

**CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS
OF SPARTA, INC.**

Mission

The Audit Committee of the Board of Directors of SPARTA, Inc. (the “Company”) shall assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal controls, the internal and external audit processes, and the process for monitoring compliance with the Company’s code of conduct and with applicable laws and regulations. In doing so, it is the responsibility of the Audit Committee to maintain free and open means of communication between the directors, the independent auditors, the internal auditors, and the financial management of the Company.

Membership

The Audit Committee shall comprise a minimum of three (3) directors. Each member of the Audit Committee shall be independent of the Company and management, as such term is defined in Rule 4200(a)(14) of the National Association of Securities Dealers (NASD). Accordingly, no member of the Audit Committee may receive, directly or indirectly, any consulting, advisory, or other compensation from the Company or any of its subsidiaries (other than compensation for services performed in his or her capacity as a member of the Board of Directors, the Audit Committee, or any other board committee). Each member of the Audit Committee will be financially literate with respect to the affairs of the Company (as such qualification is interpreted by the Board of Directors in its business judgment), or must become financially literate within a reasonable period of time after his or her appointment to the Audit Committee. At least one member of the Audit Committee shall be an “audit committee financial expert,” as defined by applicable Securities and Exchange Commission (SEC) rules and regulations.

Members of the Audit Committee, including its Chairperson, shall be elected by the Board of Directors, and shall serve at the pleasure of the Board of Directors.

Meetings

The Audit Committee will have a minimum of three (3) regularly scheduled meetings each year, with authority to convene additional meetings as circumstances require. The Audit Committee will invite members of management, the Company’s independent auditors, or others to attend meetings and provide pertinent information, as necessary to accomplish its objectives. The Chairperson shall be responsible for leadership of the Audit Committee, for preparing meeting agendas, and for reporting to the Board of Directors on the Audit Committee’s activities.

At the Chairperson’s discretion, an Audit Committee meeting may be held jointly with the full Board of Directors, provided that, during private discussions with the independent auditors, the internal audit department representative or special counsel, the Chairperson shall excuse members of the Board of Directors who are also members of management of the Company. Additionally, at the Chairperson’s discretion, meetings may be conducted via telephonic conference call. The Audit Committee may also act by unanimous written consent in lieu of a meeting.

Responsibilities

The Audit Committee's primary duties and responsibilities are to provide oversight of:

- ❑ The Company's relationship with its independent auditors.
- ❑ Management's maintenance of the reliability and integrity of the accounting policies and financial reporting and disclosure practices of the Company.
- ❑ Management's establishment and maintenance of processes to assure that the Company has an adequate and functioning system of internal control, including "internal controls over financial reporting" and "disclosure controls and procedures" (as such terms are defined by applicable SEC rules and regulations).
- ❑ Management's establishment and maintenance of processes to assure the Company's compliance with all applicable laws, regulations and corporate policy.

Management is responsible for the preparation, presentation, and integrity of the Company's financial statements, for the appropriateness of the accounting principles and reporting policies that are used by the Company, and for the establishment, maintenance, and assessment of the effectiveness of the Company's internal controls over financial reporting. The Company's independent auditors are responsible for auditing the Company's financial statements, for reviewing the Company's unaudited interim financial information, and for attesting to management's assessment of the design and effectiveness of the Company's internal controls over financial reporting. The authority and responsibilities set forth in this Audit Committee Charter do not reflect or create any duty or obligation of the Audit Committee to plan or conduct any audit, to determine or certify that the Company's financial statements are complete, accurate, fairly presented, or in accordance with generally accepted accounting principles (GAAP) or applicable law, or to guarantee the independent auditors' reports.

In order to discharge the responsibilities of the Audit Committee, it is anticipated that the Audit Committee's activities will include the following functions. In carrying out its responsibilities, however, the procedures and policies of the Audit Committee should remain flexible, in order to best react to changing conditions. Accordingly, the functions listed below are set forth as a guide, with the understanding that the Audit Committee may, at its discretion, deviate from this guide as deemed appropriate.

Financial Statements

- ❑ Review with management and the independent auditors the significant accounting and reporting issues, the nature of critical accounting policies, the accounting for complex or unusual transactions, and matters requiring a significant degree of estimation or judgment.
- ❑ Review with management and the independent auditors the impact of recent professional and regulatory pronouncements on the Company's financial statements, and the impact of any newly adopted or proposed changes in accounting principles.
- ❑ Review with management and the independent auditors the annual financial statements and Annual Report on Form 10-K, to determine whether they are complete and consistent with information known to the Audit Committee members, and the status of the audit conducted by the independent auditors. Based on such review, the Audit Committee shall determine whether to recommend to the

Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K.

- Review with management and the independent auditors the interim financial statements and the results of the independent auditors' review of those statements.

