

**CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS OF
SENORX, INC.**

Last Amended: December 17, 2008

PURPOSE

The purpose of the Audit Committee of the Board of Directors of SenoRx, Inc. (the “Company”) shall be to:

- provide oversight of the Company’s accounting and financial reporting processes and the audit of the Company’s financial statements;
- assist the Board in monitoring (1) the integrity of the Company’s financial statements, (2) the Company’s internal accounting and financial controls, (3) the Company’s compliance with legal and regulatory requirements, and (5) the independent auditor’s qualifications, independence and performance; and
- provide to the Board such 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 Audit Committee shall also prepare the report required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s annual proxy statement.

MEMBERSHIP REQUIREMENTS

The Audit Committee members will be appointed by, and will serve at the discretion of, the Board. Audit Committee members may be replaced by the Board. The Audit Committee will consist of at least three members of the Board. Members of the Audit Committee must meet the following criteria (as well as any additional criteria required by the Nasdaq Stock Market, Inc. Marketplace Rules (the “Nasdaq Rules”) and the SEC):

- each member must be an independent director in accordance with (i) the Audit Committee requirements of the Nasdaq Rules and (ii) the rules of the SEC;
- each member must not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three (3) years;
- each member must be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement and cash flow statement; and
- at least one member must have accounting or related financial management expertise, as the Board interprets such qualification in its business judgment, by virtue of such member’s past employment experience in finance or accounting, requisite professional certification in finance or accounting, or any other comparable experience or background which results in such individual’s financial sophistication.

The Board may designate one member of the Audit Committee as its chairperson.

AUTHORITY AND RESPONSIBILITIES

Independent Auditor

- The Audit Committee shall appoint and oversee the work of the independent auditors, approve the compensation of the independent auditors and review and, if appropriate, discharge the independent auditors. In this regard, the independent auditors shall report directly to the Audit Committee, and the Audit Committee shall have the sole authority to approve the hiring and discharging of the independent auditors, all audit engagement fees and terms and all permissible non-audit engagements with the independent auditors.
- The Audit Committee shall pre-approve (or, where permitted under the rules of the SEC, subsequently approve) engagements of the independent auditors to render audit services and permitted non-audit services, subject to the de minimus exceptions for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act of 1934, as amended (the “Exchange Act”), that are approved by the Audit Committee prior to the completion of the audit, and/or establish pre-approval policies and procedures for such engagements, provided that (i) such policies and procedures are detailed as to the particular services rendered, (ii) the Audit Committee is informed of each such service and (iii) such policies and procedures do not include delegation to management of the Audit Committee’s responsibilities under the Exchange Act.
- The Audit Committee shall review the independence of the independent auditors, including (i) obtaining on a periodic basis a formal written statement from the independent auditors delineating all relationships or services between the independent auditors and the Company, consistent with all applicable legal and regulatory standards, including any guidelines published by the Public Company Accounting Oversight Board (PCAOB), (ii) maintaining an active dialogue with the independent auditors, covering any disclosed relationship or services that may impair their objectivity and independence, (iii) presenting this statement to the Board and (iv) to the extent there are any such relationships, monitoring and investigating them and, if necessary, taking, or recommending to the Board that the Board take, appropriate action to oversee the independence of the outside auditors.
- The Audit Committee shall evaluate, at least annually, the independent auditors’ qualifications, performance and independence, which evaluation shall include a review and evaluation of the lead partner of the independent auditors and consideration of whether there should be rotation of the lead audit partner or the auditing firm, and take appropriate action to oversee the independence of the independent auditors.
- The Audit Committee shall review, in consultation with the independent auditors, the annual audit plan and scope of audit activities and monitor such plan’s progress.
- The Audit Committee shall review on a regular basis with the Company’s independent auditors any problems or difficulties encountered by the independent auditors in the course of any audit work, including management’s response with respect thereto, any restrictions on the scope of the independent auditors’ activities or on access to requested information, and any significant disagreements with management. The Audit Committee shall resolve any disagreements between management and the independent auditors regarding financial reporting.
- The Audit Committee shall obtain and review a report by the independent auditors describing their internal quality control procedures and any material issues raised by the most recent internal quality

review or peer review of the firm or by any inquiry or investigation by government or professional authorities, within the preceding five years and any steps taken to deal with such issues.

- The Audit Committee shall set hiring policies with regard to employees and former employees of the independent auditor.

Financial Reporting

- The Audit Committee shall discuss and, as appropriate, review with management and the independent auditors the Company's annual and quarterly financial statements and annual and quarterly reports on Forms 10-K and 10-Q, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," discuss with the independent auditors any other matters required to be discussed by Statement on Auditing Standards 61, and recommend to the Board whether the audited financial statements and Management's Discussion and Analysis should be included in the Company's Form 10-K or 10-Q.
- The Audit Committee shall discuss with management, the internal auditor and the independent auditors significant financial reporting issues raised and judgments made in connection with the preparation of the Company's financial statements, including the review of (i) major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles; (ii) analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues raised and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; (iii) the effect of regulatory and accounting initiatives, as well as off-balance sheet arrangements, on the Company's financial statements; (iv) the type and presentation of information to be included in earnings press releases, as well as any financial information and earnings guidance to be provided to analysts and rating agencies; and (v) any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.
- The Audit Committee shall receive, review and discuss periodic reports from the independent auditors on (i) the major critical accounting policies and practices to be used; (ii) significant alternative treatments of financial information within GAAP that have been discussed with management; (iii) ramifications of the use of such alternative disclosures and treatments; (iv) any treatments preferred by the independent auditors; and (v) other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.
- The Audit Committee shall discuss, in a general manner, earnings press releases and financial information and earnings guidance to be provided to analysts and rating agencies, including any proposed use of "pro forma" or "adjusted" non-GAAP information.

