

**SECOND AMENDED AND RESTATED CHARTER OF THE
AUDIT COMMITTEE OF THE BOARD OF DIRECTORS
OF MEADE INSTRUMENTS CORP.**

This Second Amended and Restated Charter of the Audit Committee is adopted by the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Meade Instruments Corp., a Delaware corporation (the “**Company**”), on April 20, 2004. This charter shall be reviewed, reassessed and approved annually by the Board.

1. **Purpose.** The purpose of the Committee is to oversee the accounting and financial reporting processes of the Company and audits of the financial statements of the Company.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company’s financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles (“**GAAP**”) and applicable rules and regulations. These are the responsibilities of management and the independent public accountants.

2. **Membership.** The Committee will be comprised of three or more directors of the Company’s Board. All members of the Committee will be directors who meet the knowledge requirements and the independence requirements of applicable law and the rules of the Securities and Exchange Commission (the “**SEC**”) and the NASDAQ Stock Market in effect from time to time. The members of the Committee will be appointed by the Board upon the recommendation of the Nominating and Governance Committee and may be removed by the Board in its discretion. The Board or the Audit Committee shall appoint one member of the Committee as chairperson, who shall be responsible for leadership of the committee. At least one member of the Committee must qualify as an “audit committee financial expert” as defined in the rules of the SEC, and the Company must disclose in the periodic reports required by Section 13(a) of the Securities Exchange Act of 1934, as amended (the “**Act**”), whether or not it has at least one member who is an audit committee financial expert.

3. **Specific Responsibilities and Duties.** The Board delegates to the Committee the express authority to do the following:

3.1 Independent Public Accountants.

- (a) **Selection; Fees.** Be directly responsible for the appointment, compensation, retention and oversight of the work of the independent public accountants engaged (including resolution of disagreements between management and the independent public accountants regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and, where appropriate, the termination and replacement of such firm. Such independent public accountants shall report directly to and be ultimately accountable to the Committee.

- (b) **Scope of Audit.** Review, evaluate and approve the annual engagement proposal of the independent public accountants (including the proposed scope and approach of the annual audit).
- (c) **Pre-Approval of Audit and Non-Audit Services.** Pre-approve all auditing services and all non-auditing services to be performed by the independent public accountants. Such pre-approval can be given as part of the Committee's approval of the scope of the engagement of the independent public accountants or on an individual basis. The approved non-auditing services must be disclosed in the Company's periodic public reports required by Section 13(a) of the Act. The pre-approval of non-auditing services can be delegated by the Committee to one or more of its members, but the decision must be presented to the full Committee at the next scheduled meeting. The independent public accountants shall not be retained to perform the prohibited non-audit functions listed on Exhibit A.
- (d) **Independence of Independent Public Accountants.** Receive at least annually from the independent public accountants a formal written statement delineating all relationships between the Company and the independent public accountants, consistent with Independence Standards Board Standard 1, actively engage in a dialogue with the independent public accountants with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent public accountants, and take (or recommend that the full Board take) appropriate action to oversee the independence of the independent public accountants. Verify that the independent public accountants satisfy the peer review requirements of the NASDAQ Stock Market.
- (e) **Lead Audit Partner Review, Evaluation and Rotation.** Ensure that the lead or coordinating audit partner having primary responsibility for the audit or review and the concurring or reviewing audit partner of the independent public accountants are rotated at least every five years and that other audit partners (as defined by the SEC) are rotated in accordance with rules promulgated by the SEC.
- (f) **Hiring Policies.** Set clear policies for hiring employees and former employees of the independent public accountants.
- (g) **Review Problems.** Review with the independent public accountants any audit problems or difficulties the independent public accountants may have encountered and management's responses, including: (i) any restrictions on the scope of activities or access to requested information and (ii) any recommendations made by the independent public accountants as a result of the audit.

- (h) **Related Party Transactions.** Review and approve all related-party transactions. Related party transactions are all transactions required to be disclosed pursuant to Item 404 of Regulation S-K.

3.2 Financial Reporting.

- (a) **Annual Financials.** Review and discuss with management and the independent public accountants the Company's annual audited financial statements, (including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations"), any unusual or non-recurring items, the nature and substance of significant reserves, the adequacy of internal controls and other matters that the Committee deems material prior to the public release of such information. Obtain from the independent public accountants assurance that the audit was conducted in a manner consistent with Section 10A of the Act. Recommend to the Board whether the annual audited financial statements should be included in the Company's Annual Report on Form 10-K.
- (b) **Quarterly Financials.** Review and discuss with management and the independent public accountants the Company's quarterly financial statements (including the Company disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations") and the results of the independent public accountants' reviews of the quarterly financial statements, prior to the public release of such information.
- (c) **Accounting Principles.** Review with management and the independent public accountants material accounting principles applied in financial reporting, including any material changes from principles followed in prior years and any items required to be communicated by the independent public accountants in accordance with AICPA Statement of Auditing Standards ("SAS") 61.
- (d) **Press Releases.** Discuss and review with management earnings press releases (including the type and presentation of information to be included in such releases), as well as financial information and earnings guidance provided to analysts and rating agencies.
- (e) **Regulatory Developments.** Review with management and the independent public accountants the effect of regulatory and accounting initiatives on the Company's financial statements.

