

**LIBERTY ALL-STAR EQUITY FUND
LIBERTY ALL-STAR GROWTH FUND, INC.**

**Audit Committee Charter
As revised February 18, 2010**

I. PURPOSE

This Charter has been adopted by the Audit Committee of the Board of Directors/ Trustees (the "Board") of each investment company named above (each, a "Fund"). The primary function of the Audit Committee is to assist the Board in fulfilling certain of its responsibilities. This Charter sets forth the duties and responsibilities of the Audit Committee.

The Audit Committee serves as an independent and objective party to monitor the Fund's accounting policies, financial reporting and internal control over financial reporting, and the work of the Fund's independent registered public accountants. The Audit Committee also serves to provide an open avenue of communication among the independent registered public accountants, the internal accounting staff of the Fund's investment adviser (the "Adviser") and the Board.

- Management has the primary responsibility to establish and maintain systems for accounting, reporting and internal control over financial reporting, which functions may be delegated to an accounting service agent, provided management provides adequate oversight.
- The independent registered public accountants have the primary responsibility to plan and implement proper audits, with proper consideration given to internal controls, of the Fund's accounting and reporting practices.

The Audit Committee shall assist Board oversight of (1) the integrity of the Fund's financial statements, (2) the Fund's compliance with legal and regulatory requirements, (3) the independent registered public accountants' qualifications and independence, and (4) the performance of the Adviser's internal audit function and independent registered public accountants. The Audit Committee shall be responsible for the preparation of an Audit Committee Report as required by the Securities and Exchange Commission to be included in the Fund's annual proxy statement. The Audit Committee may have additional functions and responsibility as deemed appropriate by the Board and the Audit Committee.

Although 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 nor to determine that the Fund's financial statements are complete or accurate or have been prepared in accordance with generally accepted accounting principles. That is the responsibility of management and the independent registered public accountants. Nor is it the duty of the Audit Committee to assure compliance with laws, regulations or any code of ethics approved or adopted by the Board.

II. COMPOSITION

The Audit Committee shall be comprised of three or more independent board members. For purposes of this Charter, a board member shall be deemed to be independent if he or she (1) is not an "interested person" of the Fund, as that term is defined in the Investment Company Act of 1940, (2) has not accepted, directly or indirectly, any consulting, advisory or other

compensatory fee from the Fund except for services as a member of the Board or a committee of the Board, (3) is free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee, and (4) meets the independence requirements set forth in New York Stock Exchange Rule 303A.02 or the applicable rule of any other exchange on which shares of the Fund are listed.

Each member of the Audit Committee shall be financially literate, as such qualification is interpreted by the Board in its business judgment, or shall become so within a reasonable period of time after his or her appointment to the Audit Committee. At least one member shall have accounting or related financial management expertise.

The members of the Audit Committee shall be appointed by the Board and shall serve at the pleasure of the Board. Unless a Chair is appointed by the Board, the members of the Audit Committee may designate a Chair by majority vote.

III. MEETINGS

The Audit Committee shall meet as frequently and at such times as circumstances dictate. Special meetings (including telephonic meetings) may be called by the Chair or a majority of the members of the Audit Committee upon reasonable notice to the other members of the Audit Committee.

IV. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties, the Audit Committee shall:

- A. **Charter.** Review this Charter annually and recommend any proposed changes to the Board.
- B. **Internal Control Over Financial Reporting.**
 - 1. Review annually with management and the independent registered public accountants their separate evaluations of the adequacy and effectiveness of the Fund's system of internal control over financial reporting.
 - 2. Review with management and the independent registered public accountants:
 - a. any significant audit findings related to the Fund's systems for accounting, reporting and internal control over financial reporting; and
 - b. any recommendations for the improvement of internal control over financial reporting procedures or particular areas where new or more detailed controls or procedures are desirable.
- C. **Independent Registered Public Accountants.**
 - 1. **Selection and Oversight.** Be directly responsible for the appointment, compensation, retention and oversight of the work of the independent registered public accountants (including resolution of disagreements

between management and the independent registered public accountants regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Fund. Any such engagement shall be pursuant to a written engagement letter approved by the Audit Committee. The independent registered public accountants shall report directly to the Audit Committee.

