

Adopted 12/06/01
Amended 12/09/03

**Mairs and Power Balanced Fund, Inc.
Audit Committee Charter**

Purpose

The purpose of the Audit Committee is to assist the Board of Directors in discharging its oversight responsibilities relating to financial statements and the independent audit of such financial statements, internal controls, regulatory compliance and ethical standards.

Membership

The Audit Committee membership is determined by the Board of Directors and consists entirely of independent directors who meet the criteria for membership established by the Securities and Exchange Commission.

Roles and Responsibilities

The Audit Committee's role is oversight. The Management of the Fund is responsible for the preparation of the financial statements in accordance with generally accepted accounting principles applicable to mutual fund financial reporting. The Independent Auditor is responsible for conducting the audit of the Fund's annual financial statements and to perform such other audits and assignments as may be directed by the Audit Committee consistent with applicable standards of independence. In the performance of its oversight function, the Audit Committee's authority includes the following:

1. Independent Auditor.

(a) Select, engage and evaluate the Independent Auditor to audit the Fund's financial statements. Review the scope of the audit and the extent of other services to be provided by the Independent Auditor during the year including staffing and fees. Evaluate the independence of the Independent Auditor, including a review of audit and non-audit services provided by the Independent Auditor to the Fund, its investment adviser and any of their affiliates.

(b) Pre-approve all auditing and permitted non-audit services performed by the Independent Auditor.

(c) Meet with the Fund's Independent Auditor, including private meetings, as necessary (i) to review the arrangements for and scope of the annual audit and any special audits; (ii) to discuss critical accounting policies and practices, alternative accounting disclosures and treatments, material written communications between the Fund and the Independent Auditor, and any non-audit services provided to the Fund that were not pre-approved by the Audit Committee; (iii) to discuss any matters of concern relating to the Fund's financial statements, including any adjustments to such statements recommended by the Independent Auditor, or other results of any audits; (iv) to consider the

Independent Auditor's comments with respect to the financial policies, procedures and internal accounting controls and Management's responses thereto; and (v) to review the form of opinion the Independent Auditor proposes to render to the Board and shareholders.

(d) Consider the effect upon the Fund of any changes in accounting principles or practices proposed by Management or the Independent Auditor.

2. Financial Reporting. Review the audited financial statements with Management and the Independent Auditor, significant financial reporting issues, any adjustments to the financial statements, adequacy of internal controls, and compliance with mutual fund financial reporting regulations.

3. Compliance and Risk Management. Review periodically with Management significant risk exposures for protecting Fund assets and Management's strategies to mitigate such exposures. Review internal controls, ethical compliance, and procedures for monitoring compliance with all applicable laws, including SEC, state securities, federal and state tax rules and regulations.

4. Investment Adviser. Annually review and recommend the engagement of the Fund's investment adviser, including the adviser's fees and compensation.

5. Legal Counsel. If circumstances so require, the Audit Committee shall have the authority to engage, at the expense of the Fund, legal counsel independent of Management to advise it in the performance of its responsibilities.

Meetings

The Audit Committee shall hold regular scheduled meetings at least twice annually and report the content of such meetings and the Audit Committee's actions to the Board. The Audit Committee shall meet separately with the Independent Auditor without Management present and may meet with such other Fund employees, consultants and with legal counsel as it may deem necessary and appropriate. The Audit Committee shall review this charter annually and recommend any changes to the full Board for approval.