3.3 Financial Reporting Processes.

- (a) **Internal and External Controls.** In consultation with the independent public accountants and the Company's financial and accounting personnel, review the integrity, adequacy and effectiveness of the Company's accounting and financial controls, both internal and external, and elicit any recommendations

for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures are desirable.

- (b) **Consider Changes.** Consider and approve, if appropriate, major changes to the Company's accounting principles and practices when suggested in writing by the independent public accountants or management.
- (c) **Reports.** Obtain and review timely reports from the independent public accountants regarding:
 - (i) all critical accounting policies and practices to be used by the Company;
 - (ii) all alternative treatments of financial information within GAAP that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent public accountants; and
 - (iii) all other material written communications between the independent public accountants and management, including any management letter or schedule of unadjusted differences.

3.4 Legal and Regulatory Compliance.

- (a) **SEC Report.** Prepare the annual Audit Committee report included in the Company's proxy statement as required by the proxy rules under the Act.
- (b) **Complaints.** Establish 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.

3.5 Other.

- (a) **Recommendations; Reports.** Regularly report to the Board on the Committee's activities.
- (b) **Review and Publication of Charter.** Review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board, as appropriate, and publish the Charter as required by applicable law.

4. Meetings, Minutes, and Reports.

4.1 Executive Sessions. The Committee shall meet periodically with the independent public accountants and management in separate executive sessions to discuss any matters that the Committee or these groups believe should be discussed privately.

4.2 Other Meetings. Other meetings will be with such frequency, and at such times, as its Chairperson, or a majority of the Committee, determines, but the Committee shall meet at least quarterly. A special meeting of the Committee may be called by the Chairperson and will be called promptly upon the request of any two Committee members. The agenda of each meeting will be prepared by the Chairperson and circulated to each member prior to the meeting date. Unless the Committee or the Board adopts other procedures, the provisions of the Company's Bylaws applicable to meetings of Board committees will govern meetings of the Committee.

4.3 Minutes. Minutes of each meeting will be kept.

5. Subcommittees. The Committee has the power to appoint and delegate matters to subcommittees, but no subcommittee will have any final decision-making authority on behalf of the Board or the Committee.

6. Reliance; Experts; Cooperation; Expenses.

6.1 Retention of Independent Counsel and Advisors. The Committee has the authority, in its sole discretion, to retain at the Company's expense such independent counsel, advisors and experts as it deems necessary or appropriate to carry out its duties.

6.2 Reliance Permitted. The Committee will act in reliance on management, the Company's independent public accountants, and advisors and experts, as it deems necessary or appropriate to enable it to carry out its duties.

6.3 Investigations. The Committee has the power, in its discretion, to conduct any investigation it deems necessary or appropriate to enable it to carry out its duties and to engage at the expense of the Company such professionals as it considers to be necessary in connection therewith.

6.4 Required Participation of Employees. The Committee shall have unrestricted access to the Company's employees, independent public accountants, internal and outside counsel, and may require any employee of the Company or representative of the Company's outside counsel or independent public accountants to attend a meeting of the Committee or to meet with any members of the Committee or representative of the Committee's counsel, advisors or experts.

6.5 Expenses. The Company shall provide the Committee with appropriate funding, as determined by the Audit Committee, in its capacity as a committee of the Board, for:

- (a) Compensation for the independent public accountants engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company;
- (b) Compensation to any advisors employed by the Audit Committee under Section 6.1 hereof; and
- (c) Ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

7. **Rules and Procedures.** Except as expressly set forth in this Charter or the Company's By-laws or Corporate Governance Guidelines, or as otherwise provided by law or the rules of the NASDAQ Stock Market, the Committee shall fix its own rules and procedures.

EXHIBIT A

Prohibited Non-Audit Services

- 1.** Bookkeeping or other services related to the accounting records or financial statements of the Company;
- 2.** Financial information systems design and implementation;
- 3.** Appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
- 4.** Actuarial services;
- 5.** Management functions or human resources;
- 6.** Broker or dealer, investment advisor, or investment banking services;
- 7.** Legal services and expert services unrelated to the audit; and
- 8.** Any other services that the Public Company Accounting Oversight Board established pursuant to the Sarbanes-Oxley Act of 2002 determines, by regulation, is impermissible.