

**CHARTER FOR THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS
OF
QUOVADX, INC.
(Amended April 28, 2004)**

The Audit Committee is appointed by the Board of Directors to assist the Board in monitoring (1) the integrity of the financial statements of the Company, (2) the compliance by the Company with legal and regulatory requirements and (3) the independence and performance of the Company's internal and external auditors.

The members of the Audit Committee shall be appointed by, and will serve at the discretion of, the Board of Directors and will consist of at least three members of the Board of Directors. Each member of the Audit Committee will meet the independence and experience requirements of the Nasdaq National Market. In particular, (1) each member will be an independent director (as defined in Nasdaq Marketplace Rule 4200(a)(15) and as defined in Rule 10A-3(b)(1) of the Exchange Act, (2) no member will 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, (3) each member will be able to read and understand fundamental financial statements, and (4) at least one member will have past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background which results in the individual's financial sophistication, including a current or past position as a chief executive or financial officer or other senior officer with financial oversight.

The Audit Committee shall have the authority to retain special legal, accounting or other consultants to advise the Committee. 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 Committee or to meet with any members of, or consultants to, the Committee. The Company shall provide for appropriate funding as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.

The Audit Committee shall make regular reports to the Board.

The Audit Committee Policies and Guidelines for Pre-Approval of Independent Auditor Services, attached as Annex A, are incorporated into this Charter.

The Audit Committee shall have direct responsibility for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company and each such firm must report directly to the Audit Committee,

Without limiting the foregoing, the Audit Committee to the extent it deems necessary or appropriate shall:

Financial Statement and Disclosure Matters

1. Review with management and the independent auditor, before release, the audited financial statements and disclosures made in management's discussion and analysis and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K.
2. Direct the Company's independent auditor to review, and review with management and the independent auditor, before filing with the SEC, the Company's Quarterly Reports on Form 10-Q, using professional standards and procedures for conducting such reviews.
3. Review and discuss with management and the independent auditor any major issues as to the adequacy of the Company's internal controls, any special steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financial reporting.
4. Review and discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including any significant changes in the Company's selection or application of accounting principles.

5. Review and discuss with management and the independent auditor the effect of regulatory and accounting initiatives on the Company's financial statements.
6. Discuss with the Company's independent auditor the matters required to be discussed by Statement on Accounting Standard No. 61, as it may be modified or supplemented, relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
7. Review disclosures made to the Audit Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.
8. Meet periodically with management to review the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.

Oversight of the Company's Relationship with the Independent Auditor

9. Provide oversight and monitor Company management and the independent auditor and their activities with respect to the Company's financial reporting process.
10. Have sole responsibility for the selection and, where appropriate, replacement of the Company's independent auditor.
11. Review the experience and qualifications of the senior members of the independent auditor team and the quality control procedures of the independent auditor.
12. Review and approve the fees to be paid to the independent auditor for audit services and for tax-consulting services in accordance with Annex A; in no event shall the company's designated independent auditor be retained for any non-audit, non-tax related consulting services
13. Review the independent auditor's proposed audit scope, approach and independence.
14. Review the performance of the independent auditor, who shall be accountable to the Audit Committee.
15. Request from the independent auditor a formal written statement delineating all relationships between the auditor and the Company, consistent with Independent Standards Board Standard No. 1, and engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor.
16. Discuss with the independent auditor material issues on which the national office of the independent auditor was consulted by the Company's audit team.
17. Meet with the independent auditor prior to the audit to discuss the planning and staffing of the audit.

Compliance Oversight Responsibilities

18. Obtain from the independent auditor assurance that Section 10A(b) of the Exchange Act has not been implicated.
19. Obtain reports from management and the independent auditor that the Company and its subsidiary/foreign affiliated entities are in conformity with legal requirements and the Company's Code of Business Conduct and Ethics. Review and approve all related-party transactions. A related-party is one who can exercise control or significant influence over another party, to the extent that one of the parties may be prevented from pursuing its own separate interests. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics.

20. 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.
21. Review with the Company's General Counsel legal matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies.
22. Provide a report in the Company's proxy statement in accordance with the requirements of Item 306 of Regulation S-K and Item 7(e) (3) of Schedule 14A.
23. Review the Audit Committee's own structure, processes and membership requirements and the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval.
24. Perform such other duties as may be requested by the Board of Directors.

Meetings/Minutes: The Audit Committee will meet at least quarterly or more frequently as circumstances dictate. The Audit Committee may establish its own schedule, which it will provide to the Board of Directors in advance. The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

Audit Committee Charter – Annex A

Policies and Guidelines of Quovadx, Inc. Audit Committee for Pre-Approval of Independent Auditor Services

The Committee is required to pre-approve the audit and non-audit services performed by the Company's independent auditor to assure that the provision of such services does not impair the auditor's independence.

- General and Separate Approvals/Term. The Committee may grant a general pre-approval for certain recurring services and related fees. Unless a general pre-approval has been granted, the Committee must grant a separate pre-approval before proposed services can be commenced by the independent auditor. Additionally, any proposed services expected to exceed pre-approved cost levels will require separate pre-approval by the Audit Committee. The term of any pre-approval (whether general or separate) is 12 months from the date of pre-approval unless the Committee specifically provides for a different period. The Committee periodically will review and revise the list of pre-approved services taking into account subsequent events and determinations.
- Delegation: The Committee may delegate pre-approval authority to one or more of its members. Such member or members will report any pre-approval decisions to the Committee at its next regularly scheduled meeting. The Committee does not delegate its responsibilities to pre-approve independent auditor services to management.
- Audit Services: The annual audit services (including statutory audit engagements as required under local country laws) engagement terms and fees are subject to separate pre-approval of the Committee. The independent auditor will provide the Committee with an engagement letter prior to the Committee's July meeting each year outlining the scope of the audit services proposed to be performed during the fiscal year. If agreed to by the Committee, this engagement letter will be formally accepted by the Committee at its July Committee meeting. The Committee will approve any changes in terms, conditions and fees resulting from changes in audit scope, Company structure or other matters, as necessary.

