

Audit Committee Charter

Purpose

The purpose of the Audit Committee (“Committee”) is to assist the Board of Directors (“Board”) in fulfilling its responsibility to oversee management’s conduct of the Company’s financial reporting processes and the integrity and audits of the Company’s financial statements. The Committee will review the financial reports and other financial information provided by the Company, the Company’s disclosure controls and procedures and internal accounting and financial controls, the internal audit function, the risk management function, the legal compliance and ethics programs, and the annual independent audit process. It is also the responsibility of the Committee to maintain free and open communication among the Committee, the Company’s outside auditor and management of the Company.

The Committee shall have the direct authority and responsibility for the appointment (and where appropriate, replacement), compensation, retention and oversight of the work of the outside auditor in preparing or issuing an audit report or performing other audit, review or attest services, including resolving any disagreements between management and the outside auditor regarding financial reporting. The Committee shall receive direct reports from the outside auditor. The Committee shall be responsible for overseeing the independence of the outside auditor and for pre-approving all auditing services and permitted non-audit services provided by the outside auditor.

This Charter shall be reviewed on an annual basis by the Committee.

Membership

The Committee shall be comprised of not less than three members of the Board, and the Committee’s composition will meet the New York Stock Exchange (the “NYSE”) and Securities and Exchange Commission (the “SEC”) audit committee composition requirements. Each member shall meet, as determined by the Board of Directors in its reasonable business judgment, the independence and experience requirements of the NYSE, as well as Section 10A of the Securities Exchange Act of 1934 and any rules and regulations of the SEC. Each member of the Committee must be financially literate, as such qualification is interpreted by the Board of Directors in its business judgment. At least one member of the Committee shall be an “audit committee financial expert” as defined by the rules of the SEC. In addition, at least one member of the Committee (who may also be the “audit committee financial expert”) will have sufficient accounting or related financial management expertise to comply with the NYSE audit committee composition requirements. Members shall be appointed to or removed from the Committee by a majority vote of the Board.

No member of the Committee may serve simultaneously on the audit committee of more than two other public companies unless approved to do so by the Board.

Key Responsibilities

The Committee’s role is one of oversight. In this role, the Committee shall oversee (a) the integrity of the Company’s financial statements, (b) the Company’s compliance with relevant legal and regulatory requirements, (c) the outside auditor’s qualifications and independence and (d) the performance of the

Company's internal audit function and the outside auditor. Although the Committee has the responsibilities set forth in this Charter, it is not the responsibility of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosure are complete and accurate and are in accordance with generally accepted accounting principles and applicable laws, rules and regulations. The Committee relies on management for the preparation and accuracy of the Company's financial statements, both management and the Company's internal audit functions for establishing effective internal controls and procedures to ensure the Company's compliance with accounting standards, financial reporting procedures and applicable laws and regulations, and the outside auditor for an unbiased, diligent audit or review, as applicable, of the Company's financial statements and the effectiveness of the Company's internal controls.

The functions of the Committee shall include, consistent with and subject to applicable law, regulations and NYSE rules, the following:

- The Committee shall discuss with the internal auditor and the outside auditor the overall scope, staffing, and plans for their respective audits. In doing so, the Committee shall, as required by law or applicable professional standards, ensure the required rotation of audit partners.
 - The Committee shall review with management and the outside auditor the audited financial statements to be included in the Company's Annual Report on Form 10-K (including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations") and the Annual Report to Shareholders.
 - As a whole, or through the Committee chair, the Committee shall review with management and the outside auditor, prior to filing with the SEC, the Company's interim financial information to be included in the Company's Quarterly Reports on Form 10-Q (including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations").
 - The Committee shall require that the outside auditor timely report and provide disclosures to the Committee as may be required by law and applicable professional standards. The Committee shall discuss with the outside auditor the matters required to be discussed by law and applicable professional standards.
 - The Committee shall review and discuss with Company management the types of presentation and information to be included in earnings press releases (including any non-GAAP information) before they are issued, as well as review financial information and earnings guidance provided to investors, analysts and rating agencies.
 - The Committee shall periodically discuss with management, the internal auditor and the outside auditor the quality and adequacy of the Company's internal controls and internal auditing procedures, including any significant deficiencies in the design or operation of those controls which could adversely affect the Company's ability to record, process, summarize and report financial data and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls, and discuss with the outside auditor how the Company's financial systems and controls compare with industry practices.
 - When required, the Committee shall review management's assessment of the effectiveness of internal controls as of the end of the most recent fiscal year and the outside auditor's opinion and report on management's assessment.
 - The Committee shall periodically review with management and the outside auditor the quality, as well as acceptability, of the Company's accounting policies, the reasonableness of significant judgments and the clarity of disclosures in the financial statements. The Committee shall also discuss with the
-

outside auditor how the Company's accounting policies compare with those in the industry and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of use of such alternative disclosures and treatments and the treatment preferred by the outside auditor.

