

Streamline Health Solutions, Inc. Audit Committee Charter

Organization and Requirements

The Audit Committee of the Board of Directors of Streamline Health Solutions, Inc. will be established by the Board of Directors and will follow at least the minimum audit committee requirements as published by the U.S. Securities and Exchange Commission (SEC) and the relevant Corporate Governance Requirements of NASDAQ. The Audit Committee may, from time-to-time, establish other requirements as it considers appropriate or necessary in the circumstances..

The Audit Committee shall also ensure the Company complies with the Audit Committee Disclosure requirements of the SEC required in the proxy statements for stockholder's meetings and in annual reports filed with the SEC, including disclosures regarding audit committee financial experts and code of ethics for the Company's principal executive officer, principal financial officer, principal accounting officer or controller and that the code will be posted on the Company web site and included as an exhibit to the annual report of Form 10-K.

Statement of Policy

The Audit Committee shall oversee the accounting, reporting practices of the Company, and the quality and integrity of financial reports of the Company. In so doing, it is the responsibility of the Audit Committee to maintain free and open communication between the directors, the independent auditors and the financial management of the Company.

The Committee's primary duties and responsibilities are to:

- monitor the Company's financial reporting process and internal control system;

- review the quarterly financial performance;

- evaluate compliance with laws and regulations;

- oversee management's establishment and enforcement of financial policies and business practices; and

engage, compensate, oversee, evaluate and, if appropriate, terminate the independent auditor's.

Responsibilities

In carrying out its responsibilities, the Audit Committee believes its policies and procedures should remain flexible, in order to best react to changing requirements and conditions and to ensure to the directors and shareholders that the corporate accounting and reporting practices of the Company are in accordance with all requirements and are of the highest quality.

In carrying out these responsibilities, the Audit Committee will:

- Obtain the full Board of Directors' approval of this Charter and review and reassess this Charter as conditions dictate but at least annually.
- Hire, fire, compensate and evaluate the work of the independent auditors.
- Review the experience, rotation and qualifications of the senior members of the independent auditors' team.
- Have a clear understanding with the independent auditors that they are ultimately accountable to the Board of Directors and the Audit Committee, who has the ultimate authority in deciding to engage, evaluate, and if appropriate, terminate their services.
- Meet with the independent auditors and management of the Company to review the scope of the proposed audit and timely quarterly reviews for the current year and the procedures to be utilized, the adequacy of the independent auditor's compensation, and at the conclusion thereof review such audit or review, including any comments or recommendations of the independent auditors.
- Review with the independent auditors and financial and accounting personnel, the adequacy and effectiveness of the accounting and financial controls of the Company, and elicit any recommendations for the improvement of such internal controls or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper. Further, the Audit Committee periodically should review Company policy statements to determine their adherence to the code of conduct.
- Review reports received from regulators and other legal and regulatory matters that may have a material effect on the financial statements or related Company compliance policies.

- Inquire of management and the independent auditors about significant risks or exposures and assess the steps management has taken to minimize such risks to the Company.
- Receive communication from the independent auditors prior to the filing of the Form 10-Q or Form 10-K, as applicable, regarding the matters described in SAS No. 61 including significant adjustments, management judgments and accounting estimates, significant new accounting policies, disagreements with management and any other matters required to be communicated to the Audit Committee when they have been identified in the conduct of interim financial reporting review. The Chairman of the Audit Committee may represent the entire Audit Committee for purposes of this review.
- Review the financial statements contained in the annual report to shareholders with management and the independent auditors to determine that the independent auditors are satisfied with the disclosure and content of the financial statements to be presented to the shareholders. Review with financial management and the independent auditors the results of their timely analysis of significant financial reporting issues and practices, including changes in, or adoptions of, accounting principles and disclosure practices, and discuss any other matters required to be communicated to the committee by the auditors. Also review with financial management and the independent auditors their judgments about the quality, not just acceptability, of accounting principles and the clarity of the financial disclosure practices used or proposed to be used, and particularly, the degree of aggressiveness or conservatism of the organization's accounting principles and underlying estimates, and other significant decisions made in preparing the financial statements.
- Review and discuss with the Company's Chief Executive Officer and Chief Financial Officer all matters such officers are required to certify in connection with the Company's Forms 10-Q and 10-K or other filings or reports.
- Provide sufficient opportunity for the independent auditors to meet with the members of the Audit Committee without members of management present. Among the items to be discussed in these meetings are the independent auditors' evaluation of the Company's financial and accounting, personnel, and the cooperation that the independent auditors received during the course of audit.
- Review accounting and financial human resources and succession planning within the Company.
- Report the results of the annual audit to the Board of Directors. If requested by the Board of Directors, invite the independent auditors to attend the full Board of Directors meeting to assist in reporting the results of the annual audit or to answer other directors' questions (alternatively, the other directors may be invited to attend the Audit Committee meeting during which the results of the annual audit are reviewed).