Independent Auditors

- Appoint, evaluate, retain, and, when necessary, terminate the engagement of the independent auditors. The Audit Committee may, in its discretion, seek stockholder ratification of the appointment of the independent auditors.
- Ensure the objectivity, competence and independence of the independent auditors. In connection with this function, the Audit Committee should:
 - Obtain from the independent auditors an annual statement regarding their independence, including the disclosures required by Independence Standards Board Standard No. 1, in accordance with professional and regulatory standards governing such independence.
 - Ensure that the independent auditors do not render non-audit services that are prohibited by SEC rules and regulations, and consider whether permissible non-audit services provided by the independent auditors are compatible with maintaining independence.
 - Consider reviewing the professional qualifications of the key partners and managers assigned to the audit engagement.
 - Consider reviewing the quality control procedures established by the independent auditors, and obtaining a report describing significant issues raised during the most recent quality control review of the independent auditors.
- Establish the compensation of the independent auditors, and cause the Company to pay the fees of the independent auditors as established by the Audit Committee.
- Pre-approve all services to be rendered to the Company by the independent auditors, provided, however, that de minimis non-audit services may be approved in accordance with applicable SEC rules and regulations.
- In connection with the annual audit of the Company's financial statements, meet with management and the independent auditors to review the planned audit scope and to review matters related to the conduct of the audit that are required to be communicated to the Audit Committee under generally accepted auditing standards.
- Directly oversee the work of the independent auditors, including resolution of disagreements between management and the independent auditors regarding financial reporting. In connection with its oversight role, the Audit Committee shall, from time to time as appropriate:
 - Receive and consider the reports required to be made by the independent accountant regarding (1) critical accounting policies and practices; (2) alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with management, including the ramifications of the use of such alternative disclosures and

treatments, and the treatment preferred by the independent accountant, and (3) other material written communications between the independent accountant and management.

- ❑ Review with the independent auditors (1) any audit problems or difficulties the independent auditors encountered in the course of the audit work and management's response, including any restrictions on the scope of the independent auditors' activities or on access to requested information and any significant disagreements with management, (2) major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies, (3) analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements, (4) the effect of regulatory and accounting initiatives on the Company's financial statements, (5) any accounting adjustments that were noted or proposed by the auditor but were "passed" (as immaterial or otherwise), and (6) significant consultations with the independent auditors' national office on matters that otherwise are required to be disclosed to the audit committee.
- ❑ Periodically (but in no event less than annually), meet separately with the independent auditors to discuss any matters that the Audit Committee or the independent auditors believe should be discussed privately.
- ❑ Ensure that the independent auditors rotate the lead audit partner and reviewing audit partner responsible for the Company's audit at least once each five years, in accordance with the applicable SEC rules and regulations.

Internal Audit

- ❑ Review with management and with the internal audit department representative the proposed internal audit plans and activities, staffing and organizational structure of the internal audit function (including the independence and authority of the internal audit department).
- ❑ Ensure that there are no unjustified restrictions or limitations on the scope of the internal audit function, and review and concur in the appointment, replacement, reassignment or dismissal of internal auditors.
- ❑ Review with management and with the internal audit department representative summaries of findings from completed internal audits and the status of major audits in process.
- ❑ Meet separately with the internal audit department representative to discuss any matters that the Audit Committee or the internal audit department believes should be discussed privately.

Internal Controls and Risk Management

- ❑ Coordinate the Board of Directors' oversight of the Company's internal controls over financial reporting, the Company's disclosure controls and procedures, and the Company's code of conduct. The Audit Committee shall receive and review the reports of the CEO and CFO required by Section 302 of the Sarbanes-Oxley Act of 2002 and the applicable rules thereunder) and Rule 13a-14 of the Exchange Act.
- ❑ Review with management the Company's policies with respect to risk assessment and risk management, including guidelines and policies to govern the process by which the Company's

exposure to risk is handled. The Audit Committee shall discuss with management the Company's major risk exposures and the steps management has taken to monitor and mitigate such exposures.

- ❑ Consider the effectiveness of the Company's internal control structure, including information technology security and control.
- ❑ Review the scope of the review of internal controls conducted during internal and external audits (including audits conducted by regulatory agencies), and review significant findings and recommendations for the improvement of such controls.
- ❑ Review the Company's disaster recovery and reconstitution and enterprise risk management plans.

Compliance

- ❑ Review the effectiveness of the Company's system for monitoring compliance with laws and regulations, and the results of management's investigation and follow-up (including disciplinary action) of instances of non-compliance.
- ❑ Review the findings of significant regulatory agency examinations.
- ❑ Review the process for communicating the Company's code of conduct to employees and for monitoring compliance with such code of conduct.

Other Responsibilities

- ❑ In connection with the quarterly calculation of the price of the Company's common stock, discuss with management the significant factors affecting the stock price for the quarter and pre-approve publication of the stock price.
- ❑ Regularly report to the full Board of Directors about Audit Committee activities, issues, and recommendations.
- ❑ Report annually in the Company's Proxy Statement to shareholders regarding the Audit Committee's composition, its responsibilities and how they were discharged, and any other information the Audit Committee is required to report pursuant to regulatory obligations.
- ❑ Establish procedures for the receipt, retention and treatment of (1) complaints received by the Company regarding accounting, internal controls, or auditing matters, and (2) the confidential, anonymous submission by the Company's employees of concerns regarding questionable accounting or auditing matters and disclosure issues.
- ❑ Engage independent legal, accounting or other advisors as it deems necessary or appropriate to carry out its responsibilities. Such independent advisors may be the regular advisors to the Company. The Audit Committee shall cause the Company to pay the compensation of such advisors, as established by the Audit Committee.
- ❑ If necessary, conduct or authorize special investigations into any matters within the scope of the Audit Committee's responsibilities. The Audit Committee may, at its discretion, retain special counsel or experts to assist with such investigations. The Audit Committee shall have the authority to request any officer, employee or advisor of the Company to meet with the Audit Committee or any advisors engaged by the Audit Committee.