



AUDIT COMMITTEE CHARTER

(As amended April 2007)

The Audit Committee (“the Committee”), of the Board of Directors (“the Board”) of American Bio Medica Corporation (“the Company”), will have the oversight responsibility, authority and specific duties as described below.

COMPOSITION

The Committee will be comprised of three or more directors as determined by the Board each of whom will:

- (i) be independent as defined under Nasdaq Marketplace Rule 4200(a)(15), except as provided in Nasdaq Marketplace Rule 4350(d)(2)(B)(i);
- (ii) meet the criteria for independence set forth in Rule 10A-3(b)(1) under the Exchange Act (subject to the exemptions provided in Rule 10A-3(c);
- (iii) 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 last three years; and
- (iv) be able to read and understand fundamental financial statements, including the Company’s balance sheet, income statement, and cash flow statement.

Of the members of the Committee, one member will be a “financial expert” thereby having past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the member’s financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. One of the members of the Committee will be elected Committee Chair by the Board.

RESPONSIBILITY

The Committee is a part of the Board. The Committee is directly responsible for:

- (a) the appointment, compensation, retention and oversight of the work of the Company’s independent public accounting firm (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 Company, and the Company's independent public accounting firm reports directly to Committee;

(b) assisting the Board in fulfilling its oversight responsibilities with respect to (i) the annual financial information to be provided to shareholders and the Securities and Exchange Commission (SEC); (ii) the system of internal controls that management has established; and (iii) the internal and external audit process.

(c) providing an avenue for communication between the independent auditors, financial management and the Board.

(d) pre-approving all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditors, subject to the de minimus exceptions for non-audit services described in Section 10A of the Exchange Act.

AUTHORITY

The Committee is granted the authority to investigate any matter or activity involving financial accounting and financial reporting, as well as the internal controls of the Company. In that regard, the Committee will have the authority to establish procedures for:

(a) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and

(b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Committee shall also have the authority to engage independent counsel and other advisers, as it determines necessary to carry out its duties. All employees will be directed to cooperate with respect thereto as requested by members of the Committee.

FUNDING

The Company must provide appropriate funding for Audit Committee functions, as determined by the Committee, for payment of:

(a) Compensation to any independent 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;

(b) Compensation to any advisers employed by the Committee; and

(c) Ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

MEETINGS

The Committee is to meet at least four times annually and as many additional times as the Committee deems necessary. The Committee may meet in separate executive sessions and in sessions with the chief financial officer and independent auditors at other times when considered appropriate. These meetings can be held via a telephone conference. The Committee Chair shall keep minutes of each Audit Committee meeting.

ATTENDANCE

Committee members will strive to be present at all meetings. As necessary or desirable, the Committee Chair may request that members of management and representatives of the independent auditors and others deemed necessary be present at Committee meetings.

SPECIFIC DUTIES

In carrying out its oversight responsibilities, the Committee will, to the extent it deems necessary:

1. Review and reassess the adequacy of this charter annually and recommend any proposed changes to the Board for approval. This should be done in compliance with applicable NASD/AMEX Audit Committee Requirements.
2. Review with the Company's management, and independent auditors the Company's accounting and financial reporting controls. Obtain annually in writing from the independent auditors their letter as to the existence of internal control deficiencies, if any.
3. Review with the Company's management and independent auditors significant accounting and reporting principles, practices and procedures applied by the Company in preparing its financial statements. Discuss with the independent auditors their judgments about the quality, not just the acceptability, of the Company's accounting principles used in financial reporting.
4. Review the scope and general extent of the independent auditors' annual audit. The Committee's review should include an explanation from the independent auditors of the factors considered by the accountants in determining the audit scope, including the major risk factors. The independent auditors should confirm to the Committee that no limitations have been placed on the scope or nature of their audit procedures. The Committee will review annually with management the fee arrangement with the independent auditors.

5. Inquire as to the independence of the independent auditors and obtain from the independent auditors, at least annually, a formal written statement delineating all relationships between the independent auditors and the Company as contemplated by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees.
6. Have a predetermined arrangement with the independent auditors that they will advise the Committee through its Chair and management of the Company of any matters identified through procedures followed for interim quarterly financial statements, and that such notification is to be made prior to the related press release or, if not practicable, prior to filing Forms 10-QSB. Also receive a written confirmation provided by the independent auditors at the end of each of the first three quarters of the year that they have nothing to report to the Committee, if that is the case, or the written enumeration of required reporting issues.
7. At the completion of the annual audit, review with management and the independent auditors the following:
 - The annual financial statements and related footnotes and financial information to be included in the Company’s annual report to shareholders and on Form 10-KSB.
 - Results of the audit of the financial statements and the related report thereon and, if applicable, a report on changes during the year in accounting principles and their application.
 - Significant changes to the audit plan, if any, and any serious disputes or difficulties with management encountered during the audit. Inquire about the cooperation received by the independent auditors during their audit, including access to all requested records, data and information. Inquire of the independent auditors whether there have been any disagreements with management, which, if not satisfactorily resolved, would have caused them to issue a nonstandard report on the Company’s financial statements.
 - Other communications as required to be communicated by the independent auditors by Statement of Auditing Standards (SAS) 61 as amended by SAS 90 relating to the conduct of the audit. Further, receive a written communication provided by the independent auditors concerning their judgment about the quality of the Company’s accounting principles, as outlined in SAS 61 as amended by SAS 90, and that they concur with management’s representation concerning audit adjustments.

If deemed appropriate after such review and discussion, recommend to the Board that the financial statements be included in the Company's annual report on Form 10-KSB.

9. After preparation by management and review by independent auditors, approve the report required under SEC rules to be included in the Company's annual proxy statement. The charter is to be published as an appendix to the proxy statement every three years.
10. Discuss with the independent auditors the quality of the Company's financial and accounting personnel. Also, elicit the comments of management regarding the responsiveness of the independent auditors to the Company's needs.
11. Meet with management and the independent auditors to discuss any relevant significant recommendations that the independent auditors may have, particularly those characterized as 'material' or 'serious'. Typically, such recommendations will be presented by the independent auditors in the form of a Letter of Comments and Recommendations to the Committee. The Committee should review responses of management to the Letter of Comments and Recommendations from the independent auditors and receive follow-up reports on action taken concerning the aforementioned recommendations.
12. Review with management and the independent auditors the methods used to establish and monitor the Company's policies with respect to unethical or illegal activities by Company employees that may have a material impact on the financial statements.
13. Generally, as part of the review of the annual financial statements, receive an oral report(s), at least annually, from the Company's general counsel concerning legal and regulatory matters that may have a material impact on the financial statements.
14. As the Committee may deem appropriate, obtain, weigh and consider expert advice as to Audit Committee related rules of the NASD/AMEX, Statements on Auditing Standards and other accounting, legal and regulatory provisions.