

CHARTER OF AUDIT COMMITTEE

1. Mission Statement

The Audit Committee will assist the Board of Directors of the Company in fulfilling its responsibilities with respect to matters involving the accounting, financial reporting and internal control functions of the Company and its subsidiaries. This will include assisting the Board in overseeing: (a) the integrity of the Company's financial statements, (b) the Company's compliance with legal and regulatory requirements, (c) the independent auditors' qualifications, independence and performance, and (d) the performance of the Company's internal audit function. The Audit Committee also will prepare the Audit Committee report that SEC rules require to be included in the Company's annual proxy statement. The Committee also will review periodically and oversee the financial reporting process, the system of internal control and the audit process, and will oversee the Company's process for monitoring compliance with the Company's policies and codes of conduct.

2. Membership and Qualification

The Audit Committee shall consist of three or more Independent Directors (as defined in and determined pursuant to Section A.3 of the Company's Corporate Governance Policy, including the special independence criteria specified therein with respect to Audit Committee members) who also satisfy the special limitations and special qualifications specified in Subsections (a) and (b) of Section 2. The Committee members shall be elected annually by the Board for terms of one year, or until their successors shall be duly elected and qualified. The Board, upon the recommendation of the Corporate Governance/Nominating Committee, may remove any Committee member at any time. Unless a Committee Chairman is elected by the full Board, the Committee members may designate a Chairman consistent with any recommendations from the Corporate Governance/Nominating Committee.

(a) Special Limitations

- Director's fees (including fees for service on Committees) must be the sole compensation that an Audit Committee member receives from the Company.
 - Permissible director fees may include equity-based awards and may also include fees that are structured to provide additional compensation for additional duties (such as extra fees for serving on and /or chairing Board Committees).
 - A former employee of the Company who later qualifies as an Independent Director will not be barred from chairing or serving as a voting member of the Audit Committee merely because he/she receives a pension or other form of deferred compensation from the Company for his /her prior service (provided such compensation is not contingent in any way on continued service as a Director).
 - Neither an Audit Committee member nor his or her firm may receive any fees from the Company, directly or indirectly, for services as a consultant or a legal or financial adviser. This applies without regard to whether the Audit Committee member is directly involved in rendering any such services for the Company.
- If an Audit Committee member simultaneously serves on the audit committees of more than **three** public companies, the Board must determine that such simultaneous service would not impair such member's ability to serve effectively on the Company's Audit Committee and such determination by the Board must be disclosed in the Company's annual proxy statement.

(b) Special Qualifications

Each member of the Audit Committee shall, in the judgment of the Board, be financially literate and have the ability to read and understand the Company's basic financial statements or shall, promptly following his or her appointment, obtain adequate training to achieve such literacy and ability. In addition, at least one member of the Audit Committee, in the judgment of the Board, shall have accounting or related financial management expertise and sophistication as a result of past employment experience in finance or accounting, requisite professional certification in accounting, or other comparable experience or background.

3. Meetings and Other Actions

The Committee will meet at least four times each year, either in person or telephonically, and at such other times as may be necessary to fulfill its responsibilities. It will meet following the end of each fiscal quarter of the Company to review the financial results of the Company for the preceding fiscal quarter or the preceding fiscal year, as the case may be and to discuss the earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies (if any). Meetings may be called by the Chairman of the Committee or the Chairman of the Board. All meetings and other actions of the Committee shall be held and taken pursuant to the bylaws of the Company, including bylaw provisions governing notice of meetings and waiver thereof, the number of Committee members required to take actions at meetings and by written consent, and other related matters.

- As part of its meetings, the Committee shall meet separately, at least quarterly, with management, with the representatives of the Company's internal auditor function and with the Company's independent auditors.
- Unless otherwise authorized by the Corporate Governance/Nominating Committee, the Committee shall not delegate any of its authority to any subcommittee. The Committee shall not delegate any of its responsibilities to another committee of the Board.
- Reports of meetings of and actions taken at meetings or by consent by the Committee since the most recent Board meeting (except to the extent covered in an interim report circulated to the Board) shall be made by the Committee chairman or his/her delegate to the Board at its next regularly scheduled meeting following the Committee meeting or action and shall be accompanied by any recommendation from the Committee to the Board. In addition, the Committee Chairman or his/her delegate shall be available to answer any questions the other directors may have regarding the matters considered and actions taken by the Committee.

