

As of: August 20, 2009

AUDIT COMMITTEE CHARTER

Books-A-Million, Inc. & Subsidiaries

This Audit Committee Charter was adopted by the Board of Directors (the “Board”) of Books-A-Million, Inc. (the “Company”) and last updated on August 20, 2009.

Purpose

The Audit Committee (the “Committee”) is a committee of the Board of Directors. The purpose of the Committee is to oversee the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company, including, without limitation, reviewing:

- the financial information provided to the shareholders and others.
- the systems of internal controls, which management and the Board of Directors have established.
- the independent auditor’s qualifications, independence and processes.
- the Director of Internal Audit’s qualifications and the Internal Audit Department’s activities.

In doing so, it is the responsibility of the Committee to provide an open avenue of communication between the Board of Directors, management, internal audit and the independent accountants.

The Committee’s responsibility is limited to oversight. Although the Committee has the responsibilities set forth in this Charter, it is not the responsibility of the Committee to plan or conduct audits or to determine that the Company’s financial statements and disclosure are complete and accurate and are in accordance with generally accepted accounting principles and applicable laws, rules and regulations. These are the responsibilities of management, the internal auditor and the independent auditor.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company’s bylaws and applicable law.

Organization

- The Committee shall be appointed by the Board of Directors, upon recommendation of the Nominating and Corporate Governance

Committee of the Board, and may be removed by the Board, with or without cause.

- The Committee shall consist of at least three members.
- Each member of the Committee shall satisfy the independence requirements of the NASDAQ Stock Market, Inc. and Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended (the "Exchange Act").
- Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement, cash flow statement, and statement of changes in shareholder's equity.
- At least one member of the Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. In addition, at least one member of the Committee shall be an "audit committee financial expert" as defined by the Securities and Exchange Commission ("SEC") or the Company shall disclose in its periodic reports required pursuant to the Exchange Act the reasons why at least one member of the Committee is not an "audit committee financial expert."
- The Board shall appoint one of the members of the Committee as Chairperson. The Committee shall have the authority to establish its own rules and procedures for notice and conduct so long as they are not inconsistent with any provisions of the Company's bylaws. It is the responsibility of the Chairperson to schedule all meetings of the Committee and to provide the Committee with the written agenda.

General

- The Committee shall meet at least once during each fiscal quarter or more frequently as the Committee shall deem necessary or desirable.
- The Committee shall meet from time to time as necessary (but, in any event, at least annually) with the independent auditors, internal audit and management in separate sessions to discuss any matters that the Committee deems appropriate.
- The Committee shall have the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall have unrestricted access to members of management and relevant information.
- The Committee shall have the power to retain any independent counsel, experts or advisors (accounting, financial or otherwise) that the Committee believes to be necessary or appropriate. The Company shall provide 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 or performing other audit, review or attest services, for payment of compensation to any advisors employed or retained by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

- The Committee shall report to the Board regarding the activities of the Committee at appropriate times and as otherwise requested by the Chairperson of the Board.
- The Committee shall provide the Company with the report of the Committee required by Item 407(d)(3) of Regulation S-K for inclusion in each of the Company's annual proxy statements.
- The Committee shall establish procedures for the receipt, retention, evaluation, and treatment of complaints received by the Company regarding accounting, internal auditing, internal controls over financial reporting or auditing matters and procedures for the confidential and anonymous submission by employees regarding questionable accounting or auditing matters.
- The Committee shall review and reassess this Charter annually and submit any recommended changes to the Board for its consideration.
- Each Audit Committee member shall review this Charter annually and sign a statement of acknowledgement indicating they understand and agree with the responsibilities stated in the Charter.
- The Committee shall evaluate its own performance on an annual basis, including its compliance with this Charter, and provide any written material with respect to such evaluation to the Board.

Internal Controls and Risk Assessment

- The Committee shall discuss with management the Company's annual risk assessment process, including fraud assessment and prevention, and the impact on the Company's internal control over financial reporting.
- The Committee shall review and approve management's assessment plan for evaluating internal control over financial reporting.
- The Committee shall approve third-parties retained to document and test internal control over financial reporting.
- The Committee shall evaluate the qualifications of individuals overseeing management's process of evaluating internal control over financial reporting.
- The Committee shall consider and review with management, internal audit and the independent auditors:
 - The effectiveness of or weaknesses in the Company's internal control over financial reporting.
 - Any analysis prepared by management, internal audit, or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the Company's financial statements, together with management's responses

including the timetable for implementation of recommendations to correct weaknesses in the internal control over financial reporting.

