



Charter - Audit & Compliance Committee of the Board of Directors

I. Audit & Compliance Committee Purpose

The primary function of the Audit & Compliance Committee (the “Committee”) is to assist the Board in fulfilling its oversight responsibilities with respect to:

- The accounting, financial reporting processes, and system of internal controls of the Company.
- The assessment of the qualifications and independence of the independent auditor, their appointment for the Company’s annual audit and approval of other engagements or projects performed by the audit firm.
- The review of the Company’s independent auditors and internal audit and security department activities.
- The compliance by the Company with legal and regulatory requirements.
- Preparing the Report of the Committee which is to be included in the Company’s proxy statement relating to its annual meeting of stockholders in compliance with the rules of the Securities and Exchange Commission (the “SEC”).

II. Audit & Compliance Committee Composition and Meetings

The Committee shall consist of no fewer than three members. Each member of the Committee shall meet the independence, experience and financial literacy requirements of the NASDAQ Stock Market, Inc. (“NASDAQ”), Section 10A(m)(3) of the Securities Exchange Act of 1934 (the “Exchange Act”) and the rules and regulations of the SEC. At least one member of the Committee shall be an “audit committee financial expert” as defined by the SEC in Item 401(h) of Regulation S-K. Committee members shall not simultaneously serve on the audit committees of more than two other public companies, unless the Board determines that such simultaneous service on such other audit committees does not impair the ability of such member to effectively serve on the Committee. The members of the Committee and the Committee Chair shall be appointed by the Board on the recommendation of the Company’s Compensation, Nominating and Corporate Governance Committee. Committee members may be removed, with or without cause, at any time upon majority vote of the Board. If a committee Chair is not designated or present, the members of the Committee may designate a Chair by majority vote of the Committee membership. The Chief Financial Officer shall serve as the liaison between management and the Committee.

The Committee shall meet up to four times annually, or more frequently as circumstances dictate. The Committee shall receive an agenda in advance of each meeting. The Committee should meet privately in executive session at least annually with management, the director of the audit and security department, the independent auditors, other members of management as needed, and as a committee to discuss any matters that the Committee or each of these groups believe should be discussed.

III. Audit & Compliance Committee Authority

In carrying out its purposes, the Committee shall have and may exercise all the powers and authority of the Board to the extent permitted under Section 141(c) of the Delaware General Corporation Law.

The Committee shall have the sole authority to: (i) appoint, retain, compensate, evaluate and terminate the Company's independent auditors; and (ii) pre-approve, to the extent required by applicable law, all audit and non-audit services with the independent auditors and the related fees and terms, subject to the exceptions for certain minor non-audit services described in Section 10A(i)(1)(B) of the Exchange Act which are approved by the Committee prior to the completion of the audit.

The Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has full access to the independent auditors as well as the Company's books, records, facilities and personnel. The Committee has the authority to retain, at the Company's expense, special legal, accounting, or other consultants or experts it reasonably deems necessary in the performance of its duties.

The Company shall provide appropriate funding, as determined by the Committee, for payment (i) of compensation to the independent auditor for the audit report; (ii) to any legal, accounting or other professional advisors employed by the Committee and (iii) for ordinary administrative responsibilities of the Committee that are necessary or appropriate in carrying out its duties.

The Committee may delegate its authority to an individual member, or a sub-committee of members when appropriate, including the authority to grant pre-approvals of audit and non-audit services. Any decisions of any such individual or sub-committee to grant pre-approvals shall be presented to the full Committee at its next scheduled meeting.

IV. Audit & Compliance Committee Responsibilities and Duties

Financial Statement Disclosure and Review Procedures

1. Review and reassess the adequacy of this Charter periodically. Submit the charter and any revisions to the Board of Directors for approval.
2. Review the Company's annual audited financial statements prior to filing or distribution outside the Company. Review should include discussion with management and independent auditors of (i) all critical accounting policies and practices used by the Company; (ii) analysis setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including all alternative accounting treatments of financial information within GAAP related to material items that have been discussed with management, including the ramifications of using such alternative treatments and disclosures and the treatment preferred by the independent auditor; and (iii) other material written communication between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
3. Recommend to the Board whether the audited financial statements should be included in the Company's Annual Report on Form 10-K.
4. Receive and review, if necessary, a report from the controller, Chief Financial Officer or other appropriate officer of the Company as to any unusual deviations from prior practice that were included in the preparation of the annual or quarterly financial results.
5. Review and discuss (i) the type and presentation of information to be included in press releases of unaudited interim and annual financial results, including the use of "pro forma" or "adjusted" non-GAAP information, before their release to the public, and (ii) financial information and earnings guidance provided to analysts and ratings agencies.

