

AETRIUM INCORPORATED
AMENDED AND RESTATED AUDIT COMMITTEE CHARTER
(Effective January 1, 2004)

The Audit Committee is a committee of the Board of Directors. Its primary function is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information that will be provided to the shareholders and others, the systems of internal and disclosure controls that management and the Board of Directors have established, and the audit process, and by overseeing the accounting and financial reporting processes of the company, the audits of the financial statements of the company, and the company's independent auditors.

Committee Membership. The membership of the Audit Committee will consist of at least three members of the Board of Directors, who will serve at the pleasure of the Board of Directors.

- Each member of the Audit Committee must qualify as independent under applicable Nasdaq, Securities and Exchange Commission (SEC) and Public Company Accounting Oversight Board rules and regulations (Applicable Rules), and must be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee.

- An Audit Committee member may not accept directly or indirectly any consulting, advisory or other compensatory fee from the company. Indirect acceptance by a member of the Audit Committee of any consulting, advising or other compensatory fee includes acceptance of such a fee by a spouse, a minor child or stepchild, or a child or step child sharing a home with the member or by an entity in which such member is a partner, member, an officer such as a managing director occupying a comparable position or an executive officer, or occupies a similar position (except for limited partners, non-managing members and those occupying similar positions who, in each case, have no role in providing services to the company) and which provides accounting, consulting, legal, investment banking or financial advisory services to the company or any subsidiary.

- An Audit Committee member may not be an affiliated person of the company. An affiliated person means a person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the company. Control means possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise. A person will be deemed not to be in control of a specified person if the person is not the beneficial owner, directly or indirectly, of more than 10% of any class of voting equity

securities of the specified person, and is not an executive officer of the specified person. An executive officer of an affiliate, a director who is an employee of an affiliate, a general partner of an affiliate, and a managing member of an affiliate will be deemed to be affiliates.

- Each member of the Audit Committee must (i) 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 years; and (ii) 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 must be an Audit Committee financial expert or otherwise 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.
- Each member of the Audit Committee meeting the following criteria will be an Audit Committee financial expert within the meaning of the Applicable Rules:
 - The member has the following attributes:
 - An understanding of generally accepted accounting principles (GAAP) and financial statements;
 - The ability to assess the general application of GAAP in connection with the accounting for estimates, accruals and reserves;
 - Experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of accounting principles that can reasonably be expected to be raised by the company's financial statements, or experience actively supervising one or more persons engaged in such activities;
 - An understanding of internal controls and procedures for financial reporting; and
 - An understanding of audit committee functions.
 - The member acquired such attributes through:
 - Education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions;

- Experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions;
- Experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or
- Other relevant itemized experience.

Committee Authority, Responsibilities and Duties. In meeting its responsibilities, the Audit Committee will:

- Be directly responsible for the appointment, compensation, retention and oversight of the work of any public accounting firm engaged (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the company, including ultimate authority to approve all audit engagement fees and terms. The company's independent auditors will report directly to the Audit Committee.
- Engage from time to time only public accounting firms to act as independent auditors that are registered public accounting firms and independent of the company within the meaning of the Applicable Rules and require such firms to maintain such status during the term of engagement. The Audit Committee will ensure its receipt from the company's independent auditors of a formal written statement delineating all relationships between the independent auditors and the company, consistent with Independence Standards Board Standard 1, and the Audit Committee will actively engage in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors and take appropriate action to oversee the independence of the company's independent auditors.
- Approve all engagements of the company's independent auditors to render audit or non-audit services prior to such engagement, except that the company may engage its independent auditors to render audit or non-audit services pursuant to policies and procedures that the Audit Committee may establish from time to time that are detailed as to the particular service and that do not include delegation of the Audit Committee's responsibilities to management. Management will promptly inform the Audit Committee of all engagements pursuant to such policies and procedures.
- Not engage the independent auditors during the audit and professional engagement period to perform any of the following non-audit services for the company:

