

MACROMEDIA, INC.

**CHARTER OF THE
AUDIT COMMITTEE OF THE
BOARD OF DIRECTORS**

**Adopted by the Board of Directors
January 21, 2003**

I. Purpose

The purpose of the Audit Committee (the “*Committee*”) of the Board of Directors (the “*Board*”) of Macromedia, Inc. (the “*Company*”) is to assist the Board in fulfilling its statutory and fiduciary oversight responsibilities relating to the Company’s financial accounting, reporting and controls. The Committee’s principal functions are to:

- Appoint and set the compensation of independent auditors to audit the Company’s financial statements, review and evaluate the qualifications, independence and performance of the independent auditors and otherwise oversee the independent auditors;
- Assist Board oversight of the integrity of the Company’s financial statements, monitor the periodic reviews of the adequacy of the accounting and financial reporting processes and systems of internal control that are conducted by the independent auditors, the Company’s financial and senior management and the Company’s internal auditing department and provide the Board with the results of its monitoring and recommendations derived there from;
- Review the effectiveness of the systems for monitoring compliance with laws and regulations and the results of management investigations and reviews of noncompliance with laws and regulations;
- Facilitate communication among the independent auditors, the Company’s financial and senior management, the Company’s internal auditing department and the Board;
- Prepare a report to the Company’s stockholders for inclusion in the Company’s annual proxy statement as required by the rules and regulations of the Securities and Exchange Commission (the “*SEC*”), as they may be amended from time to time; and
- Review with management, the Director of Internal Audit, and independent auditors the charter, budget, staffing and performance of the Company’s internal auditing department.

- Provide to the Board such additional information and materials as it may deem necessary to make the Board aware of significant financial matters that require the attention of the Board.

The Committee will fulfill these functions primarily by carrying out the activities enumerated in Part IV of this charter. In order to serve these functions, the 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 Committee, as determined by the Committee, for payment of compensation to (i) the independent auditors for the purpose of rendering or issuing an audit report/audit, and (ii) to any outside advisors employed by the Committee pursuant to this charter.

While the Committee has the responsibilities and powers set forth in this charter, it is not the duty of the Committee to plan or conduct audits, to determine that there are no weaknesses in internal controls, or to determine the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditors.

II. Membership

All members of the Committee will be appointed by, and shall serve at the discretion of, the Board. Unless a chair is elected by the full Board, the members of the Committee may designate a chair by majority vote of the Committee membership. The Committee shall consist of three or more members of the Board, with the exact number being determined by the Board. Each member of the Committee shall be "independent" as defined by applicable law, including the rules and regulations of the SEC and The Nasdaq Stock Market, as they may be amended from time to time, provided that the Board may appoint members to the Committee that are not "independent" as may be permitted under the rules of The Nasdaq Stock Market that relate to individuals of special skills or unique talents as determined by the Board. Each member of the Committee shall have the ability to read and understand financial statements and at least one member shall have prior experience in accounting, financial management or financial oversight, as required by the rules and regulations of the SEC and The Nasdaq Stock Market.

III. Meetings

The Committee shall meet at least once each quarter and more frequently as determined to be appropriate by the Committee.

IV. Responsibilities and Duties

The following shall be the principal recurring processes of the Committee in carrying out its oversight responsibilities. These processes are set forth as a guide with the understanding that the 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.

General

1. Review and reassess the adequacy of the Committee's charter at least annually. Submit the charter to the Board for review and approval and include a copy of the charter as an appendix to the Company's proxy statement as required by the rules and regulations of the SEC, as they may be amended from time to time (currently, once every three years).
2. Perform an annual self-evaluation of the Committee.
3. Maintain minutes of meetings and periodically report to the Board on significant matters related to the Committee's responsibilities.

Processes and Procedures

1. Review periodically, but at least on an annual basis, the internal audit function of the Company, including the independence and authority of its reporting obligations and the coordination of the Company's internal audit personnel with the independent auditors.
2. Discuss with the independent auditors, management and the internal auditing department 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 Committee by each group.
3. At least once per quarter, meet and consult with the independent auditors, out of the presence of management about internal controls, the fullness and accuracy of the Company's financial statements and any other matters that the Committee or these groups believe should be discussed privately with the Committee. At least once per quarter, meet and consult with management and the director of the Company's internal auditing department out of the presence of the independent auditors about internal controls, the fullness and accuracy of the Company's financial statements and any other matters that the Committee or these groups believe should be discussed with the Committee.
4. Discuss any comments or recommendations of the independent auditors outlined in their annual management letter. Approve a schedule for implementing any recommended changes and monitor compliance with the schedule.
5. Establish procedures and ensure dissemination of same to employees 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.