- The Committee shall periodically discuss with the outside auditor whether all material correcting adjustments identified by the outside auditor in accordance with generally accepted accounting principles and the rules of the SEC are reflected in the Company's financial statements.
 - The Committee shall review with management and the outside auditor any material financial or other arrangements of the Company which do not appear on the Company's financial statements and any transactions or courses of dealing with related parties that are significant in size or involve terms or other aspects that differ from those that would likely be negotiated with independent parties, and which arrangements or transactions are relevant to an understanding of the Company's financial statements.
 - The Committee shall review with management and the outside auditor the Company's critical accounting policies and practices.
 - The Committee shall review with the outside auditor audit problems or difficulties, if any, and management's response as well as all material communications between the outside auditor and management, such as any management letter, schedule of unadjusted differences, any written representation requested from management by the outside auditor and any other matters required to be communicated to the Committee by the outside auditor under applicable professional standards.
 - The Committee shall request from the outside auditor annually a written statement delineating all relationships between the auditor and the Company consistent with the requirements established by the Public Company Accounting Oversight Board, discuss with the outside auditor any such disclosed relationships or services and their impact on the outside auditor's independence, and take appropriate action regarding the independence of the outside auditor.
 - As required by SEC regulations, the Committee shall review, evaluate and approve, in advance, all audit services and all permitted non-audit services to be provided to the Company by the outside auditor. The Committee may establish and maintain a pre-approval policy for this purpose and may delegate pre-approval authority to a member of the Committee. The decisions of any member to whom pre-approval authority is delegated must be presented to the full Committee at the next scheduled meeting.
 - The Committee shall prepare its report to be included in the Company's annual proxy statement as required by SEC regulations.
 - The Committee shall recommend to the Board whether, based on the reviews and discussions referred to above, the financial statements should be included in the Company's Annual Report on Form 10-K.
 - The Committee shall approve a code of ethics, as required by rules of the SEC, for senior financial officers and such other employees and agents of the Company as it determines.
 - The Committee shall review and approve all related person transactions (as such term is defined in applicable SEC rules).
 - The Committee shall receive reports from the Company's legal counsel of any evidence of material violations of the securities laws or breaches of fiduciary duty and any legal matters that could have significant impact on the Company's financial statements or compliance with applicable laws and regulations.
 - At least annually, the Committee shall obtain and review a report by the outside auditor describing the auditor's internal quality control procedures and any material issues raised by the most recent internal
-

quality control review or peer review of the auditor, 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 auditor, and any steps taken to address any issues identified.

- The Committee shall set clear hiring policies for employees or former employees of the outside auditors in accordance with SEC rules and regulations and NYSE listing standards to ensure continued independence of the outside auditor.
- The Committee shall oversee the Company's risk assessment and management functions and discuss with management the Company's risk assessment and risk management practices, policies and processes.
- The Committee shall periodically meet separately in executive session with management, the internal auditor and the outside auditor.
- The Committee shall periodically meet with management separately from the outside auditor and internal auditor.
- The Committee shall perform such other duties as delegated by the Board.
- The Committee shall report regularly to the Board with respect to its activities and make recommendations to the Board as appropriate.

Complaint Procedures

The Committee shall establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Procedures and Resources

The Committee shall meet as frequently as circumstances require. The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary.

The Committee may form subcommittees and delegate authority to any subcommittee or other administrator, as appropriate. Minutes shall be kept of meetings, and the Committee shall make periodic reports to the Board.

The Company shall provide the Committee with such resources (including but not limited to appropriate funding, as determined by the Committee, for payment of reasonable compensation to advisors retained by the Committee), personnel and assistance as needed to fulfill its duties. The Committee shall have the authority to retain any advisors to assist it as reasonably necessary in performing its duties.

In discharging its oversight role, the Committee is granted the authority to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the authority and resources to engage, at the Company's expense, independent outside counsel, forensic accountants, or other experts or advisors as it deems necessary to carry out its duties.

The Committee will conduct an annual evaluation of the Committee's performance as compared to the requirements of this Charter and provide an annual report to the Board regarding the discharge of its responsibilities.
