

SUNAIR SERVICES CORPORATION

AUDIT COMMITTEE CHARTER

Organization and Composition

There shall be a committee of the Board of Directors to be known as the Audit Committee. The Audit Committee shall be composed of at least three directors each of whom must (i) be independent as defined under AMEX listing standards, (ii) meet the criteria for independence set forth in Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended ("Exchange Act"), and (iii) be able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement. At least one member of the Audit Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities, or who otherwise qualifies as an "audit committee financial expert" under Item 401(h) of Regulation S-K promulgated under the Exchange Act. No member of the Audit Committee may accept any consulting, advisory, or other compensatory fee from the Corporation other than for board or Audit Committee service, and no member of the Audit Committee may be an affiliated person of the Corporation.

Statement of Policy and Purpose

The Audit Committee shall provide assistance to the corporate directors in fulfilling their responsibility to the shareholders, potential shareholders, and investment community relating to corporate accounting, reporting practices of the Corporation, and the quality and integrity of the financial reports of the Corporation. The primary purpose of the Audit Committee shall be overseeing the accounting and financial reporting processes of the Corporation and the audits of the financial statements of the Corporation. In so doing, it is the responsibility of the Audit Committee to maintain free and open means of communication between the directors, the independent auditors and the financial management of the Corporation. 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 Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles.

Responsibilities

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

In carrying out these responsibilities, the Audit Committee will:

Committee Management

- 1) Maintain the independence, education and experience requirements of the Exchange Act, the Sarbanes-Oxley Act and the AMEX listing standards.
- 2) Establish an agenda for the ensuing year. Hold at least quarterly meetings and such special meetings as may be called by the Chairman of the Audit Committee or at the request of the independent auditors.
- 3) Review the powers and duties of the Audit Committee and report and make recommendations to the Board of Directors on these responsibilities.
- 4) Submit the minutes of all meetings of the Audit Committee to, or discuss the matters discussed at each Audit Committee meeting with, the Board of Directors.
- 5) Prepare the Audit Committee report for inclusion in the annual proxy statement.
- 6) Investigate any matter brought to the attention of the Audit Committee within the scope of the Audit Committee's duties, with the power to retain independent counsel and other advisors for this purpose if, in the judgment of the Audit Committee, that is appropriate. The Corporation shall provide for funding, as determined by the Audit Committee, for payment of the ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties, including the payment of compensation to any advisors retained by the Audit Committee.
- 7) Annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board of Directors for approval.

Management of Relationship with Independent Auditors

Directly appoint, compensate, retain and oversee the work of the independent auditors to audit the financial statements of the Corporation and its divisions and subsidiaries. The independent auditors shall report directly to the Audit Committee, and the Audit Committee shall resolve any disagreements between management and the independent auditors. Meet with the independent auditors and financial management of the Corporation to review the scope of the proposed audit for the current year and the audit procedures to be utilized, and at the conclusion thereof review such audit, including any comments or recommendations of the independent auditors.

- 8) Receive and review (i) the independent auditors formal written statement delineating all relationships between the independent auditors and the Corporation, consistent with Independence Standards Board Standard 1, Independence Discussions with Audit Committees, and (ii) any other certifications or documentation necessary to ensure that the independent auditors meet the independence standard required by law. Review all such documentation with the independent auditors, and if so determined by the Audit Committee, take or recommend that the full Board of Directors take appropriate action to oversee the independence of the auditors.

- 9) Receive and review timely reports from the independent auditors regarding: (i) all critical accounting policies and practices to be used; (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management officials of the Corporation, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors; and (iii) other material written communications between the independent auditors and the management of the Corporation, such as any management letter or schedule of unadjusted differences.
- 10) Provide sufficient opportunity for the independent auditors to meet 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 Corporation's financial and accounting personnel, and the cooperation that the independent auditors received during the course of the audit.
- 11) Review the following with management and the independent auditors:
 - a) the Corporation's annual financial statements and related disclosures contained in the Form 10-K, including the Corporation's disclosure under the Management's Discussion and Analysis of Financial Condition and Results of Operations (including quality of financial reporting decisions and judgments);
 - b) the audit of the annual financial statements and the independent auditors' report thereon;
 - c) any changes in accounting policies or principles;
 - d) any significant difficulties or disputes encountered during the audit; and
 - e) critical accounting policies' disclosure for inclusion in the Form 10-K.
- 12) Discuss with the independent auditors any other matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit.
- 13) Recommend to the Board of Directors that the audited annual financial statements be included in the Corporation's Annual Report on Form 10-K.
- 14) Review with management and the independent auditor the Corporation's quarterly financial statements prior to the filing of its Form 10-Q.
- 15) Approve in advance, all auditing, audit related, tax and other permitted non-audit services to be provided by the independent auditors. Determine the amount of compensation to be paid to the independent auditors for such auditing services. The Corporation shall provide for funding, as determined by the Audit Committee, for the payment of compensation to the independent auditors.

- 16) Ensure the rotation of the audit partners as required by law.

Internal Controls

- 17) Review with management and the independent auditors significant risks and exposures, and the steps management has taken to minimize the risks or exposures.
- 18) Review with the independent auditors and management the adequacy and effectiveness of the Corporation's internal control over financial reporting and elicit any recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures are desirable.
- 19) Review the adequacy of disclosures about changes in internal control over financial reporting.
- 20) Once the Corporation is subject to Section 404 of the Sarbanes-Oxley Act, review and discuss with management (including the senior internal audit executive) and the independent auditor the Corporation's internal controls report and the independent auditor's attestation of the report prior to filing of the Corporation's Annual Report on Form 10-K.
- 21) Periodically review Corporation policy statements to determine their adherence to the Code of Conduct.
- 22) On a quarterly basis, discuss the following with management and the independent auditors, if applicable:
 - a) all significant deficiencies and material weaknesses in the design of internal control over financial reporting which are reasonably likely to adversely affect the Corporation's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Corporation's internal controls.
- 23) Establish procedures for: (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and (iii) the receipt and treatment of any evidence of a violation of the securities laws or breach of fiduciary duty brought to the Audit Committee's attention by the Corporation's external securities counsel.
- 24) Review and oversee all related party transactions of the Corporation.

Human Resources

- 25) Review accounting and financial human resources and succession planning within the Corporation.
- 26) Review the Corporation's hiring policies with respect to employees or former employees of the Corporation's independent auditors.