



# CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

(As Revised on March 8, 2005)

## I. Purpose

The Audit Committee is appointed by the Board of Directors of the Company to assist the Board in fulfilling its oversight responsibilities. The Committee's primary duties and responsibilities are to:

- Oversee management's conduct of the Company's financial reporting process and systems of internal accounting and financial controls to assist in the Board's oversight over: (i) the integrity of the Company's financial statements; (ii) the Company's compliance with legal and regulatory requirements; (iii) the independent auditors' qualification and independence; and (iv) the performance of the Company's internal audit function and independent auditors.
- Select, determine the compensation of and monitor the independence and performance of the Company's independent auditors.
- Select, determine the compensation of, and monitor the performance of the Company's Director of Internal Audit.
- Provide an avenue of communication among the independent auditors, management and the Board.
- Prepare the report that the Securities and Exchange Commission (the "SEC") rules require be included in the Company's annual proxy statement.

The Committee has the authority to conduct any investigation to enable it to fulfill its responsibilities. It shall have direct access to all Company personnel and to the independent auditors and the power to retain independent counsel, accountants and others to assist the Committee as it determines necessary to carry out its duties.

## II. Composition and Meetings

The Committee's composition shall be comprised of not less than three directors, each of whom shall meet the independence requirements of the New York Stock Exchange and the SEC. The Committee shall meet at least four times annually. All members of the Committee shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements, and at least one member of the Committee shall have accounting or related financial management expertise. The Board shall determine in its business judgment whether at

least one member of the Committee is an “audit committee financial expert” within the meaning of Section 407 of the Sarbanes-Oxley Act and the rules promulgated thereunder by the SEC. The designation or identification of a person as an audit committee financial expert shall not (i) impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation or identification, or (ii) affect the duties, obligations or liability of any other member of the Committee or Board.

In order for a member of the Committee to simultaneously serve on the audit committee of more than three public companies (including the Company), the Board must determine that such simultaneous service would not impair the ability of such member to effectively serve on the Committee.

Committee members shall be appointed by the Board on recommendation of the Nominating and Corporate Governance Committee. Each Committee member will serve at the pleasure of the Board for such term as the Board may decide or until such Committee member is no longer a Board member. If a Committee Chair is not designated by the Board or present at a meeting, the members of the Committee may designate a Chair by majority vote of the members of the Committee who are present. A majority of the members of the Committee shall constitute a quorum.

### **III. Responsibilities and Duties**

The Committee’s principal responsibility is one of oversight. The Company’s management is responsible for preparing the Company’s financial statements and the independent auditors are responsible for auditing and/or reviewing 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 or any professional certification as to the independent auditors’ work. The Committee’s specific responsibilities are as follows:

- The independent auditors are ultimately accountable to the Committee. In connection therewith, the Committee shall:
  - (i) Request from the independent auditors annually and review a formal written report describing: such firm’s internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm or by an 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 such issues; and (to assess the auditors’ independence) all relationships between the independent auditors and the Company.
  - (ii) Discuss with the independent auditors any disclosed relationships between such firm and the Company and their impact on the independent auditors’ independence.
  - (iii) Present its conclusions with respect to the independent auditors to the full Board.
- The Committee shall meet to review and discuss with management and the independent auditors, the annual audited financial statements, and quarterly financial statements to be included in the Company’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, respectively, including the Company’s specific disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” prior to filing

the same with the SEC or the Annual Report to Shareholders if distributed prior to the filing of Form 10-K, and review and consider with the independent auditors the matters required to be discussed by Statement on Auditing Standards (“SAS”) No. 61. The Committee shall review with management and the independent auditors any impact on the financial statements of any new or proposed changes in accounting principles or legal or regulatory requirements.

- The Committee shall discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies, which may be done generally (i.e., by discussing the types of information to be disclosed and the type of presentations to be made) and need not involve discussing in advance each earning release or each instance in which the Company may provide earnings guidance.
- As appropriate, the Committee shall obtain advice and assistance from outside legal, accounting or other advisors.
- The Committee shall discuss policies with respect to risk assessment and risk management.
- At least quarterly, the Committee shall meet separately and discuss with management, the internal auditors (or other personnel responsible for the internal audit function) and the independent auditors the quality, appropriateness and adequacy of the Company's internal controls and accounting principles applied in its financial reporting. The Committee will meet separately with the chief executive and chief financial officers of the Company at least annually to review the financial affairs of the Company at such time as it deems appropriate to review the independent auditors' examination and management report, and may do so in executive session when and as deemed appropriate.
- The Committee shall review with the independent auditor any audit problems or difficulties and management's response.
- The Committee shall set clear hiring policies for employees or former employees of the independent auditors.
- The Committee shall be responsible for resolving any disagreements between management and the independent auditors regarding financial reporting.
- The Committee shall review and evaluate the independence, performance and compensation of the independent auditors, and annually make the appointment of the independent auditors or approve any discharge or replacement of the independent auditors should circumstances warrant. Any and all engagements of the independent auditors, whether for auditing or non-auditing services, shall be subject to approval by the Committee.
- The Committee shall submit a report to stockholders for inclusion in the Company's annual proxy statement as required by SEC rules.
- The Committee shall establish procedures for the Committee to receive, retain and respond to complaints regarding accounting, internal accounting controls, and auditing matters, as well as for confidential, anonymous submission by employees of concerns related to questionable accounting or auditing matters.
- The Committee shall determine the appropriate level of funding for payment of (i) compensation to the Company's independent auditors engaged for the purpose of rendering or issuing an audit report or related work or performing other audit, review or

attest services for the Company, (ii) compensation to independent counsel or any other advisors employed by the Committee, and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties, and cause the Company to provide for such funding.

- The Committee shall discuss policies with respect to the Company's compliance with legal and regulatory requirements and assist the Board in its oversight of such compliance.
- In addition to the above responsibilities, the Committee shall undertake such other duties as the Board delegates to it, and will report at least annually to the Board regarding the Committee's examinations and recommendations.

#### **IV. Minutes, Reports and Evaluation**

The Committee will maintain written minutes of its meetings that will be filed with the minutes of the meetings of the Board.

The Committee will report periodically to the Board regarding the Committee's activities, which will be incorporated as a part of the minutes of the Board at which those activities are presented.

On an annual basis, the Committee will evaluate its own performance against the requirements of this Charter and report the results of such evaluation to the Board.