

As of: August 21, 2008

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 March 29, 2007.

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 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.

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.

Organization

- The Committee shall be appointed by the Board of Directors, upon recommendation of the Nominating 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 of the members of the Committee shall be independent. The independence of a director is defined by the requirements of the NASDAQ Stock Market, Inc. and the Securities and Exchange Commission ("SEC").
- Each member of the Committee must be able to read and understand 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 SEC (however, the lack of any such member shall not invalidate or otherwise affect the actions taken by the Committee).

- 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.

In meeting its responsibilities, the Committee shall:

General

- 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.
- Have the power to retain independent counsel, experts and advisors the Committee believes 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 person employed or retained by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
- Meet four times per year or more frequently as circumstances require.
- Report Committee actions to the Board of Directors with recommendations, as the Committee may deem appropriate.
- Review and update the Committee’s formal charter annually as well as file the charter with the annual proxy statement as required.
- Meet from time to time as necessary (but, in any event, at least annually) with the independent accountants, internal audit and management in separate sessions to discuss any matters that the Committee believes should be discussed privately with the Committee.
- The Chair of the Audit Committee will meet independently with Internal Audit on a quarterly basis to discuss current audit activities, management remediation of audit findings, and all other relevant issues.
- Provide the Company with the report of the Committee required by Item 306 of Regulation S-K for inclusion in each of the Company’s annual proxy statements.
- Recommend to the Board of Directors that the audited financial statements be included in the Company’s Annual Report on Form 10-K.
- All Audit Committee members will review the Audit Committee Charter annually and sign a statement of acknowledgement indicating they understand and agree with the responsibilities stated in the Charter.
- All Audit Committee members will complete an annual self-evaluation.

Internal Controls and Risk Assessment

- Review and evaluate the effectiveness of the Company's annual risk assessment process, including fraud assessment and prevention, and the impact on the Company's internal control over financial reporting.
- Review and approve management's assessment plan for evaluating internal control over financial reporting.
- Approve third-parties retained to document and test internal control over financial reporting.
- Evaluate qualifications of individuals overseeing management's process of evaluating internal control over financial reporting.
- Consider and review with Management, internal audit and the independent accountants:
 - 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 accounting initiatives, as well as off-balance sheet structures.
- Instruct the independent accountants to communicate directly to the Committee any serious difficulties or disputes with Management. The independent accountant is ultimately responsible to the Board of Directors and Audit Committee of the Company.

Internal Audit Function

- Approve the appointment and replacement of the Director of Internal Audit. The Director of Internal Audit reports directly to the Audit Committee.
- Empower the Director of Internal Audit to perform duties without restriction.
- Review and approve all changes to the Internal Audit Charter and the Internal Audit Policies and Procedures.
- Evaluate the internal process for establishing the annual internal audit plan and the focus on risk.
- Evaluate each year the scope of the internal audit plan and the role of internal audit.
- Conduct an annual evaluation of the Internal Audit function
- Consider and review with Management:
 - Significant findings 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.

- 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.

Financial Reporting

- 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.
- Review with Management and the independent accountants at the completion of the annual examination:
 - The Company's annual financial statements and related footnotes.
 - The independent accountant's audit of the financial statements and their report.
 - Any significant changes required in the independent accountant's audit plan.
 - Any difficulties or disputes with Management encountered during the audit.
 - 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.
- Discuss with independent auditors 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 Chair of the Audit Committee and the Committee Financial Expert will review with Management interim financial statements on a quarterly basis, including the Company's quarterly Form 10-Q filings. The Committee Financial Expert will report his opinion regarding the financial statements to the entire Board of Directors.

External Auditor

- Direct 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.
- Conduct an annual evaluation of the independent auditors.
- Review the scope and approach of the annual audit with the independent accountants.
- Assess the external auditor's process for identifying and responding to key audit and internal control risks.
- Pre-approve all audit and non-audit services performed by the independent auditors.

- 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 Securities and Exchange Act to the Company's management.
- Receive, at least annually, a written statement from the Company's independent auditors setting forth all relationships between the independent auditors and the Company consistent with Independence Standards Board Standard No. 1, discuss with the independent auditors such relationships and its independence and take such actions to satisfy itself of the independent auditors' independence.
- Discuss with the independent auditors the matters required by Statement on Accounting Standards No. 61.
- Confirm with the independent auditors its compliance with the partner rotation requirements established by the SEC.

Compliance with Codes of Ethical Conduct

- Review and evaluate, the Company's code of conduct and its impact on internal control over financial reporting.

Related Party Transactions

- Review and approve related party transactions that are required to be disclosed on Form 10-K, pursuant Regulation S-K.

While the Committee has the responsibilities and the powers set forth in this Charter, it is not the duty of the 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 accountants.