Management Discussions

- The Audit Committee shall discuss with management and the independent auditors any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.

- The Audit Committee shall discuss guidelines and policies with respect to risk assessment and risk management.
- The Audit Committee shall discuss with the Company's general counsel legal matters that may have a material impact on the financial statements or the Company's compliance procedures.
- Periodically, the Audit Committee shall meet separately with the Company's management, with the internal auditors and with the independent auditors.
- Review any Management decision to seek a second opinion from independent auditors other than the Company's regular independent auditors with respect to any accounting issues.

Internal Controls

- The Audit Committee shall review the adequacy and effectiveness of the Company's internal control policies and procedures on a regular basis, including the responsibilities, budget and staffing of the Company's audit function, as well as the need for any special audit procedures in response to material control deficiencies, through inquiry and discussions with the Company's independent auditors and management. In addition, the Audit Committee shall review the reports prepared by management, and attested to by the Company's independent auditors, assessing the adequacy and effectiveness of the Company's internal controls and procedures, prior to the inclusion of such reports in the Company's periodic filings as required under SEC rules. The Audit Committee shall review disclosures regarding the Company's internal controls that are required to be included in SEC reports.
- The Audit Committee shall establish procedures for receiving, retaining and treating complaints received by the Company regarding accounting, internal accounting controls or auditing matters and procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- The Audit Committee shall have the power to investigate any matter brought to its attention, with full access to all Company books, records, facilities and employees.
- The Audit Committee shall act as the Company's Qualified Legal Compliance Committee ("QLCC") for the purposes of internal and external attorney reporting under SEC rules. The Audit Committee shall establish procedures for the confidential receipt, retention and consideration of any attorney report to the QLCC.
- The Audit Committee shall review, approve and monitor the portions of the Company's code of ethics applicable to its senior financial officers.
- The Audit Committee shall review and approve in advance any proposed related party transaction.
- The Audit Committee shall oversee compliance with the SEC requirements for disclosure of auditor's services and Audit Committee member qualifications and activities.

Internal Audit

- Review and concur with the appointment, replacement, reassignment, or dismissal of the Director of Internal Audit.

- Consider, in consultation with the Director of Internal Audit and the independent auditor, the audit scope and plan of the internal auditors and the independent auditors
- Review with the Director of Internal Audit and the independent auditor the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts and the effective use of audit resources.
- Consider and review with Management and the Director of Internal Audit:
 - Significant findings during the year and Management’s responses thereto.
 - Any difficulties encountered in the course of their audits, including any restrictions on the scope of their work or access to required information.
 - Any changes required in the planned scope of their audit plan.
 - The Internal Audit department budget and staffing.

Other

- The Audit Committee shall review and reassess the adequacy and scope of this Charter annually and recommend any proposed changes to the Board for approval.
- At least annually, the Audit Committee shall evaluate its performance.
- The Audit Committee shall have the authority to engage independent counsel and other advisers, as it determines necessary to carry out its duties. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of (i) compensation to the independent auditors engaged for the purpose of preparing or issuing an audit report or performing other audit review or attest services for the Company, (ii) compensation to any advisers employed by the Audit Committee and (iii) ordinary administrative expenses of the Audit Committee that are necessary or appropriate for carrying out its duties.
- The Audit Committee shall perform such other functions as assigned by law, the Company’s certificate of incorporation or bylaws or the Board.

LIMITATION OF AUDIT COMMITTEE’S ROLE

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company’s financial statements and disclosures are complete, accurate and in accordance with GAAP and applicable rules and regulations. These are the responsibilities of management and the independent auditors.

It is recognized that the members of the Audit Committee are not full-time employees of the Company, that it is not the duty or responsibility of the Audit Committee or its members to conduct “field work” or other types of auditing or accounting reviews or procedures or to set auditor independence standards, and that each member of the Audit Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company from which the Audit Committee receives information and (ii) the accuracy of the financial and other information provided to the Audit Committee, in either instance absent actual knowledge to the contrary.

Meetings and Procedures

- The Audit Committee may form subcommittees for any purpose that the Audit Committee deems appropriate and may delegate to such subcommittees such power and authority as the Audit Committee deems appropriate. The Audit Committee shall not delegate to a subcommittee any power or authority required by law, regulation or listing standard to be exercised by the Audit Committee as a whole.
- The Audit Committee will set its own schedule of meetings and will meet at least four times each year, with the option of holding additional meetings at such times as it deems necessary. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board.

COMPENSATION

Members of the Audit Committee shall receive such fees, if any, for their service as Audit Committee members as may be determined by the Board in its sole discretion. Such fees may include retainers, per meeting fees and fees for service as Chair of the Audit Committee. Fees may be paid in such form of consideration as is determined by the Board.

Except as permitted under the applicable laws and regulations of the SEC and the Nasdaq Rules, members of the Audit Committee may not receive any compensation from the Company except the fees that they receive for service as a member of the Board or any committee thereof or as a Chairman of the Board or Chair of any committee of the Board.