

AUDIT COMMITTEE CHARTER

Purpose

The Audit Committee (“Committee”) shall assist the Board of Directors (the “Board”) in the oversight of (1) the integrity of the financial statements of the Company, (2) the effectiveness of the internal control over financial reporting, (3) the independent registered public accounting firm’s qualifications and independence, (4) the performance of the Company’s internal audit function and independent registered public accounting firms, and (5) the Company’s compliance with legal and regulatory requirements.

Organization and Membership

The Committee shall be appointed by the Board and consist of at least three Directors, each of whom are independent of management and the Company as defined by the Bylaws of the Company, the SEC and the New York Stock Exchange (the “NYSE”). All Committee members shall be financially literate, or shall become financially literate within a reasonable period of time after appointment to the Committee. The Committee shall aspire to have at least one member who is an “audit committee financial expert” as such term is defined by the SEC. No Director may serve as a member of the Committee if such Director serves on the audit committees of more than two other public companies unless the Board determines that such simultaneous service would not impair such Director’s ability to serve effectively on the Committee. The Board shall designate one member of the Committee as its Chairman. Directors will serve the Committee at the pleasure of the Board and for such terms as the Board may determine. The Committee shall meet at least quarterly and otherwise as the members of the Committee deem appropriate. Minutes shall be kept of each meeting of the Committee.

Authority and Responsibilities

The Committee shall provide assistance to the Board in fulfilling its oversight responsibility to the shareholders relating to the Company’s financial statements and the financial reporting process, preparation of the financial reports and other financial information provided by the Company to any governmental or regulatory body, the systems of internal accounting and financial controls, the internal audit function, the annual independent audit of the Company’s financial statements, the Company’s major risk exposures, and the legal compliance and ethics programs as established by management and the Board. The Committee shall assure that the corporate information gathering, analysis, and reporting systems developed by management represent a good faith attempt to provide senior management and the Board with information regarding material acts, events and conditions within the

Company. The Committee shall be directly responsible for the appointment, compensation, retention and oversight of the independent registered public accounting firm, including the resolution of any disagreements between management and the independent registered public accounting firm regarding financial reporting, and each independent registered public accounting firm shall report directly to the Committee. The Committee shall maintain free and open communication with the independent registered public accounting firm, the internal auditors and management of the Company in fulfilling these responsibilities. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and the power to retain external counsel or other experts or advisers for this purpose. The Committee shall approve the fees and other retention terms related to any such external counsel, experts and advisers retained by the Committee. In addition, the Committee will promulgate, and have the authority to assure adherence to, policies and procedures regarding compliance with the law, the Company's procedures for circulating these policies and for educating employees regarding compliance with these policies. The Committee shall establish and maintain procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding accounting or auditing matters including any allegations of fraud or material misuse of Company resources. The Committee shall perform such other duties and responsibilities as may be assigned to the Committee by the Board.

Statement of Processes

The following shall be the principal recurring processes of the Committee in fulfilling its responsibilities. These processes are set forth as a guide with the understanding that the Committee may amend or supplement them as appropriate and as permitted or required by applicable laws.

1. The Committee shall have a clear understanding with management and the independent registered public accounting firm that the independent registered public accounting firm is ultimately accountable to the Committee, as representatives of the Company's Board and shareholders. The Committee shall be responsible for ensuring that it receives from the independent registered public accounting firm the written disclosures and the letter required by applicable requirements of the PCAOB regarding the independent registered public accounting firm's communications with the Committee concerning independence. The Committee shall engage in a dialogue with the independent registered public accounting firm with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent registered public accounting firm and shall take appropriate action in response to the independent registered public accounting firm's report to satisfy itself of

the independent registered public accounting firm's independence. The Committee shall also be responsible for obtaining from the independent registered public accounting firm any reports required of independent registered public accounting firms under NYSE listing standards and for reviewing such reports.