- Bookkeeping or other services related to the accounting records or financial statements of the company, including maintaining or preparing the company's accounting records, preparing the company's financial statements that are filed with the SEC or that form the basis for the company's financial statements filed with the SEC, and preparing or originating source data underlying the company's financial statements;
- Financial information systems design and implementation, including directly or indirectly operating, or supervising the operation of, the company's information system or managing the company's local area network, and designing or implementing a hardware or software system that aggregates source data underlying financial statements or generates information that is significant to the company's financial statements or other financial information systems taken as a whole;
- Appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
- Actuarial services;
- Internal audit outsourcing services;
- Management functions;
- Human resources, including searching for or seeking out candidates for managerial, executive or director positions, engaging in psychological testing or other formal testing or evaluation programs, undertaking reference checks of prospective candidates for an executive or director position, acting as a negotiator for the company, such as determining position, status or title, compensation, fringe benefits, or other conditions of employment, or recommending, or advising the company to hire, a specific candidate for a specific job (except that the independent auditors may, upon request by the company, interview candidates and advise the company on the candidate's competence for financial accounting, administrative or control positions);
- Broker-dealer, investment adviser or investment banking services;
- Legal services; or
- Expert services unrelated to the audit: providing an expert opinion or other expert advice to the company or the company's legal representative for the purpose of advocating the company's interests in litigation or in a regulatory or administrative proceeding or investigation, other than providing factual accounts, including in testimony, of work performed or explaining the positions taken or the conclusions reached during the

performance of any service provided by the independent auditors for the company.

- Meet with the financial management of the company, and as appropriate the independent auditors, 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.
- Review with the independent auditors and the company's financial and accounting personnel the adequacy and effectiveness of the accounting, financial and disclosure controls of the company, and elicit any recommendations for the improvement of such internal and disclosure control procedures or particular areas where new or more detailed controls or procedures are desirable.
- Review and determine approval of all related party transactions required to be described by the company under Securities and Exchange Commission Regulation S-K, Item 404.
- Inquire of management and the independent auditors about significant risks or exposures and assess the steps management has taken to minimize such risks to the company.
- Review legal and regulatory matters that may have a material impact on the company's financial statements, related company compliance policies, and programs and reports received from regulators.
- Review the audited financial statements with management and the independent auditors. Determine that the independent auditors are satisfied with the disclosure and content of the financial statements to be presented to the shareholders. Review any changes in accounting principles. Recommend to the Board of Directors as to whether the audited financial statements be included in the annual report to shareholders on Form 10K for filing with the SEC.
- Provide sufficient opportunity for the independent auditors to meet with the members of the Audit Committee, with and without members of management present. Among items to be discussed in these meetings are:
 - All critical accounting policies and practices to be used;
 - All alternative treatments within GAAP for policies and practices related to material items that have been discussed with management, including ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors;

- Other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences;
 - The independent auditors' evaluation of the company's financial, accounting and auditing personnel, and the cooperation that the independent auditors received during the course of the audit;
 - Matters required to be discussed by Statement of Auditing Standards No. 61, as modified or supplemented;
 - The independence of the independent auditors; and
 - The written disclosures and letter required by the Independence Standards Board Standard No. 1, as modified or supplemented.
- Prepare a report, for inclusion in the company's proxy statements relating to shareholder meetings at which directors are to be elected, that describes the Audit Committee's composition and responsibilities, and how they were discharged. Such report will state whether:
 - The Audit Committee has reviewed and discussed the audited financial statements with management;
 - The Audit Committee has discussed with the independent auditors the matters required to be discussed by Statement of Auditing Standards No. 61, as modified or supplemented;
 - The Audit Committee has received the written disclosures and the letter from the independent auditors required by the Independence Standards Board Standard No. 1, as modified or supplemented, and discussed with the independent auditors the auditors' independence;
 - Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the company's annual report on Form 10K for filing with the Securities and Exchange Commission.
- Establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters.
 - Investigate any matter brought to its attention within the scope of its duties. Engage independent counsel and other advisers, as it determines necessary to carry out its duties.
 - Review accounting and financial human resources and succession planning within the company.
 - Submit the minutes of all meetings of the Audit Committee to, or discuss the matters discussed at each committee meeting with, the Board of Directors.

- Review and reassess this charter for adequacy on an annual basis.

Funding. The Audit Committee is authorized to cause the company to provide for appropriate funding, as determined by the Audit Committee, for the payment of compensation to public accounting firms engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the company, compensation to any advisers employed by the Audit Committee and determined necessary by the Audit Committee to carry out its duties, and ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.