

## **Audit Committee Charter**

### **Purpose of the Committee**

The purpose of the Audit Committee of Youngevity International, Inc. (the "Company") shall be to assist the Board of Directors in its oversight of the integrity of the financial statements of the Company, of the Company's compliance with legal and regulatory requirements, of the independence and qualifications of the independent auditor, and of the performance of the Company's internal audit function and independent auditors.

In fulfilling this purpose, it is the responsibility of the Committee to provide an open avenue of communication between the Board of Directors, management, and the independent auditors. The Committee is to be the Board of Directors' principal agent in ensuring the independence and objectivity of the independent auditors, the integrity of management, and the adequacy of disclosure to shareholders. The independent auditors are ultimately accountable to the Board of Directors and the Committee, as representatives of the Company's shareholders; however, the Committee has the sole authority to select, evaluate, and, where appropriate, replace the independent auditors.

The Committee members are not acting as professional accountants or auditors, and their functions are not intended to duplicate or substitute for the activities of management and the independent auditors. The Committee serves a Board-level oversight role in which it provides advice, counsel and direction to management and the independent auditors on the basis of information it receives, discussions with the accountants and the experience of the Committee's members in business, financial and accounting matters.

### **Authority of the Committee**

The Committee has the authority to investigate any activity of the Company within its scope of responsibilities, and shall have unrestricted access to members of management and all information relevant to its responsibilities. All employees are directed to cooperate as requested by members of the Committee. The Committee is empowered to retain persons having special competence as necessary to assist the Committee in fulfilling its responsibility.

### **Composition of the Committee**

The Committee shall be comprised of at least one or more members, all of whom shall meet the requirements and qualifications of the United States Securities and Exchange Commission (the "SEC") and any national securities exchange upon which the Company's securities are listed.

Specifically, each Committee member shall: (i) be “independent”, as defined by the rules of any national securities exchange upon which the Company’s securities are then listed, if any; (ii) meet the criteria for independence set forth in Rule 10A-3 of the Securities Exchange Act of 1934, as amended;; and (iii) be able to read and understand fundamental financial statements, including a company’s balance sheet, income statement, and cash flow statement.

In addition, at least one member of the Committee shall be an “Audit Committee Financial Expert” as defined by the SEC, and otherwise meet the experience requirements of any national securities exchange upon which the Company’s securities are then listed.

The Committee members shall be appointed, and may be replaced, by the Company’s Board of Directors.

### **Meetings of the Committee**

The Committee shall meet, either in person or telephonically, at least quarterly. Prior to each meeting, the Chairman of the Committee may communicate with the independent auditors to review the agenda and solicit input on any additional topics that should be covered. The Committee shall also meet periodically, at the discretion of the Chairman of the Committee, with Company’s management, and the independent auditor in separate executive sessions.

### **Attendance at Meetings of the Committee**

Members of the Committee are expected to use all reasonable efforts to attend each meeting. The Chairman may also request that members of management, the Company’s outside counsel or the independent auditor attend a meeting of the Committee, or meet with any members of, or consultants to, the Committee.

### **Minutes of Meetings of the Committee**

Minutes of each meeting shall be prepared under the direction of the Chairman of the Committee and circulated to Committee members for review and approval. Copies are then to be made available to the Company directors who are not members of the Committee, the independent auditors and the Company’s Chief Financial Officer.

### **Specific Responsibilities of the Committee**

#### ***General Matters***

The Committee shall:

1. Oversee the work and compensation of the independent auditor in connection with the preparation by the independent auditor of its audit report.

2. Review the scope of the independent auditor's audit examination, including their engagement letter, prior to the annual audit. Review and approve the audit fees agreed upon by management. Review and pre-approve any non-audit services to be provided by the independent auditors. The Chairman has the authority to approve any additional audit or permitted non-audit services provided to the Company, provided that the approval of such services is ratified by the entire Committee at the next regularly scheduled Committee meeting. All pre-approved audit and non audited services shall be in accordance with procedures established by the Committee, which shall include reviewing detailed back-up documentation for audit and permitted non-audit services and compliance with independence rules. The Committee may delegate the authority to grant pre-approval to subcommittees consisting of one or more members of the Committee, and such subcommittees must report any pre approval decisions to the Committee at its next scheduled meeting.

3. Approve the retention or replacement of the independent auditors, and provide a written summary of the basis for any recommended change (subject, if applicable, to shareholder ratification). The independent auditor shall report directly to the Committee.

4. To review and approve the internal corporate audit staff functions, including: (i) purpose, authority and organizational reporting lines; (ii) annual audit plan, budget and staffing; and (iii) concurrence in the appointment, compensation and rotation of the internal audit staff.

5. Have the authority, to the extent it deems necessary or appropriate, to retain independent legal, accounting or other advisors. The Company shall provide for appropriate funding, as determined by the 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 Committee.

6. Review and assess the adequacy of this Charter and the Committee's pre-approval procedures at least annually, and recommend any changes to the Board for approval.

### ***Financial Statement and Disclosure Matters***

The Committee shall:

1. Review and discuss with management and the independent auditor the annual audited financial statements, including disclosures made in management's discussion and analysis, and recommend to the Board of Directors whether the audited financial statements should be included in the Company's Form 10-K.

2. Review and discuss with management and the independent auditor the Company's quarterly financial statements prior to the filing of its Form 10-K, including the results of the independent auditor's review of the quarterly financial statements.

3. Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 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.

4. 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, any major issues as to the adequacy of the Company's internal controls and any special steps adopted in light of material control deficiencies.

5. Review and discuss quarterly reports from the independent auditors on: (a) all critical accounting policies and practices to be used; (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and (c) other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.

6. Discuss with management the Company's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies.

7. Discuss with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements, if any.

8. Discuss with management the Company's major risk exposures and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

9. Review disclosures made to the Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-K 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.

10. Review with the outside auditing firm and internal auditing staff the adequacy of the Company's system of internal controls and disclosure controls and

procedures, including computerized information system controls and security, and any related significant findings and recommendations of the outside auditing firm, together with management's responses thereto.

### ***Oversight of the Company's Relationship with the Independent Auditor***

The Committee shall:

1. Review and evaluate the lead partner of the independent auditor team.
2. Obtain and review a report from the independent auditor at least annually regarding (a) the independent auditor's internal quality-control procedures, (b) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years with respect to one or more independent audits carried out by the firm, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditor and the Company. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and the provisions of the permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of management. The Committee shall present its conclusions with respect to the independent auditor to the Board of Directors.
3. Oversee the rotation of the audit partners as required by law.
4. Meet with the independent auditor to discuss the planning and staffing of the audit.

### ***Compliance Oversight Responsibilities***

The Committee shall:

1. Obtain from the independent auditor assurance that Section 10A(b) of the Exchange Act has not been implicated.
2. Obtain reports from management and the independent auditor that the Company and its subsidiaries are in conformity with applicable legal requirements and the Company's Code of Ethics for Financial Management. Advise the Board of Directors with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Ethics for Financial Management.
3. Review on an on-going basis for potential conflicts of interest, and approve if appropriate, all "Related Party Transactions" of the Company. For purposes of this

Charter, "Related Party Transactions" shall mean those transactions required to be disclosed pursuant to SEC Regulation S-KSB, Item 404.

4. 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 the employees of concerns regarding the questionable accounting or auditing matters.

5. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies.

6. Discuss with the Company's outside counsel legal matters that may have a material impact on the financial statements or the Company's compliance policies.

7. Perform an annual evaluation of the Audit Committee.

### **Limitation of Committee's Role**

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 the generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor.