

**GANDER MOUNTAIN COMPANY**  
**Audit Committee Charter**  
**As Ratified on April 8, 2008**

**PURPOSE**

The purpose of the Audit Committee (the “*Audit Committee*”) of the board of directors (the “*Board*”) of Gander Mountain Company (the “*Company*”) is to oversee the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company.

The Audit Committee members are not professional accountants or auditors and their functions are not intended to duplicate or certify the activities of management or the independent auditor. Further, the term “review” as applied to the Audit Committee in this Charter is not intended nor should it be interpreted to suggest that Audit Committee members should follow the procedures required of auditors performing reviews of financial statements. While the Audit Committee has the responsibilities set forth in this Audit Committee Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company’s financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of the Company’s management and independent auditor. 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 that provide information to the Audit Committee and (ii) the accuracy and completeness of the financial and other information provided to the Audit Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board).

**COMPOSITION**

The Audit Committee shall consist of at least three directors appointed by, and serving at the discretion of, the Board. A director may serve on the Audit Committee only if the Board determines that he or she:

- (a) is “independent” as that term is defined under the listing standards of the NASDAQ Stock Market;
- (b) meets the criteria for independence under the Sarbanes-Oxley Act of 2002 (the “*Sarbanes-Oxley Act*”) and the rules adopted by the Securities and Exchange Commission (the “*SEC*”) pursuant to the Sarbanes-Oxley Act;
- (c) is free of any relationship that, in the opinion of the Board, would interfere with his or her individual exercise of independent judgment;
- (d) has not participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the three years prior to such member’s appointment to the Audit Committee; and
- (e) is 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 that 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.

The Audit Committee shall also endeavor to have at all times on the Audit Committee at least one member who satisfies the definition of an “audit committee financial expert” as defined by the SEC.

Audit Committee members may be removed or replaced by the Board from time to time in its discretion.

The Board shall appoint one member of the Audit Committee as chairperson. He or she shall be responsible for leadership of the Audit Committee, including overseeing the agenda, presiding over the meetings and reporting to the Board.

## **RESPONSIBILITIES AND DUTIES**

In carrying out its responsibilities, the Audit Committee believes that its policies and procedures should remain flexible. The Audit Committee may, to the extent permitted by applicable laws or regulations, diverge from the specific activities set forth in this Charter if appropriate given the circumstances. The primary duties and responsibilities of the Audit Committee shall be as follows:

### ***Oversight of Independent Auditor***

1. Be directly responsible for the appointment, retention, compensation, evaluation, termination and oversight of the work of the Company's independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) engaged for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.
2. Pre-approve all audit services and permissible non-audit services by the Company's independent auditor.
3. Review and discuss representations from the independent auditor regarding:
  - critical accounting policies and practices to be used;
  - alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and
  - other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
4. Ensure regular rotation of the lead and concurring audit partners and other significant audit partners of the Company's independent auditor as required by law.
5. Obtain and review a report from the independent auditor at least annually regarding all relationships between the independent auditor and the Company consistent with Independence Standards Board Standard No. 1.
6. Evaluate the qualifications, performance and independence of the independent auditor, including:
  - actively engaging in a dialogue with the independent auditor regarding any relationship or services that may impact the auditor's objectivity and independence;
  - at least annually, evaluating the independence of the auditor, including assessing whether all relationships between the independent auditor and the Company and the provisions of permissive non-audit services are compatible with maintaining the auditor's independence;
  - oversee practices regarding the hiring of former employees of the independent auditor;
  - considering whether the independent auditor's quality controls are adequate; and

- reviewing and evaluating the qualifications and performance of the Company's independent auditor.
7. On an annual basis, review the independent auditor's audit plan and discuss scope, staffing, locations, reliance upon management and general audit approach.
  8. Review with the independent auditor any audit problems or difficulties the auditor may have encountered and management's response thereto. Such reviews should include any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information.
  9. Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 related to the conduct of the audit.
  10. Confirm that none of the audit partners earn or receive compensation based on procuring engagements with the Company for providing products or services, other than audit, review or attest services.