6. Review and discuss (i) any major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles and (ii) the effects of significant regulatory, accounting and auditing initiatives, including new pronouncements, as well as off-balance sheet structures on the Company's financial statements.
7. Discuss policies with respect to risk assessment and risk management.
8. In consultation with management, the independent auditors, and the internal auditors, consider the adequacy of the Company's internal control over financial reporting, any special steps adopted in light of material control deficiencies and the adequacy of disclosures about changes in internal control over financing reporting.
9. Review and discuss with management (including the senior internal audit executive) and the independent auditor the Company's report on internal control over financial reporting and, when applicable, the independent auditor's attestation of the report prior to the filing of the Company's Form 10-K.
10. After the close of each fiscal year but prior to the Company's annual meeting of stockholders, as well as on any other occasion where the Committee deems it advisable or prudent, report to and review with the full Board any issues that arise with respect to the quality or integrity of the Company's publicly reported financial statements, the Company's compliance with legal or regulatory financial disclosure requirements, the performance and independence of the independent auditors, the performance of the internal audit function, or such other information as it deems appropriate to report concerning the Committee's activities.
11. Review disclosures made to the Committee by the Company's CEO and CFO during their certification process for the Form 10-K and Form 10-Q about any significant deficiencies in the design or operation of internal control over financial reporting or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.
12. Discuss significant financial risk exposures and the steps management has taken to monitor, control, and report such exposures. Review significant findings prepared by the independent auditors and the internal audit and security department together with management's responses.
13. Review and approve all related party transactions to which the Company is party, the disclosure of which would be required by Item 404 of Regulation S-K.

Independent Auditors

14. Appoint, retain, compensate, evaluate and terminate the Company's independent auditors.
15. Ensure that (i) approval of any non-audit services by the Committee is disclosed pursuant to Section 10A(i)(2) of the Exchange Act in the Company's periodic reports, and (ii) payment of fees to the independent auditor and pre-approval of services are properly disclosed as required by Item 9 of Schedule 14A.
16. Engage the independent auditor to perform any non-audit services permitted by Rule 2-01 of Regulation S-X.
17. Review the independent auditors audit plan – discuss scope, staffing, locations, reliance upon management and internal audit, and general audit approach.
18. Prior to filing or distribution of the financial statements, discuss the results of the audit with the independent auditors, including any audit problems or difficulties encountered and management's

- response, any restrictions on their work, cooperation received, significant disagreements with management, their findings and their recommendations and ensure that matters required to be communicated to audit committees in accordance with American Institute of Certified Public Accountants' Statement on Auditing Standards 61 ("SAS 61").
19. At least annually, review and evaluate the qualifications, independence and performance of the independent auditors and present its conclusions to the Board in advance of the annual meeting of stockholders.
 20. In connection with the annual review of the independent auditors, obtain from the them and review a report describing: (i) the independent auditors' internal quality control procedures; (ii) all relationships between the independent auditors and the Company; (iii) any material issues raised by the most recent internal quality control review or peer review of the independent auditors, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits of any company carried out by the independent auditors; and (iv) any steps taken to address such material issues. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence, taking into account the opinions of management and the internal auditors. The Committee shall present its conclusions with respect to the independent auditor to the Board.
 21. Ensure the rotation of each lead audit engagement team partner and independent review partner at least once every five years (or as otherwise required by law) and the other audit engagement team partners to the extent required by law. Consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis.
 22. Establish clear policies regarding the hiring of current or former employees of the independent auditors.
 23. Discuss with the independent auditor material issues on which the national office of the independent auditor was consulted by the Company's audit team.

Internal Audit and security Department and Legal Compliance

24. Review the annual internal audit and security plan and organizational structure of the Internal Audit and security Department.
25. Promote an organizational culture that encourages ethical conduct.
26. Review significant internal audit and security activities.
27. Oversee the implementation and effectiveness of the Company's compliance program, receive reports on non-compliance and actions taken to prevent additional occurrences.
28. Review/assess the Company's procedures for: (1) the receipt, retention, and disposition of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (2) the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.
29. As needed, review with the Company's General Counsel, any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies. Receive a report from the Company's General Counsel on the implementation and effectiveness of the compliance and ethics program at least annually.

30. Obtain from the independent auditor assurance that Section 10A(b) of the Exchange Act relating to the discovery by the independent auditor of possible illegal acts has not been implicated.
31. Oversee and participate in training programs for the full Board of Directors, senior management, and other appropriate persons regarding the Company's compliance and ethics program.
32. Oversee periodic risk assessments to reduce the risk of criminal conduct, including an evaluation of (i) the nature and seriousness of such criminal conduct; (ii) the likelihood that certain criminal conduct may occur because of the nature of the Company's business, and (iii) the prior history of the Company.

Other Audit & Compliance Committee Responsibilities

33. Perform any other activities consistent with this Charter, the Company's by-laws, and governing law, as the Committee or the Board deems necessary or appropriate.
34. Maintain minutes of meetings and periodically report to the Board of Directors on significant results of the foregoing activities.
35. Review the Company's Code of Employee Conduct and Ethics and ensure that management has established a system to enforce this Code.
36. Periodically perform self-assessment of the Audit & Compliance Committee performance, including an assessment of the effectiveness of the Company's compliance and ethics program in preventing and detecting criminal conduct, and its effectiveness in promoting a culture that encourages a commitment to compliance with the law.
37. Review periodically policies and procedures as well as audit results associated with director and officer expenses and perquisites.

Limitation of Committee's Role

The Committee's job is one of oversight and it 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. Additionally, the Committee recognizes that financial management, as well as the independent auditors, have more time, knowledge and more detailed information about the Company than do Committee members; consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements or any professional certification as to the independent auditors' work.