2. **Pre-approval of Non-audit Services to the Fund.** Except as provided below, pre-approve any engagement of the Fund's independent registered public accountants to provide any services to the Fund (other than the "prohibited non-audit services" specified below), including the fees and other compensation to be paid for such services, unless the engagement to render such services is entered into pursuant to pre-approval policies and procedures established by the Audit Committee that are detailed as to the particular service (provided the Audit Committee is informed of each such service).¹ The Audit Committee may designate from time to time one or more of its members acting singly or together, as the Audit Committee may designate, to pre-approve such services on behalf of the Audit Committee. Unless and until the Audit Committee designates otherwise, the Chair of the Audit Committee may grant such pre-approval. Any such delegated pre-approval shall be reported to the Audit Committee by the member or members exercising such delegated authority at the next meeting of the Audit Committee.

The independent registered public accountants shall not perform any of the following non-audit services for the Fund ("prohibited non-audit services"):

- a. Bookkeeping or other services related to the accounting records or financial statements of the Fund;
- b. Financial information systems design and implementation;
- c. Appraisal or valuation services, fairness opinions or contribution-in-kind reports;
- d. Actuarial services;
- e. Internal audit outsourcing services;
- f. Management functions or human resources;

¹ Pre-approval of non-audit services to a Fund is not required, if:

- a. the services were not recognized by management at the time of the engagement as non-audit services;
- b. the aggregate fees for all such non-audit services provided to the Fund are less than 5% of the total fees paid by the Fund to its independent registered public accountants during the fiscal year in which the non-audit services are provided; and
- c. such services are promptly brought to the attention of the Audit Committee by management, and the Audit Committee or its delegate approves them prior to the completion of the audit.

- g. Broker or dealer, investment adviser or investment banking services;
 - h. Legal services or expert services unrelated to the audit; and
 - i. Any other services that the Public Company Accounting Oversight Board determines are impermissible.
3. **Pre-approval of Certain Non-audit Services to the Adviser and its Affiliates.** Except as provided below, pre-approve any engagement of the Fund's independent registered public accountants to provide any services to the Adviser (not including any subadviser whose role is primarily portfolio management and is subcontracted or overseen by the Adviser) or any entity controlling, controlled by or under common control with the Adviser that provides ongoing services to the Fund if the engagement relates directly to the operations or financial reporting of the Fund, including the fees and other compensation to be paid to the independent registered public accountants.² The Audit Committee may designate from time to time one or more of its members acting singly or together, as the Audit Committee may designate, to pre-approve such services on behalf of the Audit Committee. Unless and until the Audit Committee designates otherwise, the Chair of the Audit Committee may grant such pre-approval. Any such delegated pre-approval shall be reported to the Audit Committee by the member or members exercising such delegated authority at the next meeting of the Audit Committee.
4. **Independent Registered Public Accountant Independence.** On an annual basis, request, receive in writing and review the independent registered public accountants' specific representations as to their independence, including identification of all relationships the registered public accountants have with the Fund, management, the Adviser, any affiliates of the Fund or the Adviser that provide ongoing services to the Fund and any material service provider to the Fund and recommend that the Board take appropriate action, if any, in response to the independent registered public accountants' report to satisfy itself as to the independent registered public accountants' independence.
5. **Audit Scope.** Meet with the independent registered public accountants and management to review the arrangements for and scope of proposed audits for the current year and the audit procedures to be utilized.

² Pre-approval of such non-audit services to the Adviser or an affiliate of the Adviser is not required, if:

- a. the services were not recognized by management at the time of the engagement as non-audit services;
- b. the aggregate fees for all such non-audit services provided to the Adviser and all entities controlling, controlled by or under common control with the Adviser are less than 5% of the total fees for non-audit services requiring pre-approval under Section IVC2 or 3 of this Charter paid by the Fund, the Adviser and all such other entities to its independent registered public accountants during the fiscal year in which the non-audit services are provided; and
- c. such services are promptly brought to the attention of the Audit Committee by management and the Audit Committee or its delegate approves them prior to the completion of the audit.