Independent Auditors

1. Appoint and, where appropriate, replace the independent auditors. Review the independence, performance, experience and qualifications of the independent auditors, and otherwise oversee the independent auditors.
2. Communicate with the independent auditors about the Company's expectations regarding its relationship with the auditors, including the following: (i) the independent auditors' ultimate accountability to the Committee, as representatives of the Company's Board and stockholders; and (ii) the ultimate authority and responsibility of the Committee to select, evaluate and, where appropriate, replace the independent auditors.
3. Review and approve processes and procedures to ensure the continuing independence of the independent auditors. These processes shall include obtaining and reviewing, on at least an annual basis, a letter from the independent auditors describing all relationships between the independent auditors and the Company required to be disclosed by Independence Standards Board Standard No. 1 (as it may be modified from time to time), reviewing the nature and scope of such relationships, discussing these relationships with the independent auditors and discontinuing any relationships that the Committee believes could compromise the independence of the auditors. These processes shall also include consideration of whether fees billed for information technology services and other non-audit services are compatible with maintaining the independence of the auditors.
4. Pre-approve all audit and non-audit services to be provided by the independent auditors. The 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 Committee at its next regularly scheduled meeting.
5. Approve the fees and other significant compensation to be paid to the independent auditors.
6. Review the independent auditors' audit plan.
7. Resolve any disagreements between management and the independent auditors regarding financial reporting or disputes with management encountered during the course of the annual audit.

Internal Audit

1. Establish a member of the Audit Committee, to be ratified by the Board, to be the lead Committee member for internal audit matters. Such lead Committee member shall provide guidance to the Company's internal audit function and serve as liaison to the Committee as appropriate.
2. Review with management and the internal audit director the charter, plans, annual budget, staffing and organizational structure of the internal audit function. Ensure there are no unjustified restrictions or limitations which impact or impair the scope of the internal audit department's activities or its access to required information.

3. Review and concur in the appointment, replacement or dismissal of the internal audit director.
4. Review significant internal audit findings and their impact on internal controls, the central environment and the overall effectiveness and efficiency of the Company's operations.

Disclosure and Reporting

1. Review the Company's quarterly and annual financial statements, including any report or opinion by the independent auditors, prior to distribution to the public or filing with the SEC.
2. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.
3. Review 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.
4. Review the Company's Forms 10-Q and 10-K, and where appropriate, registration statements under the Securities Act of 1933, prior to filing with the SEC and discuss with management and the independent auditors.
5. In connection with the Committee's review of the quarterly and annual financial statements, discuss with management and the independent auditors the Company's 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.
6. Review the reports that are required to be delivered by the independent auditors addressing: (i) all critical accounting policies, estimates 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.
7. In connection with the Committee's review of the annual financial statements:
 - Discuss with the independent auditors, and management and the internal audit department the financial statements and the results of the independent auditors' audit of the financial statements.
 - Discuss any items required to be communicated by the independent auditors in accordance with SAS 61, as amended. These discussions should include the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles, the reasonableness of significant judgments, the clarity of the disclosures in

the Company's financial statements and any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

8. Recommend to the Board whether the annual financial statements should be included 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.

9. In connection with the Committee's review of the quarterly financial statements:

- Discuss with the independent auditors and management the results of the independent auditors' SAS 71 review of the quarterly financial statements.
- Discuss significant issues, events and transactions and any significant changes regarding accounting principles, practices, judgments or estimates with management and the independent auditors, including any significant disagreements among management and the independent auditors or the internal auditing department.

10. Prepare a report to the Company's stockholders for inclusion in the Company's annual proxy statement as required by the rules and regulations of the SEC, as they may be amended from time to time.

11. Review expenses incurred and guidelines for reimbursement of the Chief Executive Officer of the Company.

Other

1. Perform any other activities required by applicable law, rules or regulations, including the rules of the SEC and any stock exchange or market on which the Company's Common Stock is listed, and perform other activities that are consistent with this charter, the Company's Bylaws and governing laws, as the Committee or the Board deems necessary or appropriate.