

I. PURPOSE

The primary function of the Audit Committee is to assist the Board of Directors in overseeing that the Company's management maintains:

- ◆ an adequate system of internal controls,
- ◆ the integrity of the Company's financial statements, and
- ◆ processes to ensure compliance by the Company with all applicable legal and regulatory requirements and Company policy.

The Audit Committee will also oversee the performance of the Company's Internal Audit function and will be responsible for the appointment, compensation, retention and oversight of the performance, qualifications and independence of the Company's independent auditors (including resolution of disagreements between management and the independent auditors regarding financial reporting).

In addition, the Audit Committee shall maintain an effective, open avenue of communication between the independent auditors, internal auditors, senior management and the Board of Directors.

The Committee's function is one of oversight. The Committee recognizes that the Company's management is responsible for preparing the Company's financial statements and that the independent auditors are responsible for auditing those financial statements. In carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements. The Committee has the authority to conduct investigations within the scope of its responsibilities and to retain independent legal, accounting and other advisors to assist the Committee in its functions. The Company shall provide appropriate funding for the Audit Committee, as determined by the Audit Committee, for payment of compensation to the independent auditors, compensation to any advisers employed by the Audit Committee and ordinary administrative expenses of the Audit Committee.

II. STRUCTURE

The Audit Committee shall consist of not less than three Directors as appointed by the Board of Directors. Each member of the Committee shall be independent as defined by the New York Stock Exchange (the “NYSE”) and the Securities and Exchange Commission (the “SEC”) for the purpose of this Charter. All members of the Audit Committee shall be financially literate and have a working familiarity of basic finance and accounting practices. At least one member of the Audit Committee shall be a “financial expert” as defined by the NYSE and the SEC. The Chairperson of the Committee shall be designated by the Board of Directors. The Committee Chairperson will preside at each Committee meeting. In the event the Committee Chairperson is not present at a meeting, the Committee members present at that meeting shall designate one of its members as the acting chair for such meeting.

III. MEETINGS

Meetings will occur as follows:

1. The Audit Committee shall meet quarterly prior to the release of earnings to the public.
2. The Audit Committee shall also meet at regular intervals as may be scheduled and otherwise whenever necessary or appropriate.

The Audit Committee may ask members of management or others to attend Audit Committee meetings and provide pertinent information when needed. The Audit Committee shall meet periodically with management, the independent auditors and Internal Audit in separate executive sessions.

At least half the members of the Audit Committee will constitute a quorum with a majority of votes of those Committee members present at a meeting in which a quorum has been established being sufficient to adopt a resolution or otherwise take action. Meetings may be held in person or by means of a conference telephone or other electronic technology allowing all persons participating in the meeting to hear each other at the same time. The Committee may also act by unanimous consent without a meeting.

IV. FUNCTIONS AND RESPONSIBILITIES

A. Internal Control

1. Review and discuss with management, Internal Audit and independent auditors the adequacy and effectiveness of the Company’s policies for assessing and managing risk.

2. Review management's maintenance of effective internal control over financial reporting and the independent auditors' opinion on whether the Company maintained, in all material respects, effective internal control over financial reporting. Examine internal and independent auditors' findings of weaknesses and recommendations for the improvement of the internal controls. Monitor management's response to and implementation of internal control recommendations. Review and discuss with management and the independent auditors the adequacy of disclosures about changes, if any, of internal controls.
3. Review disclosures made to the Committee by the Chief Executive Officer and the Chief Financial Officer during the certification process for the filings on Form 10-Q and Form 10-K about any significant deficiencies in the design and operation of internal controls, any material weaknesses in internal controls and any fraud that involves management or other employees who have a significant role in the Company's internal controls.
4. Consider the extent to which Internal Audit and independent auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of a systems breakdown.

B. Financial Reporting

1. Review the quarterly and annual earnings and financial statements, including Management's Discussion and Analysis of Financial Condition and Results of Operations, prior to release to the public and discuss such statements with management and the independent auditors. If appropriate, recommend to the Board that the audited financial statements be included in the Company's annual report.
2. Discuss on a general basis the type of information to be disclosed and type of presentation to be made regarding financial information and earnings guidance to analysts and rating agencies.
3. Discuss any changes in accounting principles, significant judgment areas and significant or complex transactions (including any off-balance sheet structures) that occurred. Consider management's handling of proposed audit adjustments identified by the independent auditors.
4. Consult with Internal Audit, independent auditors and accounting personnel on the integrity of the internal and external financial reporting process. Determine if key reporting objectives are being met.

