

HF Financial Corp.

Amended and Restated Charter of the Audit Committee of the Board of Directors (Amended as of May 10, 2006)

I. Audit Committee Purpose.

The Audit Committee is established by the Board of Directors (the “Board”) of HF Financial Corp. (the “Corporation”) for the primary purpose of assisting the Board in fulfilling its oversight duties and responsibilities. Certain of the Audit Committee’s specific duties and responsibilities include:

- Overseeing the integrity of the Corporation’s financial statements and the audits of such financial statements, accounting and financial reporting processes, disclosure controls and procedures and internal controls over financial reporting;
- Monitoring the independence, qualifications and performance of the Corporation’s independent auditors; and
- Providing an avenue of communication among the Corporation’s independent auditors, management, the internal auditing department and the Board.

The Audit Committee has the authority to conduct any investigation necessary or appropriate to fulfilling its duties and responsibilities, and has direct access to the Corporation’s independent auditors, as well as all persons within the Corporation. The Audit Committee has the authority to retain special legal, accounting or other advisors, consultants or experts it deems necessary or appropriate in the performance of its duties and responsibilities.

The Corporation will provide appropriate funding, as determined by the Audit Committee, for the compensation of the Corporation’s independent auditor, compensation of any advisors, consultants or experts engaged by the Audit Committee and payment of ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties and responsibilities.

The Audit Committee will primarily fulfill its duties and responsibilities by carrying out the activities set forth in Section III of this Amended and Restated Charter of the Audit Committee (“Charter”).

II. Audit Committee Composition and Meetings.

The Audit Committee will be comprised of three or more directors as determined by the Board, each of whom will meet the independence and experience requirements set forth in the NASDAQ National Market Continued Listing Standards, the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the rules and regulations promulgated under the Exchange Act (including, but not limited to, the exemptions provided in Rule 10A-3 of the Exchange Act) and any other applicable rules and regulations.

Specifically, members of the Audit Committee will:

- be a member of the Board;
- be independent, as defined in Rule 10A-3 of the Exchange Act; and
- be able to read and understand fundamental financial statements, including the Corporation’s balance sheet, income statement and cash flow statement.

Further, members of the Audit Committee will not:

- be an officer or employee of the Corporation or its subsidiaries;
- otherwise have any relationship which, in the opinion of the Board, would interfere with such member's exercise of his or her independent judgment in carrying out the responsibilities of a director of the Corporation; or
- have participated in the preparation of the financial statements of the Corporation or any current subsidiary at any time during the last three (3) years.

Of the members of the Audit Committee, at least one (1) member will meet the criteria for being a "financially sophisticated audit committee member," as set forth in the NASDAQ National Market Continued Listing Standards. Additionally, the Board will determine whether at least one (1) member of the Audit Committee meets the criteria for being a "audit committee financial expert," as established by the Securities and Exchange Commission (the "SEC"). If a member of the Audit Committee qualifies as an "audit committee financial expert," the Corporation will disclose in its periodic filings or proxy statements, as and to the extent required by the SEC, the name of the person qualifying as an "audit committee financial expert," and a statement regarding whether such person is independent.

Audit Committee members will be appointed annually by the Board, upon recommendation of the Board's Nominating and Corporate Governance Committee. If a chairperson is not designated by the Board or present at any meeting of the Audit Committee, the members of the Audit Committee may designate a Chair by majority vote of all of the members of the Audit Committee.

The Audit Committee will meet at least four times annually, or more frequently as circumstances dictate. The Chair of the Audit Committee will prepare and/or approve an agenda in advance of each meeting. On a no less frequent basis than annually, the Audit Committee will meet in private executive session with each of management, the director of the Corporation's internal auditing department and the Corporation's independent auditors, to discuss any matters that the Audit Committee or any such persons believe should be discussed. The Audit Committee will also meet in private executive session as a committee as frequently as is determined by the Audit Committee to be necessary or appropriate. The Audit Committee, or the Chair of the Audit Committee on behalf of the entire Audit Committee, will communicate with management and the Corporation's independent auditors on a quarterly basis to review the Corporation's annual audited and quarterly financial statements, including the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and to discuss, if any, significant findings based upon the independent auditor's limited review procedures.

III. **Audit Committee Responsibilities and Duties.**

Review Procedures

- Review and reassess the adequacy of this Charter at least annually and recommend to the Board any necessary amendments. To the extent required by the SEC, assist the Corporation in making this Charter publicly available (which, if attached to the Corporation's proxy statement for its annual meeting of stockholders, must be included no less frequently than once every three years or whenever there are material modifications to this Charter).
- Review, prior to filing or other distribution, the Corporation's annual audited financial statements, quarterly financial statements and all internal controls reports. Such review will include discussions with management and Corporation's independent

auditors regarding, among other things, significant issues regarding accounting principles, policies, practices and judgments. Discuss any significant changes to the Corporation's accounting principles and any items required to be communicated by the Corporation's independent auditors in accordance with SAS 61. Recommend to the Board whether the Corporation's financial statements should be included in the Corporation's Annual Report on Form 10-K.

