

COVISINT CORPORATION
AUDIT COMMITTEE CHARTER

Purpose

The Audit Committee is established by the Board of Directors for the primary purpose of:

- Overseeing the Company’s accounting and financial reporting processes and the audits of the Company’s financial statements; and
- Assisting the Board in:
 - overseeing the integrity of the Company’s financial statements,
 - overseeing the Company’s compliance with legal and regulatory requirements,
 - overseeing the independent auditor’s qualifications and independence,
 - overseeing the performance of the Company’s internal audit function and independent auditor, and
 - overseeing the Company’s system of disclosure controls and system of internal controls regarding finance, accounting, legal compliance, and ethics that management and the Board have established.

Consistent with this function, the Audit Committee should encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Audit Committee should also provide an open avenue of communication among the independent auditors, financial and senior management, the internal auditing function, and the Board of Directors.

Composition and Operation

The Audit Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be an independent director within the meaning of Rule 5605(a)(2) of the Nasdaq Stock Market Marketplace Rules and Rule 10A-3(b)(1) of the Securities Exchange Act of 1934, as amended. All members of the Committee shall be able to read and understand fundamental financial statements at the time of their appointment, and at least one member of the Committee shall have financial sophistication as a result of his or her past employment experience, professional certification, or other comparable experience or background. No member may have participated in the preparation of the Company’s financial statements or any current subsidiary of the Company at any time during the past three years. In addition, the Company shall endeavor to cause at least one member of the Committee to be an “audit committee financial expert” as defined by the criteria established by the SEC and other relevant regulations. The existence of such member(s) shall be disclosed in periodic filings as required by the SEC. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant. Members of the Committee and its Chairperson will be appointed by the Board from time to time. The Board may remove any Committee member from the Committee at any time with or without cause. The Committee may form and delegate authority to subcommittees and may delegate authority to one or more designated members of the Committee, in each case to the extent permitted by applicable law.

The Audit Committee has the authority to obtain advice and assistance from outside legal, accounting, or other advisors as it deems appropriate to perform its duties and responsibilities. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention. The Committee will have access to the Company's books, records, facilities, and personnel. Any communications between the Committee and legal counsel in the course of obtaining legal advice will be considered privileged communications of the Company, and the Committee will take all necessary steps to preserve the privileged nature of those communications.

The Company shall provide appropriate funding, as determined by the Audit Committee, for compensation to the independent auditor and to any advisers that the Audit Committee chooses to engage, as well as for ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

The Audit Committee will primarily fulfill its responsibilities by carrying out the activities enumerated in the "Responsibilities and Duties" section of this Charter. The Audit Committee will report regularly to the Board of Directors regarding the execution of its duties and responsibilities.

The Committee shall meet at least four times annually, and more frequently as circumstances dictate. As part of its job to foster open communication, the Committee should meet periodically with management, the director of the internal auditing function and the independent auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. The Committee should report to the Board of Directors following the meetings of the Committee.

Responsibilities and Duties

Documents/Reports/Accounting Information Review

- Review the adequacy of this Charter periodically, at least annually, and recommend to the Board of Directors or the Nominating/Governance Committee any necessary amendments as conditions dictate.
- Review and discuss with management the Company's annual financial statements, and quarterly financial statements. Review other relevant reports rendered by the independent auditors (or summaries thereof).
- Recommend to the Board whether the financial statements should be included in the Annual Report on Form 10-K. Review each Form 10-Q prior to its filing.
- Review and approve the Audit Committee Report required for inclusion in the annual proxy statement.
- Review the annual, quarterly and periodic reports related to financial matters to be filed with the SEC.

Independent Auditors

- Appoint, compensate, retain and oversee the work performed by the independent auditor for the purpose of preparing or issuing an audit report or related work. Review the performance of the independent auditors and remove the independent auditors if

circumstances warrant. The independent auditors shall report directly to the Audit Committee and the Audit Committee shall oversee the resolution of disagreements between management and the independent auditors in the event that they arise.

