

CORECARD CORPORATION

Audit Committee Charter

Purpose:

The Audit Committee is a committee of the Board of Directors of CoreCard Corporation (the “Company”). Its primary function is to assist the Board in fulfilling its oversight responsibilities by, among other things, reviewing (a) the financial information which will be provided to the Shareholders, the Securities and Exchange Commission, and others, (b) the Company’s systems of internal controls which management and the Board have established, and (c) the audit process.

Responsibilities:

In meeting its responsibilities, the Audit Committee is expected to:

1. Provide an open avenue of communication between the Audit Committee, the independent accountant, management and the Board of Directors.
2. Annually review and update the Audit Committee’s charter as may be required.
3. Appoint the independent accountant and review and approve the discharge of the independent accountant. The independent accountant shall report directly to the Audit Committee.
4. Determine and approve funding for and oversee the independent accountant, including the resolution of disagreements between the Company’s management and the independent accountant regarding financial reporting.
5. Approve in advance all audit services and permitted non-audit services provided to the Company by the independent accountant.
6. Confirm and assure the independence of the independent accountant. Specifically, and without limitation, the Audit Committee shall (a) receive from the independent accountant a formal written statement delineating all relationships between the independent accountant and the Company, consistent with Independence Standards Board Standard No. 1; (b) actively engage in a dialogue with the independent accountant with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent accountant, and (c) take appropriate action to oversee the independence of the independent accountant.
7. Inquire of management and the independent accountant about significant risks or exposures and assess the steps management has taken to minimize such risk to the Company.
8. Consider, in consultation with the independent accountant and the Company’s financial management, the external audit scope and plan.

9. Employ audit firms, independent counsel and other advisors (paid for by the Company as determined by the Audit Committee) other than the principal independent accountant as it determines necessary to carry out its duties.
10. Consider and review with the independent accountant:
 - a. The adequacy of the Company's internal controls.
 - b. The adequacy of the Company's disclosure policies and procedures.
 - c. The adequacy of the Company's risk management and the cost of insurance related thereto.
 - d. Any significant findings and recommendations of the independent accountant, together with management's responses thereto.
11. Meet with management and the independent accountant at the completion of the annual examination to review:
 - a. The Company's annual financial statements and footnotes and Management's Discussion and Analysis to be included in the Company's Annual Report on Form 10-K, including their accuracy, completeness and overall quality.
 - b. The independent accountant's audit of the financial statements and their report thereon.
 - c. Any significant changes required in the independent accountant's audit plan.
 - d. Any serious difficulties or disputes between the independent accountant and management encountered during the course of the audit.
 - e. Other matters related to the conduct of the audit, which are to be communicated to the Audit Committee under generally accepted auditing standards.
12. Review the unaudited financial statements, the Management's Discussion and Analysis section and other material financial content of each quarterly report on Form 10-Q with management and the independent accountants prior to filing the Form 10-Q. To the extent permissible under New York Stock Exchange listing standards and generally accepted auditing standards, the Committee may delegate this review to the Chair or another member.
13. Review earnings press releases and financial information and earnings guidance provided to analysts and rating agencies prior to the release or dissemination of such information. In lieu of reviewing each such disclosure prior to release or dissemination, the Committee may discuss generally with management the types of information to be disclosed and the types of presentations to be made and establish policies or guidelines for such disclosures. To the extent permissible under New York Stock Exchange listing standards and generally accepted auditing standards, the Committee may delegate this review to the Chair or another member.

14. On a quarterly basis, as necessary, review and discuss with the independent accountant any significant changes, transactions, events or changes in accounting estimates, if any.
15. Review with the independent accountant the results of its review of compliance by Company management with the Company's Code of Ethics
16. Develop the Company's policies with respect to hiring employees or former employees of the independent accountants.
17. Review legal and regulatory matters that may have a material impact on the financial statements, related Company compliance policies, and programs and reports received from regulators.
18. Meet with the independent accountant and management in separate executive sessions to discuss any matters that the Committee or these groups believe should be discussed privately with the Audit Committee.
19. Report Committee actions to the full Board of Directors with such recommendations as the Audit Committee may deem appropriate.
20. The Audit Committee shall have the power to conduct or authorize investigations into any matters within the Audit Committee's scope of responsibilities. The Audit Committee shall be empowered to retain independent counsel, accountants, or other advisors to assist it in the conduct of any investigation, or for any other reason it deems necessary to carry out its duties.
21. The Audit Committee shall meet at least once each quarter or more frequently as circumstances require. The Audit Committee may ask members of management or others to attend the meeting and provide pertinent information as necessary.
22. The Audit Committee will perform such other functions as assigned by law, the Company's Articles of Incorporation or Bylaws or the Board of Directors.
23. Review and evaluate the Committee's own performance at least annually.
24. The Audit Committee shall establish procedures for:
 - a. The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - b. The confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Membership:

The membership of the Audit Committee shall consist of at least three Board members, each of whom shall be independent (as defined under applicable law, SEC regulations and stock exchange rules). All Committee members must be financially literate, and at least one Committee member must have accounting or related financial expertise sufficient to qualify as an “audit committee financial expert” within the meaning of the rules of the SEC and any applicable New York Stock Exchange listing standards. Audit Committee members shall not simultaneously serve on the audit committees of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such member to serve effectively on the Audit Committee. Members of the Audit Committee serve at the pleasure of the Board, and Audit Committee members and the Audit Committee chairperson shall be designated by the full Board of Directors.