

SonoSite, Inc.
Charter of the Audit Committee of the Board of Directors
Amended October 24, 2006

I. Audit Committee Purpose

The Audit Committee (the "Committee") shall assist the Board of Directors (the "Board") of SonoSite, Inc. (the "Company") in fulfilling its oversight of :

- The quality and integrity of the Company's financial statements.
- The qualifications, independence and performance of the Company's independent auditors and internal audit function.
- The Company's compliance with legal and regulatory requirements.

The Committee shall have the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the independent auditor. The Committee shall also have all authority necessary to fulfill the duties and responsibilities assigned to the Committee in the Charter or otherwise assigned to it by the Board.

As the Committee deems necessary, it may retain and oversee independent counsel and other advisors and cause the Company to provide funding as the Committee shall determine to be appropriate in carrying out its duties.

II. Audit Committee Composition and Meetings

The Committee shall consist of three or more members of the Board who shall be appointed by the Board and shall serve until their successors are duly appointed and qualified. The Board shall have the power at any time to change the membership of and fill vacancies on the Committee, subject to such new member(s) satisfying the membership requirements below. The Board shall designate the chairperson of the Committee.

No member of the Committee shall serve on more than two other audit committees of publicly traded companies, unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on this Committee.

Each Committee member shall be "independent", as that term is defined in Section 10A(m) of the Securities Exchange Act of 1934, and the applicable rules and regulations of the SEC, and shall meet the independence and financial literacy requirements of the Nasdaq Stock Market. All members of the Committee shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements. At least one member of the Committee shall be a "financial expert" in accordance with such regulations as may be applicable to the Company from time to time.

The Committee shall meet at least once every fiscal quarter and may hold such other meetings as are necessary or appropriate in order for the Committee to fulfill its responsibilities. In the absence of a chairperson, the members of the Committee may appoint from among their number a person to preside at their meetings. The majority of the members of the Committee shall constitute a quorum.

The Committee shall meet at least quarterly in separate executive sessions with management and the independent auditor to discuss matters that the Committee or the other groups believe warrant Committee attention.

Members of the Committee may participate in a meeting of the Committee by means of conference call or similar communications arrangements by means of which all persons participating in the meetings can hear each other.

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III. Audit Committee Responsibilities and Duties

Independent Auditors

- 1) The appointment and termination (subject, if applicable, to shareholder ratification), compensation, evaluation and oversight of the independent auditor employed by the Company for the purpose of preparing or issuing an audit report. The independent auditor will report directly to the Audit Committee and shall be ultimately accountable to the Committee and to the Board, as representatives of the stockholders of the Company. The Committee will be responsible for the resolution of any disagreements between management and the independent auditor regarding financial reporting.
- 2) Pre-approve the retention of the independent auditor for all audit review or attest engagements and all non-audit services as the independent auditor is permitted to provide the Company and approve fees for such services. Any member of the Committee may pre-approve additional proposed audit and non-audit services and fees that arise between Audit Committee meetings, provided, that the decision to pre-approve the service is presented at the next scheduled Committee meeting. In considering whether to pre-approve any non-audit services, the Committee shall consider whether the provision of such services is compatible with maintaining the independence of the auditor.
- 3) At least annually, obtain and review a report by the independent auditor describing the firm's internal quality control procedures, any material issues raised by the most recent internal quality control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, relating to one or more audits carried out by the firm and any steps taken to deal with any such issues.
- 4) Review the letter and written disclosures from the independent auditor consistent with the Independence Standards Board Standard No. 1, including a formal written statement by the independent auditor delineating all relationships between the auditor and the Company. Discuss such reports with the auditor with respect to the auditor's independence and any disclosed relationships or services that may impact the objectivity and independence of the auditor and, if so determined by the Committee in response to such reports, take appropriate action to address issues raised by such evaluation.
- 5) Discuss with the independent auditors the matters required to be discussed by Statement on Auditing Standards 61, as it may be modified or supplemented, relating to the conduct of the audit. Items included in this discussion include:
 - The auditors' responsibility under Generally Accepted Auditing Standards (GAAS);
 - Significant accounting policies;
 - Management judgments and accounting estimates;
 - Audit adjustments;
 - The quality of accounting policies and alternative treatments;
 - Other information in documents containing audited financial statements;
 - Disagreements with management;
 - Consultation with other accountants by management;
 - Major issues discussed with management prior to retention; and
 - Difficulties encountered in performing the audit.
- 6) Present the Committee's conclusions regarding the performance, qualifications and independence of the independent auditor, including a review and evaluation of the lead partner, to the full Board.

