

ALFACELL CORPORATION AUDIT COMMITTEE CHARTER

The Audit Committee (the “Committee”) is appointed by and generally acts on behalf of the Board of Directors (the “Board”) to assist the Board in monitoring (1) the integrity of the financial statements of Alfacell Corporation (the “Company”), (2) the compliance by the Company with ethical policies and legal and regulatory requirements, (3) the appointment, compensation, qualifications, independence and performance of the Company’s internal and external auditors, (4) the performance of the Company’s internal audit function and (5) the financial reporting process and systems of internal accounting and Internal Controls.

The Audit Committee shall be comprised of at least three directors, each of whom shall meet the independence requirements of the Nasdaq National Market and Section 10A(m)(3) of the Securities Exchange Act of 1934 (the “Exchange Act”), as amended, and each of whom shall not have participated in the preparation of the financial statements of the Company at any time during the past three years.

Under current Nasdaq rules, all directors on the Audit Committee must meet certain financial literacy requirements, and at least one member must have increased financial sophistication. A director who qualifies as an audit committee financial expert under Item 401(h) of Regulation S-K of the Exchange Act is presumed to qualify as having increased financial sophistication. The Company will diligently work to attempt to ensure that the Committee meets these experience requirements at soon as reasonably possible.

The Audit Committee shall have the authority to retain and obtain funding for special legal, accounting or other consultants to advise the Committee. The Audit Committee may request any officer or employee of the Company or the Company’s outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. Audit Committee members receive no compensation other than for Board or Committee services.

The Audit Committee shall make regular reports to the Board.

The Audit Committee shall:

1. Review 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;
2. Review with management and the independent auditor the Company’s quarterly financial statements prior to the filing of the Company’s Form 10-Q, including the results of the independent auditor’s reviews of the quarterly financial statements;
3. Recommend to the Board the appointment of the independent auditor, which firm is ultimately accountable to the Audit Committee and the Board;

4. Review the experience and qualifications of the senior members of the independent auditor team and the quality control procedures of the independent auditor. Review the experience and qualifications of the Company's senior finance executives;
5. Approve the fees to be paid to the independent auditor;
6. Evaluate together with the Board the performance of the independent auditor and, whether it is appropriate to rotate independent auditors on a regular basis. If so determined by the Audit Committee, recommend that the Board replace the independent auditor;
7. Recommend to the Board guidelines for the Company's hiring of employees of the independent auditor who were engaged on the Company's account;
8. Obtain from the independent auditor assurance that Section 10A of the Private Securities Litigation Reform Act of 1995 has not been implicated;
9. Pre-approve all audit services to be provided by the independent auditor;
10. Pre-approve all permitted non-audit services to be performed by the independent auditor and establish policies and procedures for the engagement of the independent auditor to provide permitted non-audit services. Current guidelines are set forth on Exhibit A attached to this Charter;
11. Review and reassess the adequacy of this Charter and the independence of the independent auditor annually and recommend any proposed changes to the Board for approval;
12. Receive periodic reports from the independent auditor regarding the auditor's independence consistent with Independence Standards Board Standard 1, discuss such reports with the auditor, and if so determined by the Audit Committee, take or recommend that the full Board take appropriate action to oversee the independence of the auditor;
13. Review the annual audited financial statements and quarterly financial statements with management, including major issues regarding accounting and auditing principles and practices as well as the adequacy of internal controls that could significantly affect the Company's financial statements;
14. Review an analysis prepared by management and the independent auditor of significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements;

15. Meet periodically with management to review the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures;
16. Review major changes to the Company's auditing and accounting principles and practices as suggested by the independent auditor, internal auditors or management;
17. Review the appointment and replacement of the senior internal auditing executive;
18. Review the significant reports to management prepared by the internal auditing department and management's responses;
19. Meet with the independent auditor prior to the audit to review the planning and staffing of the audit;
20. 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;
21. Review with the independent auditor any problems or difficulties the auditor may have encountered and any management letter provided by the auditor and the Company's response to that letter. Such review should include:
 - (a) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information;
 - (b) Any changes required in the planned scope of the internal audit; and
 - (c) The internal audit department responsibilities, budget and staffing.
22. Prepare the report required by the rules of the Securities and Exchange Commission to be included in the Company's annual proxy statement;
23. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics;
24. Meet at least annually with the chief financial officer, the senior internal auditing executive and the independent auditor in separate executive sessions;
25. Review all related-party transactions for potential conflict of interest situations and approve such related-party transactions;
26. Establish policies for the hiring of employees and former employees of the independent auditor; and

27. Establish procedures for the confidential and anonymous receipt, retention and treatment of complaints regarding the Company's accounting, internal accounting controls and auditing matters.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditor. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditor or to assure compliance with laws and regulations and the Company's Code of Business Conduct and Ethics. Any responsibilities that the Audit Committee has the power to act upon, may be recommended to the Board to act upon.

Guidelines for the Retention of the Independent Auditor for Non-Audit Services

Allowable Non-Audit Services

- Foreign statutory audits
- 11K and ERISA audits
- Carve-out audits in connection with divestitures
- Tax compliance including preparation and filing returns
- Tax counseling
- Due diligence assistance in connection with M&A transactions
- Providing “comfort letters” in connection with securities offerings
- Litigation support involving disputes related to financial statements audited by the independent auditor

Unallowable Non-Audit Services

- Information Technology consulting services
- Human Resources consulting services
- Management consulting services
- Valuation services
- M&A transaction structuring services