- Major issues regarding accounting principles and financial statement presentations.
- The effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements.
- The Committee shall instruct the independent auditor to communicate directly to the Committee any serious difficulties or disputes with management.

Internal Audit Function

- The Committee shall approve the appointment and replacement of the Director of Internal Audit. The Director of Internal Audit reports directly to the Audit Committee.
- The Committee shall empower the Director of Internal Audit to perform his or her duties without restriction.
- The Committee shall review and approve all changes to the Internal Audit Charter and the Internal Audit Policies and Procedures.
- The Committee shall evaluate the internal process for establishing the annual internal audit plan and the focus on risk.
- The Committee shall evaluate each year the scope of the internal audit plan and the role of internal audit.
- The Committee shall conduct an annual evaluation of the internal audit function.
- The Committee shall consider and review with internal audit:
 - Any significant reports to management prepared by internal audit and management's response, including the timetable for implementation to correct weaknesses.
 - Any difficulties encountered in the course of their audit such as restrictions on the scope of their work or access to information.
 - Any changes required in the planned scope of their audit plan.
 - The internal audit budget.
- The Chairperson of the Audit Committee shall meet independently with internal audit on a quarterly basis to discuss current audit activities, management remediation of audit findings, and all other relevant issues.

Financial Reporting

- The Committee shall review with management and the independent auditor at the completion of the annual examination:
 - The Company's annual financial statements and related footnotes, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations."

- Any significant changes required in the independent auditor's audit plan.
- The quality of the Company's accounting principles.
- Other matters related to conduct, which should be communicated to the Committee under generally accepted auditing standards.
- The Committee shall advise the Board and management, based upon its review and evaluation, whether anything has come to the Committee's attention that causes it to believe that the audited financial statements included or proposed to be included in the Company's Form 10-K contain an untrue statement of a material fact or omit to state a material fact.
- The Committee shall discuss with the independent auditor its report regarding all critical accounting policies and practices, all alternative treatments within GAAP (including the ramifications of such use and the independent auditor's preferred treatment) and all material written communications between the independent auditors and management.
- The Committee shall discuss with the independent auditor any problems or difficulties the independent auditor may have encountered during the course of the audit work, including any restrictions on the scope of activities or access to information or any significant disagreements with management and management's responses to such matters. If any problems are noted, the Committee shall obtain from the independent auditor assurances that the auditor did not detect or otherwise become aware of information indicating that an illegal act has or may have occurred. The 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.
- The Committee shall review and discuss with management the interim financial statements on a quarterly basis, including the Company's quarterly Form 10-Q filings and the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operation."

External Auditor

- The Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditor for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company. The independent auditor shall report directly to the Committee.
- The Committee shall conduct an annual evaluation of the independent auditor.
- The Committee shall discuss with the independent auditor the scope of the annual audit, the procedures to be followed and the staffing of the audit.
- The Committee shall assess the external auditor's process for identifying and responding to key audit and internal control risks.

- The Committee shall pre-approve all audit and non-audit services performed by the independent auditor. Committee pre-approval of audit and non-audit services shall not be required if the engagement for the services is entered into pursuant to pre-approval policies and procedures established by the Committee.
- The Committee shall establish pre-approval policies and procedures regarding the Company's engagement of the independent auditor, provided the policies and procedures are detailed as to the particular service, the policies and procedures provide that the Committee is informed of each service provided and such policies and procedures do not include delegation of the Committee's responsibilities under the Exchange Act to the Company's management.
- The Committee shall, at least annually, review the independence of the independent auditor. In conducting its review, the Committee shall obtain and review a written statement from the Company's independent auditors setting forth all relationships between the independent auditors and the Company consistent with PCAOB Rule 3526, "Communications with Audit Committees Concerning Independence," discuss with the independent auditors such relationships and its independence and take such actions to satisfy itself of the independent auditors' independence.
- The Committee shall discuss with the independent auditors the matters required by Statement on Auditing Standards No. 61, as then in effect.
- The Committee shall confirm with the independent auditor its compliance with the partner rotation requirements established by the SEC.

Compliance with Codes of Ethical Conduct

- The Committee shall review and evaluate the Company's code of conduct and its impact on internal control over financial reporting.

Related Party Transactions

- The Committee shall review and approve related party transactions that are required to be disclosed pursuant to Item 404 of Regulation S-K.