5. On a quarterly basis, discuss with the independent auditors (1) the quality of the Company's accounting policies and practices to be employed in connection with the financial statements and all critical accounting policies and practices used; (2) alternative treatments of financial information under GAAP that have been discussed with management, including the ramifications of the use of alternative treatments and the treatment preferred by the independent auditor; and (3) all other material written communications between the auditor and management, specifically including any management letter and any schedule of unadjusted differences.
6. Discuss the nature of interim financial statements with independent auditors to monitor that quarterly financial statements are consistent with year-end reporting.
7. Provide disclosures and reports as required by SEC regulations for inclusion in the annual report, Form 10-K and annual proxy statements.
8. Appropriately address all inquiries and/or investigations by the SEC or other governmental agencies of the Company's reporting practices.

C. Independent Auditors

1. Serve as the authority to which the independent auditors report. The Audit Committee of the Board of Directors has the ultimate authority and responsibility to appoint, compensate, retain, oversee and, where appropriate, replace the independent auditors.
2. Actively engage in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors.
3. Review, at least annually, the independent auditors' report describing their firm's internal quality-control procedures, any material issues raised by the latest internal quality-control or peer review of the firm or any inquiry or investigation by authorities within the preceding five years, and any steps taken to deal with any such issues.

4. Monitor regular rotation of audit partners by the independent auditors as required by law.
5. Review, at least annually, all relationships between the independent auditors and the Company and otherwise assess the independent auditors' independence.
6. Present the Audit Committee's conclusions with respect to the independent auditors to the Board of Directors.
7. Review, both prior to and following an audit, the audit scope and approach of the independent auditors' examinations and direct the auditors to areas that, in the Audit Committee's opinion, require more attention.
8. Discuss with the independent auditors any significant findings (including any material issues on which the national office of the independent auditor was consulted), difficulties, disagreements with management, restrictions on scope of the audit, or limitations on information or personnel encountered while performing the audit.
9. Pre-approve all audit and permitted non-audit services and related fees to be performed by the Company's independent auditors, subject to the de minimis exception described in Section 202 of the Sarbanes-Oxley Act and applicable SEC rules for those non-audit services that are approved by the Audit Committee prior to the completion of the audit. The Chairperson of the Audit Committee shall have the authority to review and approve all such proposals, provided that the estimated fees relating to each such proposal do not exceed \$250,000, and shall report back to the full Committee at each meeting.

D. Internal Auditors

1. Review and examine the objectivity, effectiveness and resources of the Internal Audit Department.
2. Concur in the appointment, replacement, reassignment or dismissal of the Director of Internal Audit.
3. Review the internal audit plan for the current year and review the risk assessment procedures used to identify projects included in the plan.
4. Review, with the Director of Internal Audit, the results of internal audit activities and progress with respect to the internal audit plan.

E. General

1. Review reports with respect to non-compliance with the Code of Business Conduct and Ethics.
2. Oversee that the Internal Audit Department is auditing the Compliance Program.
3. Review any change in or waiver of the Code of Business Conduct and Ethics by the Company.
4. Review legal and regulatory matters that may have a material impact on the financial statements and the related compliance policies and procedures.
5. Establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls or auditing matters, including procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters. Upon establishing such procedures, the Audit Committee shall review all complaints on a quarterly basis.
6. Review and assess, at least annually, the Audit Committee's charter and submit changes to the charter for approval of the Board.
7. Conduct an annual performance evaluation of the Committee.
8. Establish clear policies for hiring employees or former employees of the independent auditor.
9. Prepare any report or disclosure required by law to be included in the Company's proxy statement.
10. Perform other oversight functions as requested by the Board of Directors.

V. REPORTING RESPONSIBILITIES

The Audit Committee is an arm of, and responsible to, the Board of Directors to which it directly reports. The Audit Committee is responsible for regularly updating the Board of Directors about Audit Committee activities and making appropriate recommendations.