

Audit Committee Charter Numerex Corp.

PURPOSE

The Audit Committee oversees the accounting and financial reporting processes of Numerex Corp. (the "Corporation") and audits of the Corporation's financial statements. The primary function of the Audit Committee is to provide assistance to the Board of Directors in fulfilling its responsibilities relating to corporate accounting and auditing, reporting practices of the Corporation, the quality and integrity of the financial reports of the Corporation, the Corporation's systems of internal controls regarding finance, accounting, legal compliance and ethics that management and the Board have established, the performance of the Corporation's internal audit function and independent auditors, and the qualifications and independence of the Corporation's independent auditors.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the Audit Committee's duty to plan or conduct audits or to determine that the Corporation's financial statements and disclosures are complete and accurate and are in accordance with accounting principles generally accepted in the U.S. This remains the responsibility of management and the independent auditors.

COMPOSITION

The Audit Committee is a Committee of the Board of Directors and shall be composed of three or more directors who are "independent" of the management of the Corporation as defined by the Securities and Exchange Commission and NASDAQ Stock Market rules applicable to the Corporation and any securities exchanges on which the Corporation's securities are listed. All members of the Committee must be free of any relationship that, in the opinion of the Board of Directors, would interfere with their exercise of independent judgment as a committee member.

All members of the Committee shall have a working familiarity with basic finance and accounting practices, and all members shall be able to read and understand fundamental financial statements, including a company's balance sheet, income statement, and cash flow statement. At least one member of the Committee shall qualify as an "audit committee financial expert" as defined by the Securities and Exchange Commission.

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board or until their successors shall be duly elected and qualified. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership. A majority of the Committee shall constitute a quorum. The action of a majority of members at a meeting at which a quorum is present will be the action of the Committee.

AUTHORITY

The Audit Committee's direct reporting relationship is to the Board of Directors of the Corporation. The Committee is authorized to have full and unrestricted access to all personnel, records, operations, properties, and other informational sources of the Corporation as required to properly discharge its responsibilities. Further, the Committee is granted the authority to conduct or authorized investigations into any matters within the Committee's scope of responsibilities. The Committee shall have the sole authority to retain independent counsel, accountants, or others to assist it in the discharge of its responsibilities, as it determines necessary to carry out its duties.

The Corporation shall provide for appropriate funding, as determined by the Audit Committee, in its capacity as a committee of the Board of Directors, for payment of: (1) compensation to 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 Corporation, (2) compensation to any advisers employed by the audit committee under the foregoing paragraph; and (3) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

MEETINGS

The Committee shall meet at least three times per year or more frequently as circumstances require. The Committee may ask members of management, internal audit, the independent accountants, outside counsel, consultants or others to meet with the Committee and provide pertinent information as necessary.

MINUTES

The minutes of all Audit Committee meetings will be prepared and distributed to all Committee members and approved at subsequent meetings. If the Corporate Secretary did not take the minutes, they should be sent to the secretary for distribution to the full Board and placed in permanent filing.

RESPONSIBILITIES

In meetings its responsibilities, the Audit Committee is expected to:

1. Maintain free and open means of communication between the directors, the independent auditors, the internal auditors, and the management of the corporation.
2. Review and update the Committee's charter on an annual basis and as needed.
3. Be directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation, and each such registered public accounting firm must report directly to the Audit Committee. The Audit Committee shall have the sole authority to appoint, determine funding for and oversee the outside auditors. The Audit Committee shall confirm the appointment or discharge of the independent accountants and review their compensation including consideration of the range of fees for audit and non-audit services and the independence of the independent auditors.
4. Inquire of management and the independent accountants about significant risks or exposures and assess the steps management has taken to minimize or control the exposure to such risk to the Corporation.
5. Consider, in consultation with the independent accountants, the audit scope and plan of the internal auditors and the independent accountants to assure completeness of coverage and the effective use of audit resources.
6. Consider and review with the independent accountants :
 - the adequacy, effectiveness and efficiency of management processes, internal financial systems and operating controls including computerized information system controls and security, and
 - any related significant findings and recommendations of the independent accountants and internal auditing together with management's responses thereto.
7. Review with management and the independent accountants at the completion of the annual examination:
 - the Corporation's annual financial statements and related footnotes,
 - the independent accountants' audit of the financial statements and their report thereon,
 - compliance with requirements of the Securities and Exchange Commission,
 - any significant changes required in the independent accountants' audit plan,
 - any serious difficulties or disputes with management encountered during the course of the external audit,

- other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.
8. Pre-approve all audit, internal-control related, and non-audit services provided by the independent accountants to the Corporation unless Committee approval is not required by applicable laws, rules or regulations.
 9. Conduct appropriate review and oversight of all related party transactions for potential conflict of interest situations.
 10. The Chairman of the Committee, and other members of the Committee if considered necessary, shall review the quarterly results of the Corporation and other significant financial releases with the Chief Financial Officer and other members of management prior to the public release of such information.
 11. Review legal and regulatory matters that may have a material impact on the financial statements, related Corporation compliance policies, and programs and reports received from regulators.
 12. Meet with the independent accountants and any others considered appropriate in separate executive sessions to discuss any matters that the Committee or these groups believe should be discussed privately with the Audit Committee.
 13. Establish procedures for the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters, and for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
 14. Report Committee actions to the Board of Directors with such recommendations, as the Committee may deem appropriate.

The Committee will perform such other functions as assigned by law, the Corporation's charter or bylaws, or the Board of Directors.