4. Goals, Responsibilities and Authority

In carrying out its duties and responsibilities, the Committee's policies and procedures should remain flexible, so that it may be in a position to react or respond appropriately to changing circumstances or conditions and to ensure that the corporate accounting and financial reporting practices of the Company, as well as the auditing process, are in accordance with all applicable requirements, and also are appropriately tailored for the Company's specific business and financial risks. In carrying out its duties and responsibilities, the following are within the responsibilities and authority of the Committee.

(a) Internal Controls

At least quarterly, the Committee shall evaluate, in conjunction with management, the independent auditors and the internal audit function, the adequacy of the Company's financial reporting systems and business process. In addition, the Committee shall review significant

findings noted by the independent auditors and the internal audit function in the course of their audit functions, as well as management responses.

(b) Financial Reporting Generally

In connection with its general oversight of the Company's financial reporting, the Committee shall:

- Review accounting and reporting issues identified in any analyses prepared by management or the independent auditors or otherwise identified in the course of the Committee's review of the Company's financial statements and discussions with its auditors, including recent professional and regulatory pronouncements provided to the Committee by the Company or its independent auditors as being particularly relevant to the Company, with due consideration of their impact on the Company's financial statements.
- Review with management and the independent auditors, management's proposals regarding: new accounting pronouncements; the adoption of, and changes of choice regarding, material accounting principles and practices to be followed when preparing the financial statements of the Company; alternative principles and practices that could have been followed; the reasons for selecting the principles and practices to be followed; the financial impacts of the principles and practices selected as compared to those of the other alternatives available; and the provision of any "pro forma" or "adjusted" non-GAAP information.
- Inquire as to whether the independent auditors or representatives of the internal audit function have any concerns regarding: the possibility of material accounting or reporting risks or exposures; the appropriateness and quality of material accounting treatments and whether there has been any aggressive creativity in any such treatments; any business transactions that may affect the fair presentation of the Company's financial condition or results of operations; or any weaknesses in the Company's internal control systems.
- Establish procedures for:
 - The receipt, retention and treatment of any complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - The confidential, anonymous submission by employees of the Company of any concerns regarding questionable accounting or auditing matters.
- Affirm in connection with the Committee's review of the Company's annual and quarterly financial statements that the independent auditors communicate certain matters to the Committee as required by professional standards related to their audit of the annual financial statements and their review of the interim financial information.
- Establish a procedure whereby management discusses with the Committee on a pre-issuance basis all of the following:
 - The types of information to be disclosed and types of presentation to be made in earnings press releases and in financial information and earnings guidance provided to analysts and rating agencies;
 - Material financial reporting matters to be disclosed in any SEC filings, such as a change in accounting principles or extraordinary and non-recurring items and transactions; and
 - Material matters to be disclosed in Form 8-K filings with the SEC.

- The Committee Chairman may represent the entire Committee for purposes of reviewing and discussing with management and the independent auditors the Company's earnings press releases, financial information and earnings guidance furnished to analysts and rating agencies, and interim financial statements provided that the Chairman has no reason to know, sufficiently in advance to call a meeting of the Committee or to otherwise solicit the views of other members of such Committee, that any of the foregoing will involve any material financial reporting issues or material financial reporting changes.