#### ***Oversight of Financial Reporting and Disclosure Matters***

11. Review and discuss with management and the independent auditor the Company's annual audited financial statements prior to the filing of the Company's Form 10-K, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.
12. Review and discuss with management and the independent auditor, prior to the filing of the Company's Form 10-Q, the Company's quarterly financial statements, including the results of the independent auditor's review of the quarterly financial statements.
13. Discuss with management and the independent auditor:
  - material financial reporting issues and judgments made in connection with the preparation of the Company's financial statements;
  - any material changes, including proposed changes, in the Company's selection or application of accounting principles;
  - any significant deficiencies or material weaknesses in the design or operation of internal controls that could adversely affect the Company's ability to record, process, summarize and report financial data;
  - the independent auditor's attestation of management's report on internal controls; and
  - any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.
14. Discuss with management the Company's policies and procedures with respect to earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as with respect to financial information and earnings guidance provided to analysts and rating agencies.
15. Discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet transactions, arrangements or obligations (including contingent obligations) on the Company's financial statements.
16. Review any significant reports to management prepared by the independent auditor or the internal audit personnel and management's responses.
17. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports that raise material issues regarding the Company's financial statements or accounting policies.

### ***Oversight of Compliance and Regulatory Matters***

18. Implement and oversee the Company's Code of Business Conduct and Ethics, including establishing and reviewing periodically procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities and has direct access to the Company's outside counsel and anyone in the Company with respect thereto.
19. Discuss with the independent auditor and management any other matters covered by Section 10A of the Securities Exchange Act of 1934, as determined necessary or appropriate by the Audit Committee to ensure compliance.

### ***Other Responsibilities***

20. Approve all related person transactions of the Company in accordance with the Company's Related Person Transaction Approval Policy which the Audit Committee shall oversee.
21. Review with the full Board any material issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, and the performance and independence of the Company's independent auditor.
22. Review and discuss with management as necessary the internal audit department's responsibilities, supervision, budget and staffing.
23. Review and discuss with management and the independent auditor, as appropriate, the Company's risk assessment and risk management policies.
24. Periodically review with the Company's General Counsel significant legal matters that may have a material impact on the Company's financial statements and any material reports, notices or inquiries received from regulators or government agencies.
25. Perform any other activities consistent with this Audit Committee Charter, the Company's By-laws and governing law, as the Audit Committee or the Board deems necessary or appropriate.

### ***Committee Administration***

26. Prepare the Audit Committee report required by the rules of the SEC to be included in the Company's annual proxy statement.
27. Meet periodically as needed with members of management, internal audit personnel and the independent auditor in separate executive sessions.
28. Review the Audit Committee's own performance annually.
29. Review and reassess the adequacy of this Audit Committee Charter annually and recommend any proposed changes to the Board and have the Audit Committee Charter published at least every three years in accordance with SEC regulations.

### **OUTSIDE ADVISERS**

The Audit Committee shall have the authority to retain independent counsel and other legal, accounting or other advisors as the Audit Committee determines necessary to carry out its duties. To the extent permitted by applicable law, the Audit Committee shall be entitled to rely on the professional opinions and advice of such advisors. The Company shall provide funding, as determined by the Audit Committee, for payment of compensation to any advisors employed by the Audit Committee and for

payment of ordinary administrative expenses that are necessary for the Audit Committee to carry out its duties.

#### **DELEGATION OF DUTIES**

To the extent permissible under applicable laws and regulations, the Audit Committee may delegate its responsibilities to one or more members of the Audit Committee.

#### **MEETINGS**

The Audit Committee shall meet at least four times annually, and special meetings shall be called as necessary.

The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

All meetings of the Audit Committee shall be held pursuant to the By-laws of the Company with regard to notice and waiver thereof, and written minutes of each meeting shall be duly filed in the Company's records. A majority of the members of the Audit Committee shall constitute a quorum of the Audit Committee.