

LodgeNet Interactive Corporation

Audit Committee Charter

Role

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of LodgeNet Interactive Corporation (“LodgeNet” or the “Company”) is to assist the Board with its responsibility for overseeing the integrity of the Company’s financial statements; the Company’s compliance with legal and regulatory requirements regarding financial reporting; the qualifications, independence, and performance of the Company’s independent accountants; the preparation of the reports that the rules of the Securities and Exchange Commission require be included in the Company’s annual proxy statement; and other duties as directed by the Board or as required by the Securities and Exchange Commission, the Public Company Accounting Oversight Board or NASDAQ.

In carrying out these functions, the Committee shall independently and objectively monitor the performance of the Company’s financial reporting processes and systems of disclosure controls and internal controls; review and appraise the audit efforts of the Company’s independent accountants; and review the Company’s policies and compliance procedures regarding ethics. However, the Company’s management shall remain responsible for preparing financial statements that accurately and fairly present the Company’s financial results and condition and the independent accountants shall remain responsible for the audit or review of financial statements.

Composition and Independence

The Committee shall be comprised of three or more directors, as determined by the Board, each of whom shall be independent directors, as defined in the NASDAQ rules, and shall in addition be free from any relationship that, in the opinion of the Board, would interfere with the exercise of the independent judgment of the Committee member. All members shall have the ability to read and understand financial statements and be familiar with basic finance and accounting practices at the time of their appointment, and at least one member shall qualify as an audit committee financial expert under SEC rules and be financially sophisticated under the NASDAQ rules.

Members of the Committee shall be appointed by the Board in accordance with the By-laws of the Company. Unless a Chair is elected by the Board, the Committee shall designate a Chair by majority vote of the full Committee membership.

Meetings

The Committee shall meet at least four times annually. At least once annually, the Committee shall meet in separate sessions with each of financial management, senior management and independent accountants so as to permit each such group the opportunity to address matters that should be discussed privately. The Committee shall meet with financial management quarterly to review the Company’s financial results, financial reporting thereof and other accounting and reporting matters. The Committee may be represented by the Chair or a subcommittee to review earnings announcements.

Responsibilities (not in priority order):

1. Obtain approval of the Charter by the Board and review and assess this Charter annually or as deemed necessary and revise as considered appropriate.

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2. Review the Company's quarterly and annual financial statements.
3. Review stock exchange certifications, proxy statement disclosures and other filings related to the Committee or its activities.
4. Ensure that quarterly and annual financial reports are reviewed by the independent accountants and annual financial reports are audited by the independent accountants in a manner consistent with Section 10A of the Securities Exchange Act.
5. Review any and all reports to management by the independent accountants, including management responses thereto, if any.
6. Assess, evaluate and select, at its sole discretion, the independent accountants, including establishment of the scope and rigor of the audit process and approval of all fees and compensation. Pre-approve all permissible non-audit services to be performed by the independent auditor.
7. At least annually, request and obtain a written statement from the independent accountants which delineates all relationships between the independent accountants and the Company which may affect objectivity and independence and confirm that the independent accountants are ultimately responsible to the Board and the Committee. Ensure that any relevant matters relating to the independent auditors objectivity and independence is discussed, and take appropriate action to address the auditor's independence and monitor the rotation policies applicable to the independent auditors' personnel.
8. Periodically consult with the independent accountants, out of the presence of management, as to any significant matters regarding internal controls over financial reporting that have come to their attention during the conduct of their audit, the access to information and cooperation provided by management to the independent accountants, and the quality and integrity of the Company's accounting and reporting practices including compliance with Staff Accounting Bulletin 99.
9. Review with management and independent accountants critical accounting policies, the rationale for the choice of accounting policy, the effect of alternative GAAP methods and the extent to which changes or improvements in financial or accounting policies and practices, as requested or approved by the Committee, have been implemented.
10. Review with management and the independent accountants any significant business risks and exposures of the Company and management's steps to mitigate them.
11. Review with management and/or counsel, assess and approve related party transactions.
12. Periodically review the status, with management and/or counsel, of pending litigation, taxation matters, regulatory requirements and compliance, compliance with corporate policies and other areas of legal and compliance oversight.
13. Consider the effectiveness of the company's internal controls and annual and interim financial reporting, including information technology security and control.
14. Review and concur in the appointment and dismissal of the internal auditor and meet regularly with the company's internal auditor. Evaluate annually the performance of the Company's internal audit function, and review and discuss with the internal auditor and independent auditors the internal audit plan, activities, responsibilities and staffing of the internal audit organization.

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15. Understand the scope of independent accountants' testing of internal controls over financial reporting, obtain reports on significant findings and recommendations, together with management's responses, and consider and review any "material weakness" or "significant deficiencies" in the design or operation of internal control over financial reporting, and any steps taken to resolve such issues.
16. Review earnings press releases and financial information and earnings guidance provided to analysts and rating agencies, and report any issues with respect thereto to the Board.
17. Establish and administer anonymous and confidential complaint procedures for the receipt, retention, investigation and resolution of complaints received by the Company regarding accounting, internal controls or auditing matters or the Company's financial statements.
18. Conduct an annual performance evaluation of the Committee.
19. Report on Committee activities to the full Board at each meeting of the full Board.
20. Periodically review the responsibilities, functions and performance of the Company's financial staff and discuss the adequacy of the Company's internal controls with the financial staff.
21. Prepare the Audit Committee Report for the annual proxy statement.
22. Perform any other activities consistent with this Charter, the Company's By-laws, and Delaware Corporation Law as the Committee or the Board deem appropriate.

Resources

The Committee is empowered to investigate any matter brought to its attention, with full power and authority to retain and engage independent counsel or other experts as necessary for the proper discharge of this responsibility. All fees and expenses of advisors engaged by the Committee shall be paid by the Company.