(c) Annual Financial Statements

In connection with the preparation and audit of the Company's annual financial statements, the Committee shall:

- Review with the independent auditors their proposed audit scope and approach, including staffing, locations and coordination of the independent audit work with the work performed by the internal audit function.
- Review in private discussion whether there have been (and if so the nature of) any audit problems or difficulties and any related responses by management. This review shall include:
 - Confirmation that management is not placing any restrictions on the scope of the independent auditors' work or their access to information.
 - Inquiry as to any accounting adjustments noted or proposed by the independent auditors but "passed" (as immaterial or otherwise.)
 - Discussion of any "management" or "internal control" letters issued by the independent auditors to the Company.
 - Discussion of the responsibilities, budget and staffing of the Company's internal audit function and the adequacy and appropriateness thereof.
- Meet with management and the independent auditors to review the annual financial statements and related notes, as well as the related Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A"), prior to filing and inquire whether such financial statements and related notes are prepared in accordance with U.S. generally accepted accounting principles and, together with such MD&A, are consistent with the information known to Committee members.
 - This review is to include discussions with management and the independent auditors about the existence and disposition of any material issues, including any involving: accounting principles, practices, estimates and judgments; and any material transactions (including the Company's business purpose, pricing and fairness) with related parties or others that have or previously had a special relationship to the Company that may influence the Company's willingness to enter into such transaction or the terms of such transaction.
 - The Committee also shall make a recommendation to the Board regarding inclusion of such financial statements, related notes and the related MD&A in the Company's Annual Report on Form 10-K.
- Review any complex and/or unusual transactions and any matters requiring significant estimates of asset valuation allowances or liability reserves, and evaluate management's handling of proposed audit adjustments identified by the independent auditors.

- Review the independent auditors' judgments about the quality of the accounting principles applied to the Company's financial statements.
- Review legal or other matters that could have a material impact on the Company's financial statements.

(d) *Interim Financial Statements*

With respect to the Company's interim financial statements, the Committee shall:

- Meet with management, the representatives of the Company's internal audit function and the independent auditors to review the interim financial statements and any related notes, as well as the related MD&A, prior to filing, and inquire whether such financial statements and any related notes are prepared in accordance with U.S. generally accepted accounting principles and, together with such MD&A, are consistent with the information known to Committee members.
- Confirm that the Company's interim financial statements and any related notes included in Quarterly Reports on Form 10-Q have been reviewed by the Company's independent auditors using professional standards and procedures for conducting such reviews, as established by U.S. generally accepted auditing standards.

(e) *Compliance with Laws and Regulations Relating to Financial Reporting and Tax Matters*

The Committee shall oversee the Company's compliance with laws and regulations relating to financial reporting and tax matters and shall:

- Periodically review the Company's procedures for monitoring compliance with such laws and regulations.
- Discuss the significant findings, if any, of reviews or examinations by regulatory agencies, such as the Securities and Exchange Commission.

(f) *Compliance with the Company's Policies and Statement of Business Ethics and Approval of Related Party Transactions*

The Audit Committee also shall oversee compliance with the Company's policies and Statement of Business Ethics and shall:

- Confirm that the Company's policies and Statement of Business Ethics are formalized in writing and that procedures are in place to communicate such policies and codes to appropriate management, supervisory and other key employees.
- Periodically review the Company's policies and Statement of Business Ethics, with particular focus on related party transactions and conflicts of interest involving, directly or indirectly, any director or executive officer, and consider whether any changes are needed.
- Review the program for monitoring compliance with the Company's policies and Statement of Business Ethics and periodically obtain updates from management regarding compliance.

- Be responsible for evaluating, making decisions whether to approve, and monitoring on an ongoing basis any related party transactions covered by the Company's policies and Statement of Business Ethics and for making decisions whether to grant any waivers of or approve any other deviations from the Company's policies and Statement of Business Ethics governing related party transactions and conflicts of interest, in each case if any director, executive officer or any entity for or in which any such person serves as a director or executive officer or has any other significant interest is involved, and also for documenting and monitoring any such approval or waiver.

(g) Internal Audit Function

The Committee shall oversee the activities and programs administered by those responsible for the Company's internal audit function and shall:

- Ensure that the Company has an internal audit function performed on a regular basis that includes appropriate review and approval of the Company's internal transactions and accounting.
- Review and concur in the appointment, replacement, reassignment or dismissal of the employee(s) (or outside firm which may not be the Company's independent auditors) having primary responsibility for the Company's internal audit function.
- Review the annual internal audit plan of the internal audit function and its scope, and the degree of coordination of this plan with the independent auditors.
- Meet with the representatives of the Company's internal audit function periodically in a private session without any other members of management being present to discuss matters that the Committee or the representatives of the Company's internal audit function believe should be discussed.

