

WELLS-GARDNER ELECTRONICS CORPORATION
AUDIT COMMITTEE CHARTER

The Audit Committee of Wells-Gardner Electronics Corporation (the “Committee”) shall have the power to conduct or authorize investigations into any matters within the Committee’s scope of responsibility which, shall include, but not be limited to:

- Assessing the Company’s risks and control environment and the steps management has taken to monitor, control and report significant financial risks.
- Oversee the financial reporting of the Company.
- Review the independence and performance of the Company’s independent auditors.
- Provide an avenue of communication among independent auditors, management and the Board of Directors (the “Board”).
- Annually review and reassess the adequacy of the Charter.

The Committee shall be empowered to retain independent counsel, independent auditors, or others to assist it in the conduct of any investigation.

The independent auditors are ultimately accountable to the Committee and Board as a representative of shareholders. The Committee shall review the independence and performance of auditors. It is the responsibility of the Committee and Board for selection, evaluation and replacement of the outside auditor. The Committee shall approve the fees, review the audit plan and discuss the independence of the independent auditors. The Committee received a formal written statement from the independent auditor, consistent with Independence Standards Board Standard No. 1, delineating all relationships between them and the Company.

The Committee members shall meet all Charter requirements of the American Stock Exchange and will issue a report to shareholders in the Company’s proxy statement as required by the SEC. Membership of the Committee shall consist of at least three independent members of the Board who are financially literate and who shall serve at the discretion of the Board. Additionally, at least one member of the Committee shall have accounting or related financial management expertise. The Committee shall meet at least quarterly or more frequently as circumstances require and will receive an agenda and materials for such meeting in advance. The Committee will also meet privately in executive session with management and the independent auditors to discuss any matters that the Committee or each group believes should be discussed. The Chairman of the Committee will distribute minutes and communicate such discussions to the Board on a quarterly basis.

Finally, the Committee will perform any other activities consistent with this Charter, the Company’s by-laws and governing law, as the Committee or Board deems necessary or appropriate.