- Review with the independent auditor any problems or difficulties and management's response; review the independent auditor's attestation and report on management's internal control report; and hold timely discussions with the independent auditors and management on critical or material accounting events, policies and procedures, including all matters required under standard accounting rules.
- Ensure that the independent auditors prepare and deliver annually, and where appropriate, prior to accepting an initial engagement with the Company, to the Audit Committee a formal written statement delineating all relationships between such independent auditors and the Company, consistent with SAS 114 (Codification of Statements on Auditing Standards, AU 380), as it has been modified or supplemented, and any other applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with the audit committee concerning independence (the "Statement"); actively engage in a dialogue with the independent auditors with respect to all relationships or services disclosed in the Statement that may impact the auditors' objectivity and independence; and take, or recommend that the full Board take, appropriate action to satisfy itself of the independent auditors' independence.
- At least annually, obtain and review a report by the independent auditor describing:
 - the accounting firm's internal quality-control procedures;
 - any material issues raised by the most recent internal quality-control review of the accounting firm, or peer review, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and
 - all relationships between the independent auditors and the Company.
- Review and pre-approve all audit and non-audit services to be provided by the independent auditor. Approval of non-audit services shall be disclosed to investors in periodic reports required by Section 13(a) of the Securities Exchange Act of 1934.

Financial Reporting Processes and Accounting Policies

- In consultation with the independent auditors and the internal auditors, review the integrity of the Company's financial reporting processes (both internal and external), and the internal control structure (including disclosure controls).
- Review with management the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.
- Review with management and the independent auditor at least annually the Company's critical accounting policies.
- Review and approve all related party transactions including any such transaction that must be reported under applicable rules of the Securities and Exchange Commission (except in

the event the related party is, or is associated with, a member of the Audit Committee, in which event the transaction must be reviewed and approved by the Nominating and Governance Committee).

- Establish and maintain procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting, or auditing matters.
- Establish and maintain procedures for the confidential, anonymous submission by Company employees regarding questionable accounting or auditing matters.
- Consider the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied to its financial reporting.
- Consider and approve, if appropriate, major changes to the Company's auditing and accounting principles and practices.
- Receive and discuss any reports or communications submitted to the Audit Committee by the independent auditors required by or referred to in SAS 61. Periodically consult with the independent auditors without the presence of management about internal controls and the fullness and accuracy of the Company's financial statements.

Internal Audit

- Review activities, organizational structure, funding, and qualifications of the internal audit function.
- Periodically review with the internal audit director any significant difficulties, disagreements with management, or scope restrictions encountered in the course of the function's work.
- Receive and discuss with management, the independent auditors and the internal auditors all reports regarding any significant changes to the Company's accounting principles, practices, policies and controls.
- Review on a continuing basis the adequacy and effectiveness of internal controls, including meeting periodically with management and the independent auditors to review the adequacy of such controls and to review before release the disclosure regarding such system of internal controls required under SEC rules to be contained in the Company's periodic filings and the attestations or reports by the independent auditors relating to such disclosure. Review with management and the independent auditors any "material weakness" or "significant deficiency" in the design or operation of internal control over financial reporting, and any steps taken to resolve the issue.

Ethical and Legal Compliance

- Periodically review the Company's Code of Conduct as it relates to employees and ensure that management has established a system to monitor and enforce this Code. Periodically review and assess the adequacy of the Company's Code of Conduct as it relates to directors, and oversee compliance with the Code of Conduct by the directors. Ensure that the Code is in compliance with all applicable rules and regulations.
- Review, with the Company's counsel, legal compliance matters including corporate securities trading policies.

- Review, with the Company's counsel, any legal matter that could have a significant impact on the Company's financial statements.
- Review periodic reports from management about the effectiveness of the Company's processes for preventing, detecting and correcting violations of legal and regulatory requirements.
- Review management's disclosure of any fraud involving management or other employees who have a significant role in internal control.

Risk Management Oversight

- Review management's assessment of financial and operational risks and the steps undertaken to mitigate them.
- Review management's assessment of legal and regulatory risk identified in the Company's compliance program and the steps undertaken to mitigate them.

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