(h) Independent Auditors

In its oversight of the Company's independent auditors, the Committee shall:

- Have sole authority (subject, if applicable, to shareholder ratification) to select, hire and fire the Company's independent auditors, to approve all fees and other terms of the audit engagement and to approve any non-audit relationship with the independent auditors.
- Assist the Board in evaluating the performance of the independent auditors, who are ultimately accountable to the Board and the Committee.
- Meet with the independent auditors at least once a year in a private session without any members of management being present to discuss matters that the Committee or the independent auditors believe should be discussed, including without limitation discussion of items contemplated elsewhere in this Charter.
- Obtain and review, at least annually, a written report from the independent auditors that describes all relationships between the independent auditors and the Company (including the amount and nature of all related compensation); discuss with the independent auditors the impact on the auditors' objectivity and independence of any disclosed relationships as required by professional standards; and determine whether any such non-audit engagements are consistent with the independent auditors' independence and objectivity.

- Obtain and review, at least annually, a written report from the independent auditors that describes: the independent auditing firm's internal quality-control procedures; and 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, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues, and discuss with the independent auditors the contents of such report and the impact of the matters addressed in such report on the quality of services performed by the independent auditors.
- Evaluate annually based on all relevant circumstances known to the Committee, including qualifications of and quality of services performed by the independent auditing firm and the primary audit partner, opinions of the Company's management and representatives of the Company's internal audit function and regarding the independent auditors, length of tenure, factors having the potential to impact objectivity, the securities law requirement to rotate at least every five years the primary audit partner in charge of performing (or overseeing the performance) of the Company's audit and the primary audit partner in charge of reviewing the Company's audit, the possible desirability of regular rotation of the independent auditing firm, any reported issues regarding the firm's internal controls or audits of other companies, as well as efficiencies and relevant expertise regarding the Company, whether the Company should change its independent auditors or the partner in charge of performing or reviewing the Company's audit or other audit team personnel. The Committee should present to the Board a summary of the Committee's evaluation and conclusions.
- Evaluate and approve (or disapprove) any desire by the Company or any of its subsidiaries to employ anyone who has served within the preceding year as a member of the independent auditors' audit team personnel assigned to the Company's audit.

(i) Other Responsibilities

The Committee also shall:

- Review and evaluate the Company's policies and practices with respect to risk assessment and risk management, including the Company's major financial risk exposures and steps taken by management to monitor and control such.
- Monitor significant internal or external special investigations and review with management, at least annually, any other legal matters that could have a material impact on the Company's financial statements or compliance with law.
- If deemed appropriate, initiate special investigations into matters within the Committee's scope of responsibilities or as delegated by the Board of Directors.
- Perform other oversight functions as requested by the full Board.
- Perform an annual self-evaluation of the Committee's performance and annually reassess the adequacy of and, if appropriate, propose to the Board any desired changes, in the Charter of the Committee, all to supplement the oversight authority of the Corporate Governance/Nominating Committee with respect to such matters. Reassess the adequacy of the Committee's Charter annually; present the initial Charter and subsequent amendments of the Charter, if any, to the full Board for adoption.

(j) Reporting Responsibilities

The Committee shall:

- Regularly update the Board of Directors about the Committee's activities and make appropriate recommendations.
- Make such reports of its activities and evaluations as may be required by the Securities and Exchange Commission in the Company's proxy statement and/or annual report or as determined to be appropriate by the Board.

5. Additional Resources

The Committee shall have the right to use reasonable amounts of time of the Company's internal and independent accountants, internal and outside lawyers and other internal staff and also shall have the unfettered right to hire independent accounting experts, lawyers and other consultants to assist and advise the Committee in connection with its responsibilities. The Committee shall keep the Company's Finance Department advised as to the general range of anticipated expenses for outside consultants.