2. The Committee shall approve in advance all audit and non-audit services proposed to be provided by the independent registered public accounting firm and, with respect to non-audit services, shall only approve those services that do not meet the definition of prohibited non-audit services under applicable laws and regulations. This pre-approval requirement shall be subject to applicable *de minimus* exceptions and shall permit the Committee to delegate the power to grant pre-approvals to subcommittees consisting of one or more members of the Committee; provided that such subcommittee pre-approvals are presented to the full Committee at its next scheduled meeting.
3. The Committee shall recommend to the Board clear hiring policies for employees or former employees of the Company's independent registered public accounting firm and shall assure regular rotation of partners involved in the audit of the Company's financial statements as required by applicable laws and regulations.
4. The Committee shall have the ultimate authority and responsibility to evaluate and, where appropriate, replace the independent registered public accounting firm. Annually, the Committee shall review and make the selection of the Company's independent registered public accounting firm.
5. The Committee shall ensure that the Company establishes, resources, and maintains a professional internal auditing function to serve the interests of the Committee, the Board and the Company.
6. The Committee shall review with management and the General Auditor the charter, plans, activities, staffing, and organizational structure of the internal audit function.
7. The Committee shall ensure there are no unjustified restrictions or limitations on the internal audit function.
8. The Committee shall review and approve the following activities relating to the General Auditor: (a) appointment, replacement or dismissal, and (b) performance appraisals along with related base and incentive compensation.

9. The Committee shall review the effectiveness of the internal audit function, including compliance with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.
10. On a regular basis, the Committee shall meet separately with the General Auditor to discuss any matters that the Committee or the General Auditor believes should be discussed privately.
11. The Committee shall discuss with the internal auditors and the independent registered public accounting firm the overall scope and plans for their respective audits including the adequacy of staffing and compensation. Also, the Committee shall discuss with management, the internal auditors, and the independent registered public accounting firm the adequacy and effectiveness of the accounting and financial controls, including the Company's system to monitor and manage business risks, and legal, regulatory, and ethical compliance programs. The Committee shall review with the independent registered public accounting firm any audit problems or difficulties and management's response thereto. Further, the Committee shall meet separately with the internal auditors and the independent registered public accounting firm, with and without management present, to discuss the results of their examinations.
12. The Committee will require senior corporate officers to report to the Committee on a regular basis regarding education concerning, and compliance with, the Company's policies and procedures and all federal and state laws.
13. The Committee will report regularly to the Board regarding the effectiveness of the Company's policies and procedures.
14. The Committee will require management to establish and maintain an enterprise risk management process and will regularly discuss the Company's major risk exposures, the steps management has taken to monitor and control such exposures, and guidelines and policies to govern the Company's risk assessment and risk management processes. In addition, the Committee will periodically report to the Board regarding significant matters identified with respect to the foregoing.
15. The Committee shall review the interim financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations", with management and the independent registered public accounting firm, both separately and together, prior to the filing of the Company's Quarterly Report on Form 10-Q in accordance with SAS No. 61 and on a general basis. The Committee shall discuss the results of the quarterly review and

any other matters required to be communicated to the Committee by the independent registered public accounting firm under SAS No. 61, and shall also discuss with the independent registered public accounting firm the sufficiency of the Company's internal controls. The Committee shall receive information from management about any significant deficiencies or material weaknesses in the design or operation of internal controls.

16. The Committee shall review with management and the independent registered public accounting firm, both separately and together, the financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations", to be included in the Company's Annual Report on Form 10-K (or the annual report to shareholders if distributed prior to the filing of Form 10-K), including their judgment about the quality, not just acceptability, of all critical accounting principles and practices, the reasonableness of significant judgments, any alternative treatments discussed with management and the impact of such alternative treatments, the clarity of the disclosures in the financial statements, and approve if appropriate major changes to the Company's internal auditing and accounting principles and practices. Also, the Committee shall discuss the results of the annual audit, the sufficiency of the Company's internal controls and any remedial actions adopted in light of any significant deficiency or material weakness, and any other matters required to be communicated to the Committee by the independent registered public accounting firm under standards of the PCAOB.
17. The Committee shall review and discuss generally with management the Company's policies regarding earnings press releases and information provided to analysts and ratings agencies, including the use of any non-GAAP financial measures.
18. The Committee shall prepare the report to be included in the Company's annual proxy statement as required by the rules of the Securities and Exchange Commission (the "SEC").
19. The Committee shall annually review its own performance.
20. All actions of the Committee shall be regularly reported to the Board or submitted to the Board for ratification.
21. The Committee shall review and reassess the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval. Decisions by the Board regarding the content and application of these requirements shall be final.