6. **Periodic Meetings.** Meet separately and periodically, with independent registered public accountants and management to identify issues warranting committee attention. In meetings with the independent registered public accounts, the Audit Committee may review any difficulties the independent registered public accountants have encountered in the course of the audit, including: (i) any accounting adjustments that were noted or proposed by the independent registered public accountants but were “passed” (as immaterial or otherwise); (ii) any communications between the independent registered public accountant’s audit team and the audit firm’s national office respecting auditing or accounting issues presented by the engagement; and (iii) and any “management” or “internal control” letter issued, or proposed to be issued, by the independent registered public accountants.
7. **Audit Results.** At the conclusion of an audit, meet with the independent registered public accountants and management to review the audit results, including any comments or recommendations of the independent registered public accountants or management regarding their assessment of significant risks or exposures and the steps taken by management to minimize such risks to the Fund, any audit problems or difficulties and management’s response, and any deviations from the proposed scope of the audit previously presented to the Audit Committee.
8. **Management Letter.** Review any management letter prepared by the independent registered public accountants and management’s response to any such letter.
9. **Financial Statements.** Meet to review and discuss the Fund’s audited annual and un-audited semi-annual financial statements and Management’s Discussion of Fund Performance, if included in the Fund’s Form N-CSR, with management and the independent registered public accountants, including any specific disclosures, discussion or analysis of the Fund’s performance, financial condition and/or results of operations, and, recommend to the Board, if appropriate, that the audited financial statements be included in the Fund’s annual report to shareholders required by Section 30(e) of the Investment Company Act of 1940 and Rule 30d-1 thereunder. The Audit Committee may meet to review and discuss any unaudited financial statements and reports, including the Fund’s quarterly financial reports, after delivery to shareholders.
10. **Independent Registered Public Accountant Report.** On an annual basis, obtain and review a report by the independent registered public accountants describing the independent registered public accountants’ internal quality-control procedures and any material issues raised by the independent registered public accountants’ most recent internal quality-control review or peer review, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent registered public accountants, and any steps taken to deal with any such issues.

11. **Certifications.** The Audit Committee shall review with the Fund's principal financial officer and/or principal executive officer (a) any significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Fund's ability to record, process, summarize and report financial information, and (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Fund's internal control over financial reporting, each of which must be disclosed to the Audit Committee by the principal financial officer and/or principal executive officer pursuant to certification requirements on Form N-CSR. This review may take place after the Board has reviewed the Fund's annual and semi-annual reports on Form N-CSR.

D. *Financial Reporting Processes.*

Meet separately and periodically with management and the independent registered public accountants, and, if the Audit Committee so desires, with internal auditors (or other personnel responsible for the internal audit function), and review the matters that the registered public accountants believe should be communicated to the Committee in accordance with auditing professional standards. The Audit Committee may request any officer or employee of the Adviser, the Fund's independent registered public accountants, or outside counsel to attend any meeting of the Audit Committee or to meet with any member of, or consultants to, the Audit Committee.

E. *Authority.*

1. **Information.** Have direct access to management and personnel responsible for the Fund's accounting and financial reporting or for the Fund's internal control over financial reporting, as well as to the independent registered public accountants and the Fund's other service providers.
2. **Investigation.** Have the authority to investigate any improprieties in the Fund's financial operations, and direct and supervise any investigation into any matter brought to its attention within the scope of its duties, functions, and responsibilities.
3. **Advisers.** Have the authority, to the extent the Audit Committee deems necessary or appropriate, and without seeking the approval of the full Board, to retain independent legal, accounting and other advisers.
4. **Funding.** Be provided with appropriate funding by the Fund, as determined by the Audit Committee, for the payment of (a) compensation to any independent registered public accountants engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Fund, (b) compensation to any adviser employed by the Audit Committee, and (c) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

5. **Code of Ethics.** Have the authority to review any violations under the investment advisers' Code of Ethics for Principal Executive and Senior Financial Officers brought to its attention by the Chief Compliance Officer and review any waivers sought by a covered officer under that code.

F. ***Other Responsibilities.***

1. **Report to the Board.** Report regularly its significant activities to the Board and make such recommendations with respect to any matter herein as the Audit Committee may deem necessary or appropriate.
2. **Press Releases.** Discuss generally any earnings press releases issued by the Fund and financial information and earnings guidance provided to analysts and rating agencies (e.g.; the types of information to be disclosed and the type of presentation to be made);
3. **Whistleblower Procedures.** Establish procedures for the receipt, retention and treatment of complaints received by the Fund regarding accounting, internal accounting controls or audit matters, and for the confidential anonymous, submission by any employee of the Fund, the Adviser or its affiliates, or any other provider of accounting related services for the Fund of concerns regarding questionable accounting or auditing matters.
4. **Risk Policies.** Review in a general manner, but not as a committee assume responsibility for, the Fund's policies with respect to risk assessment and risk management.
5. **Hiring Policies.** If the Fund, the Adviser or any affiliate proposes to employ any current or former employee of the independent registered public accountants, set clear policies for hiring any such person.
6. **Minutes.** Maintain minutes of its meetings.
7. **Performance Evaluation.** Evaluate its performance annually.
8. **Necessary Activities.** Perform any other activities consistent with this Charter, the Fund's governing documents and governing law as the Audit Committee or the Board deems necessary or appropriate.