In addition to the annual audit services engagement approved by the Committee, the Committee may grant pre-approval for other audit services, which are those services that only the independent auditor reasonably can provide. Unless generally pre-approved, these other audit services must be separately pre-approved.

- Audit-Related Services: Audit related services are assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statement and that are traditionally performed by the independent auditor. The Committee believes that the provision of audit-related services does not impair the independence of the auditor, and may generally pre-approve recurring audit related services; all other audit-related services must be separately pre-approved by the Committee.
- Tax Services: The Committee believes that the independent auditor can provide tax services to the Company such as tax compliance, tax planning and tax advice without impairing the auditor's independence. The Committee will not, however, permit the retention of the independent auditor in connection with a transaction initially recommended by the independent auditor, the purpose of which may be tax avoidance and the tax treatment of which may not be supported in the Internal Revenue Code and related regulations. The Committee may generally pre-approve recurring tax services; all other tax services must be separately pre-approved.
- All Other Services: The Committee may grant pre-approval to those permissible non-audit services that it believes are routine and recurring services, and would not impair the independence of the auditor. All such services must be separately pre-approved by the Committee.

A list of the SEC's prohibited non-audit services is attached to this policy as Exhibit 1. The SEC's rules and relevant guidance will control and should be consulted to determine the precise definitions of these services and the applicability of exceptions to prohibitions.

- Pre-Approval Fee Levels: Pre-approval fee levels for all services to be provided by the independent auditor will be established periodically by the Committee. Any proposed services exceeding these levels will require separate pre-approval by the Committee.

- Supporting Documentation: With respect to each proposed pre-approved services, the independent auditor will provide detailed back-up documentation, which will be provided to the Committee, regarding the specific services to be provided.

Audit Committee Pre-approval Policy and Guidelines

Exhibit 1

Prohibited Services

The following non-audit services are prohibited by the SEC from being performed by an independent auditor at any point during the audit and professional engagement period:

- (i) *Bookkeeping or other services related to the accounting records or financial statements of the audit client.* Any service, unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during an audit of the audit client's financial statements, including:
 - (A) Maintaining or preparing the audit client's accounting records;
 - (B) Preparing the audit client's financial statements that are filed with the Commission or that form the basis of financial statements filed with the Commission; or
 - (C) Preparing or originating source data underlying the audit client's financial statements.
- (ii) *Financial information systems design and implementation.* Any service, unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during an audit of the audit client's financial statements, including:
 - (A) Directly or indirectly operating, or supervising the operation of, the audit client's information system or managing the audit client's local area network; or
 - (B) Designing or implementing a hardware or software system that aggregates source data underlying the financial statements or generates information that is significant to the audit client's financial statements or other financial information systems taken as a whole.
- (iii) *Appraisal or valuation services, fairness opinions, or contribution-in-kind reports.* Any appraisal service, valuation service, or any service involving a fairness opinion or contribution-in-kind report for an audit client, unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during an audit of the audit client's financial statements.
- (iv) *Actuarial services.* Any actuarially-oriented advisory service involving the determination of amounts recorded in the financial statements and related accounts for the audit client other than assisting a client in understanding the methods, models, assumptions, and inputs used in computing an amount, unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during an audit of the audit client's financial statements.
- (v) *Internal audit outsourcing services.* Any internal audit service that has been outsourced by the audit client that relates to the audit client's internal accounting controls, financial systems, or financial statements, for an audit client unless it is reasonable to conclude that the results of these services will not be subject to audit procedures during an audit of the audit client's financial statements.
- (vi) *Management functions.* Acting, temporarily or permanently, as a director, officer, or employee of an audit client, or performing any decision-making, supervisory, or ongoing monitoring function for the audit client.
- (vii) *Human resources.*
 - (A) Searching for or seeking out prospective candidates for managerial, executive, or director positions;
 - (B) Engaging in psychological testing, or other formal testing or evaluation programs;
 - (C) Undertaking reference checks of prospective candidates for an executive or director position;

- (D) Acting as a negotiator on the audit client's behalf, such as determining position, status or title, compensation, fringe benefits, or other conditions of employment; or
 - (E) Recommending, or advising the audit client to hire, a specific candidate for a specific job (except that an accounting firm may, upon request by the audit client, interview candidates and advise the audit client on the candidate's competence for financial accounting, administrative, or control positions).
- (viii) *Broker-dealer, investment adviser, or investment banking services.* Acting as a broker-dealer (registered or unregistered), promoter, or underwriter, on behalf of an audit client, making investment decisions on behalf of the audit client or otherwise having discretionary authority over an audit client's investments, executing a transaction to buy or sell an audit client's investment, or having custody of assets of the audit client, such as taking temporary possession of securities purchased by the audit client.
- (ix) *Legal services.* Providing any service to an audit client that, under circumstances in which the service is provided, could be provided only by someone licensed, admitted, or otherwise qualified to practice law in the jurisdiction in which the service is provided.
- (x) *Expert services unrelated to the audit.* Providing an expert opinion or other expert service for an audit client, or an audit client's legal representative, for the purpose of advocating an audit client's interests in litigation or in a regulatory or administrative proceeding or investigation. In any litigation or regulatory or administrative proceeding or investigation, an accountant's independence shall not be deemed to be impaired if the accountant provides factual accounts, including in testimony, of work performed or explains the positions taken or conclusions reached during the performance of any service provided by the accountant for the audit client.