuss these matters with the independent auditor and management.
6. Meet with management and the independent auditor together, and meet with the independent auditor separately, to discuss the annual financial statements and the report of the independent auditor thereon, and to discuss significant issues encountered in the course of the audit work, including: restrictions on the scope of activities; access to required information; the adequacy of internal financial controls, including any special steps adopted in light of significant deficiencies or material weaknesses in the design or operation of internal control over financial reporting identified during the course of the annual audit, and the adequacy of disclosures about changes in internal control over financial reporting; the basis for and reasonableness of key assumptions, estimates and management judgments used to determine the value of transactions included in the Company's financial statements; the adequacy of the disclosure of off-balance sheet transactions, arrangements, obligations and relationships in reports filed with the SEC; and the appropriateness of the presentation of any non-GAAP financial measures (as defined in

applicable regulations) included in any report filed with the SEC or in any public disclosure or release.

7. Review and discuss with management and the independent auditor management's report on internal control over financial reporting, and the independent auditor's audit of the effectiveness of the Company's internal control over financial reporting and its attestation report, prior to the filing of the Form 10-K.
8. Review the management letter delivered by the independent auditor in connection with the audit. Following such review and discussions, if so determined by the Committee, recommend to the Board that the annual financial statements be included in the Company's annual report.
9. Meet quarterly with management and the independent auditor to discuss the quarterly financial statements prior to the filing of the Form 10Q.
10. Meet from time to time in separate sessions with management, the internal auditor and the independent auditor to discuss matters that any of them or the Committee believes could significantly affect the financial statements and should be discussed privately.
11. Have such direct and independent interaction with members of management, including the Company's chief financial officer and principal accounting officer, as the Committee believes appropriate.
12. Review significant changes to the Company's accounting principles and practices proposed by the independent auditor, the internal auditor or management. Discuss with the independent auditors any significant proposed changes in auditing standards.
13. Review the scope and results of internal audits.
14. Appoint and provide for the compensation of the internal auditor, oversee the work of the internal auditor, evaluate the performance of the internal auditor and, if so determined by the Committee, recommend replacement of the internal auditor.
15. Obtain and review periodic reports on the internal auditor's significant recommendations to management and management's responses.
16. Conduct or authorize such inquiries into matters within the Committee's scope of responsibility as the Committee deems appropriate.
17. Provide minutes of Committee meetings to the Board, and report to the Board on any significant matters arising from the Committee's work.
18. At least annually, review and reassess this charter and, if appropriate, recommend proposed changes to the Board.

19. Prepare the report required by applicable regulations to be included in the Company's annual proxy statement.
20. Establish a procedure for receipt, retention and treatment of any complaints received by the Company about its accounting, internal accounting controls or auditing matters and for the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
21. Approve all professional services to be provided to the Company by its independent auditor in accordance with applicable laws and auditing standards. The Committee shall not approve any non-audit services by its independent auditor that are proscribed by applicable laws. The Committee may adopt policies and procedures to permit delegation to a designated member or members of the Committee of the authority to approve such services so long as any such approvals are disclosed to the full Committee at its next scheduled meeting.
22. Review and approve all related party transactions.