

## **Audit Committee Charter Theragenics Corporation®**

### **I. Purpose**

The Board of Directors (the “Board”) of Theragenics Corporation (the “Company”) has established the Audit Committee (the “Committee”) to assist the Board in fulfilling its oversight responsibilities of (1) the integrity of the Company’s financial statements, (2) the Company’s compliance with legal and regulatory requirements, (3) the independent auditor’s qualifications and independence, and (4) the performance of the Company’s internal audit function and independent auditors.

### **II. Composition**

The Committee will be comprised of at least three members of the Board. All members of the Committee shall be independent and free of any relationship that, in the opinion of the Board, would interfere with their exercise of independent judgment as Committee members. The Board must affirmatively determine, considering all relevant facts and circumstances, that the director has no direct or indirect material relationship with the Company. Each member of the Audit Committee must satisfy any other applicable membership requirements set forth in the listing requirements of the New York Stock Exchange.

All members of the Committee shall be able to read and understand fundamental financial statements (including, but not limited to, those contained in the Form 10-Q and 10-K documents required to be filed with the Securities and Exchange Commission), and at least one member of the Audit Committee shall have accounting or financial expertise as the Board interprets such qualifications in its business judgment. The Board shall also determine whether any members of the Committee constitute an “Audit Committee Financial Expert” under the rules and regulations of the Securities and Exchange Commission. One member of the Committee shall serve as Chairman.

No Committee member will simultaneously serve on the audit committee of more than three public companies unless the Board affirmatively determines that such simultaneous service would not impair the ability of such member to serve on the Committee. The members of the Committee will be elected annually at the organizational meeting of the full Board and will be listed in the annual report to shareholders.

### **III. Responsibilities**

A. ***Scope of Responsibility and Authority.*** The primary responsibility of the Committee is to oversee the Company’s financial reporting process on behalf of the Board and report the results of its activities to the Board. The Committee will be directly responsible for the appointment and dismissal, compensation and oversight of the Company’s independent auditors and may not delegate such responsibilities to others. The Committee does not prepare financial statements on behalf of the Company or perform the Company’s audits, and its members are not the Company’s auditors and do not certify the Company’s financial statements.

The Company's management prepares the Company's financial statements, which are audited and certified by the Company's independent auditors.

The Committee may retain (and determine and receive from the Company the appropriate funding for) experts to advise or assist it, including outside counsel, accountants, financial analysts or others.

In addition to the matters set forth herein, the Committee will perform such other functions as required by law, the Company's Articles of Incorporation or Bylaws, or the Board.

B. ***Responsibilities and Duties.*** The Committee will meet at least four times a year, with authority to meet more frequently as appropriate.

In carrying out its oversight responsibilities, the Committee will:

1. Meet at the request of the Chief Executive Officer, Chief Financial Officer, Chairman of the Committee or the independent auditors.
2. Meet separately, periodically, with (a) management, (b) the Company's internal auditors (or other personnel responsible for the internal audit function), and (c) the Company's independent auditors to discuss issues and concerns warranting Committee attention.
3. Review with management, the independent auditors and the internal auditors, the adequacy of the Company's internal controls, disclosure processes and management's responses with respect to recommendations for internal control improvements.
4. Recommend to the Board whether the Company's financial statements should be included in the Company's annual report on Form 10-K.
5. Prepare the Committee report to be included in the Company's annual proxy statement.
6. Review and discuss with management the policies and guidelines for earnings press releases and financial information and earnings guidance provided to analysts and ratings agencies.
7. Review and discuss with management the policies and guidelines for risk assessment and management.
8. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities;
9. Obtain assistance as needed from the Chief Executive Officer, the Chief Financial Officer, or the Company's Internal Auditors (or other personnel responsible for the

internal audit function) and retain experts to advise or assist the Committee, including outside counsel, accountants, financial analysts or others;

10. Take any other action permitted by applicable laws, rules, and regulations necessary to accomplish any action authorized by this Charter or to further the goals of the Committee as set forth in this Charter.

