

## **CHARTER OF THE AUDIT COMMITTEE**

### **COMMAND CENTER, INC.**

#### **Statement of Policy**

The primary function of the Audit Committee (the “Committee”) is to assist the Board of Directors of Command Center, Inc. (the “Company”) in its oversight of the integrity of accounting, auditing and reporting practices of the Company, its review of the adequacy of the system of internal controls established by the Company and its monitoring of the audit process. In performing these functions, the Audit Committee shall review the Company's financial reporting process and internal controls, review and appraise the audit efforts of the Company's independent auditors and provide open means of communication between the directors, the independent auditors and the financial and senior management of the Company.

In fulfilling its purpose, it is the responsibility of the Committee to provide an open avenue of communication between the Board, management and the independent auditors. The independent auditors are ultimately accountable to the Committee, as representatives of the Company's shareholders. The Committee has the sole authority to determine funding for, select, evaluate, and, where appropriate, replace the independent auditors. The Committee oversees the independent auditors, including their independence and objectivity.

#### **Composition**

The Committee shall be comprised of two or more directors as determined by the Board, each of whom shall be independent directors, and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. Each member of the Committee shall meet the independence requirements of all applicable laws, and rules and regulations of the Securities and Exchange Commission. All members of the Committee shall have a working familiarity with basic finance and accounting and shall meet all financial knowledge and experience qualifications required under rules promulgated by the Securities and Exchange Commission or other governing body, as may be in effect from time to time. In addition, at least one member of the Committee shall be an “audit committee financial expert” as that term is defined in applicable rules.

The members of the Committee shall be appointed by the Board at the annual meeting of the Board and shall serve until their successors shall be duly elected and qualified. Unless a Chairman is elected by the full Board, the members of the Committee may designate a Chairman by majority vote of the full Committee membership. Members of the Committee may be removed with or without cause, by the Board. The Board, on the recommendation of the Nominating and Corporate Governance Committee, shall appoint a new member or members in the event that there is a vacancy on the Committee that reduces the number of members below two, or in the event that the Board determines that the number of members on the Committee should be increased.

## **Authority**

The Committee has the authority to investigate any activity of the Company within its scope of responsibilities, and shall have unrestricted access to members of management and all information relevant to its responsibilities. The Committee is empowered to retain independent legal counsel and other advisors as it deems necessary or appropriate to assist the Committee in fulfilling its responsibilities, and to approve the fees and other retention terms of such advisors.

## **Meetings**

The Committee shall meet at least four times per year (in person or telephonically), and may hold additional meetings as often as may be necessary or appropriate, in the discretion of the Chairman of the Committee. Prior to each meeting, the Chairman of the Committee may communicate with the independent auditors to review the agenda and solicit input on any additional topics that should be covered.

## **Minutes**

Minutes of each meeting shall be prepared under the direction of the Chairman of the Committee and circulated to Committee members for review and approval and then circulated to the directors who are not members of the Committee. Copies of the minutes will be made available to the independent auditors. The Secretary of the Company shall archive the approved minutes.

## **Specific Duties**

The Committee shall:

1. Appoint, determine funding and other retention terms for, oversee and, if the Committee determines necessary or appropriate, replace the independent auditors.
2. Enable direct communication between the independent auditors and the Committee at any time. Instruct the independent auditors to report directly to the Committee any serious difficulties or disputes with management and ensure they are appropriately resolved.
3. Review the scope of the independent auditor's proposed audit examination, including their engagement letter, prior to the annual audit of the Company's consolidated financial statements. Approve in advance the engagement of the independent auditors and their fees for all audit and non-audit services. The Committee may delegate authority to one or more members of the Committee to grant pre-approval, provided that the decision is presented to the Committee at its next scheduled meeting.
4. Review the Company's quarterly and annual financial results with management and the independent auditors. This review includes:

- The financial statements and disclosures to be included in the Company's Annual report to Shareholders, the Annual Report on Form 10-K, the quarterly reports on Form 10-Q, or similar publicly filed documents.
- Information to be discussed in the Company's quarterly earnings announcements.
- Significant transactions not a normal part of the Company's operations.
- Any off-balance sheet items.
- The Company's critical accounting policies and the disclosure of them in the "Management's Discussion and Analysis" section of reports filed with the SEC.
- Significant management judgments and accounting estimates.
- Significant changes in the Company's accounting policies or their application, or alternative GAAP treatments discussed with the independent auditor.
- Adjustments proposed by the independent auditors.
- The independent auditors' audit opinion, their judgment on the quality of the Company's accounting policies and financial reporting, and other matters they are required to communicate to the Committee under applicable professional standards.

5. Review the audit process with management and the independent auditors, upon completion of their annual audit, to evaluate:

- The cooperation received by the independent auditors, including access to all requested information.
- Any disagreements with management that, if not satisfactorily resolved, would have caused them to modify their report on the financial statements.
- Management's comments regarding the audit.

6. Review management's assessment of the effectiveness of the Company's internal controls over financial reporting, and the independent auditor's related report. Consider with management and the independent auditors whether any changes to such internal controls are appropriate.

7. Based upon the review and discussion of the annual financial statements with management and the independent auditors, recommend to the Board that the annual financial statements be included in the Company's Annual Report on Form 10-KSB.

8. Report to shareholders in the Company's annual proxy statement on those matters required by the Securities and Exchange Commission.

9. Review periodically, with the independent auditors, the adequacy of the Company's accounting and financial personnel and any relevant recommendations concerning internal controls, accounting principles, and accounting/reporting systems.

10. Review the effect of any important new pronouncements of the accounting profession and other regulatory bodies on the Company's accounting and reporting policies.

11. Review any inquiries related to accounting or financial reporting matters received from the Securities and Exchange Commission or other agencies, and management's response thereto. Ensure that any complaints received by the Company regarding its accounting, internal control, or auditing matters are addressed.

12. Review and approve or ratify all related party transactions and potential conflict of interest situations that are required to be disclosed in the Company's annual proxy statement pursuant to SEC Regulation S-K, Item 404, or such other regulations as applicable to the Company.

13. Establish, review and update periodically the Company's Standards of Business Conduct and the Code of Ethics for the CEO and Finance Leaders. Review with management the Company's systems to monitor compliance with these standards and applicable legal requirements.

14. Establish procedures for the confidential, anonymous submission of concerns regarding questionable accounting or auditing matters, and procedures for their receipt, retention and treatment.

15. Review periodically with management and the Board any legal and regulatory matters that may have a material impact on the Company's financial statements, compliance policies, and compliance programs.

16. Review and reassess the adequacy of this Charter annually, or as circumstances dictate, and update as appropriate.

17. Periodically evaluate and take steps to improve the effectiveness of the Committee in meeting its responsibilities under this Charter.

**THIS AUDIT COMMITTEE CHARTER WAS ADOPTED BY THE AUDIT COMMITTEE OF COMMAND CENTER, INC. ON DECEMBER 10, 2008.**