- On an annual basis, obtain from the independent auditors a written communication delineating all their relationships and professional services as required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees. In addition, review with the independent auditors the nature and scope of any disclosed relationships or professional services and take, or recommend that the board of directors take, appropriate action to ensure the continuing independence of the auditors.
- Pre-approve all auditing services and permitted non-audit services to be performed for the Company by the independent auditors. The Committee shall establish policies and/or guidelines for the permissible scope and nature of any permitted non-audit services in connection with its annual review of the audit plan and shall review such policies and guidelines with the Board.
- Oversee the regular rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit.
- Establish clear policies and/or guidelines for the Company's hiring of partners, employees or former partners or employees of the independent auditors.
- Obtain from the independent auditors any reports required to be furnished to the Committee under Section 10A of the Exchange Act or an assurance that Section 10A of the Exchange Act has not been implicated.
- Review and approve all related party transactions (the term "related party transaction" referring to transactions required to be disclosed pursuant to SEC Regulation S-K, Item 404, or any successor provision thereto).
- Establish procedures and require the Company to obtain or provide the necessary resources and mechanisms for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- Prepare the report of the Audit Committee in the Annual Meeting Proxy Statement disclosing whether or not the committee had reviewed and discussed with management and the independent auditors, as well as discussed within the Audit Committee (without management or the independent auditors present), the financial statements and the quality of accounting principles and significant judgments affecting the financial statements. In addition, disclose in the proxy statement that the Audit Committee has:
 1. reviewed and discussed the audited financial statements with management;
 2. discussed with the independent auditors the matters required to be discussed by SAS No. 61;

3. received certain disclosures from the auditors regarding the auditors' independence as required by the Independence Standards Board Standard No. 1, and discussed with the auditors the auditors' independence; and
 4. concluded whether, based on such review and discussions, anything has come to the attention of the members of the Audit Committee that caused the Audit Committee to believe that the audited financial statements included in the Company's Annual Report on Form 10-K for the year then ended contain an untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading.
- Submit the minutes of all meetings of the Audit Committee to, or discuss the matters discussed at each committee meeting with, the Board of Directors.
 - Investigate any matter brought to its attention within the scope of its duties, with the power to retain outside counsel for this purpose if, in its judgment, that is appropriate.
 - To the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Audit Committee shall also have the authority, to the extent it deems necessary or appropriate, to ask the Company to provide it with the support of one or more Company employees to assist it in carrying out its duties. The Company shall provide for appropriate funding, as determined solely by the Audit Committee, for payment of compensation to the independent auditors for the purpose of rendering or issuing an audit report and to any other advisors employed by the Audit Committee. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel, independent auditors or other advisors to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.
 - Review the Company's disclosure in the proxy statement for its annual meeting of shareholders that describes that the Committee has a charter and has satisfied its responsibilities under this Charter for the prior year. In addition, include a copy of this Charter in the appendix to the proxy statement at least triennially or the year after any significant amendment to the Charter.

Adopted by the unanimous vote of the Board of Directors of Streamline Health Solutions, Inc. 19 February 2004.