

ROCKY SHOES & BOOTS, INC.

AMENDED AND RESTATED AUDIT COMMITTEE CHARTER

As amended on March 4, 2004
To be effective as of May 11, 2004

Purpose

The purpose of the Audit Committee (the “Committee”) of the Board of Directors of Rocky Shoes & Boots, Inc. (the “Company”) is to oversee the accounting and financial reporting processes and the audits of the financial statements of the Company.

Responsibilities

In its capacity as a committee of the Board, the Committee will be directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged, 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 each such registered public accounting firm must report directly to the Committee.

The Committee shall pre-approve all auditing services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor or other registered public accounting firm, subject to the *de minimus* exceptions for non-audit services described in Section 10A(i)(1)(B) of the Securities Exchange Act of 1934 (the “Exchange Act”) that are approved by the Audit Committee prior to completion of the audit.

The Committee is also appointed by the Board to assist the Board in, among other things:

1. monitoring the integrity of the financial statements of the Company;
2. requiring that the independent auditor submits on a periodic basis, but at least annually, to the Committee a formal written statement delineating all relationships between the auditor and the Company, consistent with Independence Standards Board Standard 1, and actively engaging in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor and for taking, or recommending that the Board take, appropriate action to oversee the independence of the auditor;

3. establishing procedures for:
 - a. the receipt, retention, and treatment of complaints by the listed issuer regarding accounting, internal accounting controls, or auditing matters, and
 - b. the confidential, anonymous submission by employees of the listed issuer of concerns regarding questionable accounting or auditing matters;
4. making such reports as are required by the Securities and Exchange Commission (the “SEC”);
5. reviewing and approving all related party transactions; and
6. reviewing and assessing the adequacy of this charter, at least annually.

Composition

The Audit Committee shall consist of at least three Directors, each of whom must:

1. be independent under Rule 4200(a)(15);
2. meet the criteria for independence set forth in Section 10A(m)(3) of the Exchange Act and the Rule 10A-3(b)(1) promulgated thereunder;
3. not have participated in the preparation of the financial statements of the Company or any subsidiary of the Company at any time during the past three years; and
4. be able to read and understand financial statements, including a company’s balance sheet, income statement, and cash flow statement.

The members of the Committee shall be appointed by the Board on the recommendation of the Nominating and Corporate Governance Committee and shall serve until their successors are appointed and qualified. Committee members may be replaced by the Board. If a Committee Chair is not designated or present, the members of the Committee may designate a Chair by a majority vote of the Committee membership. At least one member of the Audit Committee must 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 must be a financial expert as defined by Regulation S-K, Item 401(h)(2).

The Committee may form and delegate authority to subcommittees consisting of one or more members of the Committee when appropriate, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittees to grant pre-approvals shall be presented to the full Committee at its next scheduled meeting.

Meetings

The Committee shall meet four times per year or more frequently as circumstances require. The Committee may require any officer or employee of the Company or the Company's inside or outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Committee shall keep written minutes of its meetings (which may, if needed to protect privilege, be confidential), and make regular reports to the Board. The Committee may not, however, knowingly cause the Company's counsel to make any disclosure in a manner that would cause a loss of the attorney-client privilege or a waiver of the work product doctrine.

Authority

The Committee shall have all authority necessary to carry out its responsibilities, function, and processes under this charter. The Committee shall also have the authority to engage independent counsel and other advisers, as it determines necessary to carry out its duties.

The Company will provide appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for payment of:

1. compensation to any registered 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;
2. compensation to any advisers employed by the Committee pursuant to authority granted by this charter; and
3. ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Processes and Functions

In fulfilling its responsibilities and in the exercise of its authority, the Committee shall also:

Quarterly

1. Review with management and the independent auditor the financial statement review completed by the independent auditor prior to the release of quarterly earnings.
2. Review and discuss with management and the independent auditor the Company's quarterly financial statements prior to the filing of its Quarterly Report on Form 10-Q with the SEC, including issues concerning significant adjustments, management judgments and accounting estimates, significant new accounting policies and disagreements with management.
3. Meet with management to review the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
4. Review disclosures made to the Committee by the Company's Chief Executive Officer and Chief Financial Officer during their certification process for the Form 10-K and Form 10-Q 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 control.

Annually

1. Review and discuss the Company's annual audited financial statements with management and the independent auditor, including disclosures made in Management's Discussion and Analysis of Financial Condition and Results of Operations, and approve or recommend to the Board for approval whether the audited financial statements should be included in the Company's Annual Report on Form 10-K.
2. 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 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.
3. Discuss with the independent auditor the matters required to be discussed pursuant to Statement on Auditing Standards No. 61, *Communications With Audit Committees*, as amended ("SAS 61"), relating to the conduct of the audit.

4. Review and discuss reports from the independent auditors submitted to the Committee under Section 10A(k) of the Exchange Act, which reports shall include:
 - 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 officials of the issuer, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the registered public accounting firm; and
 - c. other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
5. Prepare and review the Audit Committee Report, for inclusion in the Company's annual proxy statement. The Audit Committee Report shall state whether the Audit Committee has:
 - a. reviewed and discussed the audited consolidated financial statements with management;
 - b. discussed with the independent auditor the matters required to be discussed by SAS 61, as amended;
 - c. received the written disclosures and statement from the independent auditor required by Independence Standards Board Standard 1, as amended, and has discussed with the auditor the independence of the auditor; and
 - d. recommended to the Board of Directors, based on the Committee's review and discussion of items a. through c. above, that the Company's consolidated financial statements be included in the Annual Report on Form 10-K for the last fiscal year for filing with the SEC.
6. Provide the Board with such individual information and assurances as are reasonably necessary to assure that each member is an independent director.
7. Review with the Company's inside general counsel (if applicable) and principal outside counsel those legal matters that may have a material impact on the financial statements, the Company's compliance policies and any material reports or inquiries received from regulators or governmental agencies.

8. Meet with the independent auditor and management of the Company prior to the conduct of the annual financial statement audit to review the planning and staffing of the audit.
9. Review with the outside auditor any problems or difficulties the auditor may have encountered during the course of the audit. 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 any audit; and
 - c. an assessment of the accounting function, including the internal audit department, if one exists, and its and their responsibilities, budget and staffing.
10. Review any management letter provided by the outside auditor, and the Company's response to that letter.
11. Establish policies for the Company's hiring of employees or former employees of the independent auditor who participated in any capacity in the audit of the Company.
12. Review major changes to the Company's auditing and accounting principles and practices as suggested by the independent auditor, internal auditors or management.
13. Obtain from the independent auditor assurances that Section 10A(b) of the Exchange Act has not been implicated.
14. Review such other matters in relation to the financial affairs of the Company and its internal and external audits as the Board of Directors or the Committee considers appropriate.
15. Meet at least annually with the chief financial officer, any senior internal auditing executive, and the outside auditor in separate executive sessions.
16. Review and reassess the adequacy of this Committee's charter on an annual basis and recommend proposed changes to the Board of Directors for approval.

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.