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Financial Statements and Disclosure

- 7) Prior to filing any periodic report, meet with management and the independent auditor to review and discuss the annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Result's of Operations" and the results of the independent auditor's review and to discuss any off-balance sheet structures and significant issues encountered in the course of audit work, including any restrictions on the scope of activities, access to required information or the adequacy of internal controls.
- 8) Regularly review with the independent auditor any audit problems or difficulties and management's responses, including adjustments noted or proposed by the independent auditor but not taken (as immaterial or otherwise) by management and any management or internal control letters issued or proposed to be issued by the auditor.
- 9) Based on its review and discussions, the Committee shall recommend to the Board whether the annual audited financial statements should be included in the Company's Annual Report on Form 10-K.
- 10) Review earnings press releases in advance including a review of financial information and earnings guidance.

Periodic Assessment of Accounting Principles and Internal Control

- 11) Review and discuss reports from the independent auditors regarding (a) all critical accounting policies and practices to be used, (b) all alternative accounting treatments of financial information permitted within GAAP for policies and practices related to material items that have been discussed with management, including the ramifications of using such alternative treatments and disclosures and the treatment preferred by the independent auditors; (c) any significant changes in the Company's accounting policies and practices and (d) any accounting and financial reporting proposals that may have a significant effect on the Company's financial reports.
- 12) Review changes in promulgated accounting and auditing standards that may materially affect the Company's financial reporting practices.
- 13) Review and discuss with management and the independent auditor management's internal control report prepared in accordance with rules promulgated by the SEC pursuant to Section 404 of the Sarbanes-Oxley Act. Review any report issued by the Company's independent auditor regarding management's assessment of the Company's internal control.
- 14) Review and assess the effectiveness of the internal audit function and evaluate results.

Regulatory and Legal Compliance and Risk Management

- 15) At least annually, review with the Company's senior regulatory official, any regulatory matters that could have a material impact on the financial statements or the compliance with applicable laws and regulations of the Company and its subsidiaries, and any material inquiries received from regulators or governmental agencies.
- 16) The Committee shall review with the Company's general counsel, any legal matters that may have a material impact on the financial statements or the compliance with applicable laws and regulations of the Company and its subsidiaries, and any material inquiries received from regulators or governmental agencies.
- 17) At least annually, review with management the Company's risk assessment and risk assessment policies including steps taken by management to identify, monitor and mitigate significant risks.

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Reporting and Evaluation

- 18) Approve the report required by the rules of the SEC to be included in the Company's annual proxy statement.
- 19) Provide minutes of the Committee meetings to the Board and report to the Board with respect to (1) the quality or integrity of the Company's financial statements, (2) the performance and independence of the Company's independent auditor and (3) the Company's compliance with legal and regulatory requirements.
- 20) Review and re-assess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval.
- 21) Periodically perform a self-assessment of the Committee's performance and make applicable recommendations.

Complaint Procedures

- 22) Establish and maintain procedures for:
 - a) The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - b) The confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.
 - c) The monitoring of any such submissions and review of any matter regarding accounting, internal control or auditing matters.

Related-Party transactions

- 23) Review and approve, prior to execution, all related-party transactions, including transactions between the Company and its officers or directors or affiliates of officers or directors.

Information Technology

- 24) Review the scope of significant information technology projects.

