

**FRENCH HERITAGE SOCIETY, INC.
CHARTER OF THE
AUDIT COMMITTEE
OF THE
BOARD OF DIRECTORS
April 2009**

A. PURPOSE

The purpose of the Audit Committee (the "Committee") of the Board of Directors (the "Board") of French Heritage Society, Inc. (the "Company") is to assist the Board in fulfilling its oversight responsibilities relating to the Company's financial accounting, reporting, and controls. The Committee's principal functions are as follows:

- Oversee the Company's relationship with its independent auditors, including selecting, evaluating and setting the compensation of the independent auditors and overseeing the qualifications, independence and performance of the independent auditors.
- Oversee the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company.
- Monitor the performance of the Company's internal audit function.

The independent auditors shall report directly to the Committee.

In order to serve these functions, the Committee shall have direct access to Company personnel and documents, and shall have authority to conduct any investigation into any matters appropriate to fulfilling its responsibilities. If the Committee shall determine that it needs assistance for the performance of its responsibilities, the Committee may retain, at the Company's expense, special legal, accounting or other consultants, experts and advisers of its choice that it deems necessary in the performance of its duties. The Company shall provide appropriate funding to the Committee, as determined by the Committee in its capacity as a committee of the Board, for payment of (1) compensation to the independent auditors for services approved by the Committee, (2) compensation to any outside advisers retained by the Committee pursuant to this Charter, and (3) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to conduct audits or determine whether the Company's financial statements are complete and prepared in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditors.

B. MEMBERSHIP

Members of the Committee and a Chairman of the Committee (if any) shall be appointed by the Board based upon the recommendation of the Nominating Committee, and may be removed by the Board in its sole discretion.

The Committee shall consist, ideally, of at least three members of the Board. Each member shall be an "Independent Director" as defined in Section E below.

C. RESPONSIBILITIES

The Committee shall have the following responsibilities, and it may establish policies and procedures from time to time that it deems necessary or advisable in fulfilling its responsibilities.

1. Responsibilities Relating to Independent Auditors

- The Committee shall have the sole authority and responsibility to select, evaluate and, if necessary, replace the independent auditors. The Committee shall have the authority and responsibility to determine the compensation of, and oversee the performance of, the independent auditors, and shall also resolve any disagreements between management and the independent auditors regarding financial reporting.
- The Committee shall review the continuing independence of the independent auditors, including obtaining and reviewing, on at least an annual basis, a letter from the independent auditors delineating all relationships between the independent auditors and the Company required to be disclosed by Independence Standards Board Standard No. 1 of The American Institute of Certified Public Accountants, actively engaging in a dialog with the auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditors, and taking, or recommending to the Board, appropriate action to oversee the independence of the auditors.
- The Committee shall establish a policy restricting hiring by the Company of employees of its current and former independent auditors.
- The Committee shall review the general scope and plan for the independent auditors' annual audit.

- The Committee shall pre-approve all services permitted by applicable law to be provided by the Company's independent auditors to the Company. The Committee shall establish pre-approval policies and procedures for the engagement of independent auditors to render services to the Company, which may include but not be limited to policies that would allow the delegation of preapproval authority to one or more members of the Committee, provided that the pre-approval decision is presented to the Committee at its next regularly scheduled meeting.
- The Committee shall discuss with the independent auditors and the Company's financial management the results of the annual audit, including comments or recommendations of the independent auditors outlined in the auditors' annual management letter.
- The Committee shall meet at least annually with the Company's independent auditors, without members of management present.

2. Review Procedures

- In consultation with management and the independent auditors, the Committee shall consider the integrity of the accounting and financial reporting processes and controls of the Company. This consideration shall encompass (1) meeting periodically with the independent auditors and financial and accounting personnel to discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures; and (2) reviewing significant findings prepared by the independent auditors, together with management's responses.
- The Committee shall engage in: (1) discussions with management and the independent auditors concerning any significant issues regarding accounting principles, practices and judgments (including any changes in accounting principles), and (2) discussions with the independent auditors' concerning their judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- In connection with the Committee's review of the annual financial statements, the Committee shall discuss with management and the independent auditors the Company's selection, application and disclosure of critical accounting policies, any significant changes in the Company's accounting policies and any proposed changes in accounting or financial reporting that may have a significant impact on the Company.
- In connection with the Committee's review of the annual financial statements, the Committee shall obtain and review a report from the independent auditors addressing: (1) all critical accounting policies and practices used, (2) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of each alternative and the treatment

preferred by the independent auditors, and (3) other material communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.

- The Committee shall recommend to the Board whether the annual financial statements should be presented to the independent auditors with a request for their issuance of a report with respect thereto, based on (1) the Committee's review and discussion with management of the annual financial statements, (2) the Committee's discussion with the independent auditors, and (3) the Committee's review and discussion with the independent auditors of the independent auditors' independence and the written disclosures and letter from the independent auditors required by Independence Standards Board Standard No. 1.
- The Committee shall review and assess the adequacy of this Charter at least once annually and shall make recommendations to the Board where appropriate to amend this Charter.
- The Committee will develop and present to the Board for adoption a Conflicts of Interest Policy. The Committee shall review, in the context of such Conflicts of Interest Policy, and approve, all related party transactions that are brought to the Committee's attention.

3. Other

- The Committee shall establish procedures to receive and process complaints regarding accounting, internal accounting controls or auditing matters, and for employees to make confidential, anonymous complaints regarding questionable accounting or auditing matters, as may be required by applicable law.
- The Committee may perform any other activities that are consistent with this Charter, the Company's Bylaws and governing laws, as the Committee or the Board deems necessary or appropriate.

D. OTHER MATTERS

Meetings of the Committee shall be held from time to time as determined by the Board and/or the members of the Committee. The Committee will maintain written minutes of its meetings, which will be filed with the Company's minute book along with the minutes of the meetings of the Board. The Committee shall regularly report to the Board on significant matters related to the Committee's responsibilities.

E. DEFINITION OF "INDEPENDENT DIRECTOR"

"Independent Director" means a director who is a person who:

1. has not been employed by the Company in the past five years;
2. is not, and is not affiliated with a company that is an advisor or consultant to the Company;
3. is not affiliated with a significant customer or supplier of the Company;
4. has no personal service contracts with the Company, or its senior management;
5. is not affiliated with a non-profit organization that receives significant funding from the Company;
6. is not employed as an executive of another company where any of the Company's executives or a member of the Board serve on that company's board of directors;
7. is not a member of the immediate family of an individual who is, or has been during the past five years, employed by the Company as an executive officer; or
8. is not, nor in the past five years has been, affiliated with or employed by a present or former auditor of the Company;

and for the purposes of this definition, a person shall be deemed to be "affiliated" with a party if such person (i) has a direct or indirect ownership interest in such party; (ii) is employed by such party; or (iii) either is under common control with, controls or is controlled by, such party.