

Audit Committee Charter

(Amended by the Board of Directors 12/06/05 – Revised 3/31/11 and 5/5/11)

The Audit Committee (“Committee”) is a standing committee of the Board of Directors. Its primary function is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information that will be provided to the shareholders and others, the systems of internal controls that management and the Board of Directors have established, and the external audit processes.

The Audit Committee shall be comprised of at least three (3) members from the Board of Directors and appointed by the Board. The Chair of the Committee shall also be appointed by the Board. Each member of the Committee shall be “Financially Literate.” At least one member of the Committee shall be a “Financial Expert” and at least one member of the Committee (who may also be the Financial Expert) shall be an “Audit Committee Financial Expert.”

Each member of the Committee (1) shall be an “Independent Director,” (2) shall be free of any relationship which, in the opinion of the Board of Directors, would interfere with the exercise of independent judgment of the member in carrying out the responsibilities of a director of the Company, (3) shall not 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, and (4) shall not: (a) receive, other than for service on the board, any consulting, advisory, or other compensatory fee from the Company, or (b) be an affiliated person (i.e. a person able to exert influence on the Company, often but not solely, resulting from a significant minority ownership position, and as more definitively set out by Securities and Exchange Act Rules 12b-2 and 144 and SEC rules and regulations promulgated in accordance with the Sarbanes-Oxley Act of 2002) of the Company, or any subsidiary of the Company.

For purposes of this charter:

a) “Audit Committee Financial Expert” means a person who has the following attributes: (i) an understanding of generally accepted accounting principles and financial statements; (ii) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves; (iii) experience preparing, auditing, analyzing or evaluating financial statements of generally comparable companies; (iv) an understanding of internal control over financial reporting; and (v) an understanding of audit committee functions. The Company must disclose annually that the Committee includes at least one Audit Committee Financial Expert.

b) “Financial Expert” means a director who has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which 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.

c) “Financially Literate” means being able to read and understand fundamental financial statements, including a company’s balance sheet, income statement, and cash flow statement.

d) “Independent Director” means a director who is independent under Rule 4200 of the National Association of Securities Dealers. The Committee shall meet at least four times per year or more frequently as circumstances require. The Company’s Chief Financial Officer serves as staff to the Committee, however the Committee may ask members of management or others to attend its meetings and hold such executive sessions as it deems necessary.

In meeting its responsibilities, the Committee is expected/authorized to:

- 1) Provide an open channel of communication between the outside auditor, management, and the Board.
- 2) Determine that management has established and maintained an adequate system of internal controls appropriate for the Company.

- 3) Review and update the Committee's charter periodically as needed, at least annually.
- 4) Select and approve the outside auditor and the fee to be paid to the outside auditor. The outside auditor is ultimately accountable to the Audit Committee representing the Board of Directors, and the Committee has the ongoing direct authority and responsibility to select, evaluate, set fees for and replace outside auditors
- 5) Ensure that the outside auditor does not provide any non-audit services including: (a) bookkeeping or other services related to the accounting records or financial statements of the audit client; (b) financial information systems design and implementation; (c) appraisal or valuation services, fairness opinions, or contribution-in-kind reports; (d) actuarial services; (e) internal audit outsourcing services; (f) management or human resources functions; (g) broker / dealer, investment adviser, or investment banking services; (h) legal services and expert services unrelated to the audit; or (i) any other service that the Committee determines is impermissible. The outside auditor may engage in any permitted non-audit service (including tax services) not listed above, only if the activity is pre-approved by the Committee and, if the activity is material, disclosed in its periodic financial reports, as appropriate, to shareholders, and the SEC and/or other financial regulatory bodies.
- 6) Ensure that the lead auditor or coordinating partner and the reviewing partner must rotate off of the audit every 5 years.
- 7) Confirm and assure the independence of the outside auditor, including a review of any permitted non-audit services and related fees charged by the outside auditor. Obtain a formal written statement from the outside auditors delineating all relationships with the Company. Ensure that the Board Chair, President, CEO, CFO, and any Controller, Chief Accounting Officer or persons in an equivalent position have not been employed by the company's audit firm during the 1-year period preceding the current year audit.
- 8) Consider, in consultation with the outside auditor, the audit scope and plan of the outside auditor.
- 9) Consider and review with management and the outside auditor:
 - a) The adequacy of the Company's system of internal controls including Sarbanes-Oxley Compliance & computerized information system controls and security and the presence of a Records Retention/Destruction Policy. The policy should be reviewed annually for adequacy.
 - b) Any related significant findings and recommendations of the outside auditor together with management's responses thereto.
 - c) Management's responsibility to communicate the importance of internal control and ensure that all employees and contractors who are involved in the system of internal controls possess an understanding of their roles and responsibilities, including that employees and contractors may freely and without fear of reprisals, address issues relating to internal control, accounting, financial statement disclosure matters or violations of federal or state laws to the Committee in the event that they believe these issues have not been adequately addressed by Management, following procedures as set out in section 14 hereof.
 - d) Any communications required by auditing standards generally accepted in the United States of America including, specifically, communications from the outside auditor about fraud, illegal acts, and deficiencies in internal control.
 - e) The adequacy of the CEO and CFO's written statement accompanying the audit report which certifies the appropriateness of the financial statements and disclosures contained in the audit report, and that those financial statements and disclosures fairly present, in all material respects, the operations and financial condition of the Company.
- 10) Review with management and the outside auditor at the completion of the annual audit and if and as appropriate, at the time of quarterly reviews and filings:

- a) The Company's annual financial statements and related footnotes, and any other filings with financial regulatory bodies such as the SEC,
 - b) The outside auditor's audit of the financial statements and the auditor's report thereon,
 - c) Any significant changes required in the outside auditor's audit plan,
 - d) Management's handling of any proposed adjustments identified by the outside auditor,
 - e) Any serious difficulties or disputes with management encountered during the course of the audit, including any restrictions on the scope of the outside auditor's work or access to required information,
 - f) Significant accounting and reporting issues, including complex or unusual transactions identified by the outside auditor, and recent professional and regulatory pronouncements to include an understanding of their impact on the financial statements. All material accounting policies and practices used, alternative treatments of financial information within accounting principles generally accepted within the United States of America that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the outside auditor,
 - g) Any legal and regulatory matters that may have a material impact on the financial statements,
 - h) Any matters which the outside auditor believes should be addressed to the Committee as a result of the outside auditor's review of executive perquisites and a representative sample of travel and expense reimbursements of the Company's President and CEO,
 - i) Any matters which the outside auditor believes should be addressed to the Committee as a result of the auditors' quarterly review of the Company's financial statements,
 - j) Any other matters related to the conduct of the audit that are to be communicated to the Committee under auditing standards generally accepted in the United States of America.
- 11) Whenever requested, or as considered useful or appropriate by Committee members, meet with the outside auditor, and management in separate executive sessions to discuss any matters that the Committee or these groups believe should be discussed privately with the Committee.
- 12) Approve a Code of Business Conduct & Ethics for Company officers, and review it annually for adequacy. Obtain annually an assurance in writing from each officer that they have complied with the Code of Business Conduct & Ethics. The compliance will be done by completing the form Certification Signature for Code of Business Conduct & Ethics. This form & the Code of Business Conduct & Ethics policy is available on the Company website at www.janone.com under the caption "Investor Relations-Corporate Governance." The Director of Human Resources will manage this process prior to the Annual Meeting of Shareholders.
- 13) Establish procedures for the approval of all related-party transactions involving executive officers and directors. The Related Parties Policy complies with the above procedures.
- 14) Establish procedures in accordance with section 9(c) hereof for (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters or possible violations of federal or state laws, and (ii) the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters or possible violations of federal or state laws. The Whistleblowers Policy complies with the above procedures. The Whistleblowers Policy states that the Audit Committee is responsible for administering the procedures of the policy. The Whistleblowers Policy states that the status of all materials for pending complaints will be reviewed at each regular scheduled Audit Committee meeting. The Audit Committee will review annually the policy for adequacy. The Whistleblower policy is available on the Company website at www.janone.com under the caption "Investor Relations-Corporate Governance."

15) Report Committee actions to the Board of Directors with such recommendations, as the Committee may deem appropriate.

16) Review the annual Sarbanes-Oxley (SOX) Audit Schedule for adequate compliance. At least quarterly the Committee will review the results of the quarterly SOX testing. Review annually the performance of the internal controls staff to determine whether the staff is functioning effectively.

17) Perform an evaluation of its performance at least annually to determine whether the Committee is functioning effectively.

The Committee shall have the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel, accountants, or others to assist it in the conduct of any investigation. The Committee will perform such other functions as assigned by law, the Company's charter or bylaws, or the Board of Directors.

The Company shall provide appropriate funding, as determined by the Committee, for payment of compensation to the independent auditors or any other 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; to any other advisors engaged by the Committee; and of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.