- Consider, in consultation with the management, the Corporation's independent auditors and the internal auditors, the integrity of the Corporation's accounting and financial reporting processes, disclosure controls and procedures and internal controls over financial reporting. Discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures. Review significant findings prepared by the Corporation's independent auditors and the internal auditing department, together with management's responses.

Independent Auditors

- Appoint, compensate, retain and oversee the work of the Corporation's independent auditor or any other public accounting firm engaged by the Audit Committee for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation. Direct the Corporation's independent auditor to report directly to the Audit Committee. Review the independence and performance of the Corporation's independent auditor and, if circumstances warrant, discharge the Corporation's independent auditor.
- Oversee the resolution of disagreements, if any, between management and the Corporation's independent auditor regarding, among other things, financial reporting.
- Consider whether the performance by the Corporation's independent auditor of permissible nonaudit services is compatible with the auditor's independence. Discuss with the Corporation's independent auditor the matters to be discussed under Statement on Auditing Standards ("SAS") No. 61, as amended by SAS Nos. 84 and 90. Ensure the receipt by the Audit Committee of a formal written statement from the Corporation's independent auditor delineating all relationships between the Corporation's independent auditor and the Corporation, consistent with Independence Standards Board Standard 1. Engage in dialogue with the Corporation's independent auditor with respect to any disclosed relationships or services that may affect the independence and objectivity of the auditor and take, or recommend that the Board take, appropriate actions to oversee the independence of the Corporation's independent auditor.
- Review the audit plan of, and the engagement letters from, the Corporation's independent auditors. As applicable, discuss scope, staffing, locations, reliance upon management and internal audit and general audit approach.
- Consider the independent auditors' judgments about the quality and appropriateness of the Corporation's critical accounting policies and principles, as applied in its financial reporting. Inquire as to the independent auditors' views about whether management's choices of generally accepted accounting principles appear reasonable from the perspective of income, asset and liability recognition, whether such principles are common or minority practices and whether there are alternative principles preferred by the Corporation's independent auditor.
- Review and pre-approve (pursuant to pre-approval policies and procedures or otherwise) both audit and permitted non-audit services (which includes, among other things, tax services) to be provided by the Corporation's independent auditor. Delegate, to the extent necessary or desired, the authority to grant pre-approvals to one or more members of the Audit Committee, whose decisions will be presented to the full Audit Committee at its next regularly scheduled meeting. Assist the

Corporation in disclosing, to the extent required by the SEC, the pre-approved nonaudit services.

Internal Audit Department and Legal Compliance

- Review, as necessary or appropriate, the budget, plan, changes in plan, activities, organizational structure and qualifications of the Corporation's internal audit department and its functions. The internal audit department will be responsible to senior management, but will also have direct reporting responsibility to the Board through the Audit Committee.
- Approve the selection or removal of the senior internal audit executive. Review the appointment, performance and replacement of the senior internal audit executive.
- Review significant reports prepared by the internal audit department, together with management's response and follow-up to these reports.
- Review with the senior internal audit executive, any significant difficulties, disagreements with management or scope restrictions encountered in the course of the function's work.
- Review with the Corporation's counsel, on a no less frequent than annual basis, any legal matters that could have a significant impact on the Corporation's financial statements, the Corporation's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies. Review all reports concerning any significant fraud or regulatory noncompliance that occurs at the Corporation, including consideration of any internal controls that should be strengthened to reduce the risk of a similar event in the future.

Compliance with Codes of Ethical Conduct

- As necessary or appropriate, review and monitor, with the assistance of the Corporation's independent auditor, the administration of, and compliance with, the Corporation's Code of Conduct and Ethics and the Foreign Corrupt Practices Act.

Other Audit Committee Responsibilities

- Review and approve all transactions required to be disclosed under Item 404 of Regulation S-K.
- Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters.
- Establish procedures for the confidential, anonymous submission by the Corporation's employees of concerns regarding questionable accounting or auditing matters.
- As and to the extent required by the SEC, prepare a report to the Corporation's stockholders for inclusion in the Corporation's proxy statement for its annual meeting of stockholders.
- Perform any other activities consistent with this Charter, the Corporation's by-laws and governing law, as the Audit Committee or the Board deems necessary or appropriate.
- Maintain minutes of meetings and periodically report to the Board of Directors on significant results of the foregoing activities.

While the Audit Committee has the responsibility and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine whether the Corporation's financial statements are complete, accurate and in accordance with generally accepted accounting principles. This is the responsibility of management and the Corporation's independent auditor. Further, it is not the duty of the Audit Committee to conduct investigations or assume compliance with laws, regulations or the Corporation's Code of Conduct and Ethics.