C. ***Relationships with Independent Auditors.*** In order to retain independent auditors to review the records and accounts of the Company, the Committee will:

1. Have the sole authority to appoint, retain, compensate, evaluate and terminate the independent auditors to conduct Company audits or to perform permissible non-audit services, with the independent auditors ultimately accountable to the Committee with respect to audit and related work.
2. Review the independent auditors' scope and audit plan prior to the commencement of the audit.
3. Pre-approve any services, whether audit or non-audit services, to be performed by the independent auditors, or establish policies pursuant to which services to be performed by the independent auditor will be preapproved.
4. Determine the scope of the audit and the associated fees to be paid to the independent auditors (for both audit and permissible non-audit work).
5. Discuss with the independent auditors any relationships that may affect the auditors' independence and confirm and oversee the independence of the auditors.
6. Pre-approve the Company's hiring of any employees or former employees of the independent auditors or establish policies with respect to any such hiring.
7. Obtain and review annually a report by the independent auditors describing (a) the auditing firm's internal quality control procedures, (b) any material issues raised by its most recent quality control review, or peer review, or any inquiry or investigation within the preceding five years and steps taken to resolve those issues, and (c) all relationships between the independent auditors and the Company.
8. Direct the independent auditors to provide the Committee with timely reports of:
  - (a) all critical accounting policies and practices,
  - (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, effects of using such alternatives, and the treatment preferred by the independent auditing firm, and

- (c) other material written communications between the independent auditors and management.

D. ***Company Financial Statements.*** Prior to the release or filing of the Company's financial statements, including, but not limited to, those contained in the Company's quarterly Form 10-Q and annual Form 10-K, the Committee will review with management and the independent auditors the Company's annual and quarterly financial statements and related footnotes, including, but not limited to, those contained in the Company's Form 10-Q and Form 10-K filings as well as disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations." The Committee will also review at least annually:

1. With the independent auditors and management, their processes for assessment of material misstatements, identification of the notable risk areas, and their response to those risks.
2. The independent auditors' qualitative judgment about the quality, not just the acceptability, of accounting principles, use of estimates, bases for determining the amounts of estimates, and financial disclosures.
3. With the independent auditors any significant difficulties or disputes with management encountered during the course of the audit, including management's response.
4. With the independent auditors the management letter provided by the independent auditors and the Company's response.
5. Any financial or non-financial arrangements of the Company that do not appear on the financial statements of the Company and their related risks.
6. With management and the independent auditors the effect of regulatory and accounting initiatives as well as accounting principles and their alternatives that have a significant effect on the Company's financial statements.
7. Any transactions or courses of dealing with parties related to the Company.
8. Any other matters related to the annual Company audit, including those matters that are required to be communicated to the Committee under applicable law and generally accepted auditing standards.

E. ***Oversight of Corporate Compliance Function.*** The Committee will:

1. Establish procedures whereby employees can confidentially and anonymously submit to the Committee concerns or issues regarding the Company's accounting or auditing matters.

2. Establish procedures for the receipt, retention and treatment of complaints regarding accounting or auditing matters, including their controls.
3. Discuss with the independent auditors whether they believe or have any reason to believe that an illegal act has occurred, regardless of whether they believe it will materially affect the Company's financial statements.
4. Review any transactions with related parties and the procedures used to identify related parties.
5. Perform an evaluation of its performance at least annually to determine whether it is functioning effectively.

F. ***Audit Committee Formalities and Charter.*** The Committee will:

1. Review and reassess annually the adequacy of this Charter and recommend any changes to the Board.
2. Report periodically to the Board on the Committee's activities and findings, including any issues regarding the quality or integrity of the Company's financial statements, including, but not limited to, those included in the Company's quarterly Form 10-Q and annual Form 10-K filings, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors or the performance of the internal auditors.
3. Cause appropriate minutes of the Committee's meetings to be kept.