

Northwest Bancorp, Inc.

Audit Committee Charter

I. Purpose

The Audit Committee is appointed by the Board of Directors to assist the Board in fulfilling its oversight responsibilities, particularly those that pertain to the integrity of the Company's financial statements, compliance with legal and regulatory requirements, the independent auditors' qualifications and independence, the performance of the independent auditors and the Company's internal audit function. The Committee will also prepare the report required in accordance with rules of the Securities and Exchange Commission (SEC) to be included in the Company's annual proxy statement.

The company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditing firm for the purpose of rendering an opinion on the Company's consolidated financial statements and internal control over financial reporting.

The Company shall also provide funding for ordinary administrative expenses, as well as grant the Committee the specific authority to retain outside legal, accounting, or other advisers deemed necessary to carry out their responsibilities. The Committee may form and delegate authority to subcommittees, comprised of one or more members of the Committee, as necessary or appropriate.

II. Membership

The Audit Committee members shall be appointed by the Board of Directors and shall meet the independence and "financial literacy" requirements of the National Association of Security Dealers Automated Quotations Stock Market, Inc. ("NASDAQ") and other regulatory and supervisory authorities. The Audit Committee shall be comprised of at least three directors each of whom shall be independent directors, free from any relationship that would interfere with the exercise of their independent judgment. At least one member of the Audit Committee shall have the requisite accounting or related financial management expertise to qualify as an "audit committee financial expert" as defined by the SEC. Committee members shall serve the Board of Directors for duration as determined by the Board.

III. Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The quarterly meetings will include separate executive sessions with management, the internal auditors, and the independent auditing firm to discuss matters relevant to the Committee's responsibilities. The Committee also meets in executive session with only directors present. The Audit Committee may request any officer or employee of the company or the Company's outside counsel or independent auditing firm to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

IV. Specific Authority and Duties

Charter Review

The Audit Committee shall review and reassess the adequacy of this charter at least annually. The charter shall be presented to the Board of Directors for approval and the document shall be published in the proxy statement at least every three years in accordance with SEC regulations.

Oversight of Financial Reporting

The Audit Committee will review the Company's annual audited financial results and quarterly financial results prior to filing or distribution. The Committee shall include discussion with management and independent auditors of significant issues regarding accounting principles, practices, judgments, and alternative treatments within generally accepted accounting principles, but shall not delegate these responsibilities. Matters required to be communicated by the independent auditors in accordance with Statement on Auditing Standards No. 61 shall be communicated to the Committee at these quarterly meetings. However, if the independent auditors consider it necessary to communicate such matters in advance of a quarterly meeting, such communication may be addressed to the Chairman of the Committee for his action.

The Committee is responsible to oversee the financial reporting process, the process and structure over internal control, work of the internal auditors, and the relationship with the independent auditing firm. The committee also oversees the annual integrated independent audit of the Company's consolidated financial statements and internal control over financial reporting. Management is responsible for appropriate preparation and presentation of financial information and for related policies and internal controls, internal audit for providing timely testing of controls and compliance and for reporting thereon, and the independent auditing firm for completion of procedures with respect to quarterly and annual financial reporting in accordance with professional standards.

Oversight of the Company's Relationship with the Independent Auditors

The independent auditors shall report directly to the Audit Committee. The Audit Committee shall be directly responsible for the appointment, compensation, retention, and oversight of their work, evaluation and termination of the independent auditor for the purpose of preparing and issuing an audit report and related work. All auditing services and permitted non-audit services to be considered with the independent auditors shall be reviewed and pre-approved by the Committee.

The Committee shall ensure the receipt from the independent auditor of a formal, written statement delineating all relationships between the auditor and the Company, consistent with Independence Standards Board Standard No. 1; and for actively engaging in a dialogue with the independent auditor with respect to a disclosed relationship or services that may impact

the objectivity and independence of the auditor and for taking, or recommending that the board take, appropriate action to oversee the independence of the auditor.

The Committee is responsible for resolution, should they arise, of disagreements between management and the independent auditing firm.

The Committee shall discuss any material issues raised by the most recent quality-control review of the independent auditors, or any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the independent auditors and any steps taken to deal with such issues.

The Committee shall recommend to the Board policies for the Company's hiring of employees or former employees of the independent auditors.

The Audit Committee shall review the independent auditing firm's audit plan; discuss scope, staffing, reliance upon management and internal audit, and general approach. The Committee shall also be made aware of communications between the audit team and the audit firm's national office with respect to difficult auditing or accounting issues presented by the engagement.

Oversight of the Internal Audit Function

The Audit Committee shall review the organizational structure, qualifications and staffing levels of the internal audit department, scope of its work and planned activities. The Committee will review and approve any outsourcing or co-sourcing arrangements pertaining to the internal audit function.

The Committee shall review the appointment, termination, and replacement of senior audit executives. The Committee shall determine the general effectiveness of both the Chief Audit Executive (CAE) and the department as a whole.

As deemed appropriate, the Committee shall review significant reports prepared by the internal audit department together with management's response and follow-up to these reports. The Committee is responsible for resolution, should they arise, of disagreements between management and internal audit.

Other Audit Committee Responsibilities

The Audit Committee shall ensure that procedures have been established 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 questionable accounting or auditing matters.

The Audit Committee shall prepare and review with the Board an annual performance evaluation of the Audit Committee. The performance evaluation by the Audit Committee shall be conducted in such a manner, as the Audit Committee deems appropriate. The report to the Board may take the form of an oral report by the Chairperson of the Audit Committee

or any other member of the Audit Committee designated by the Audit Committee to make this report.

The Audit Committee shall conduct a review of all related party transactions for potential conflict of interest situations on an on-going basis and the Committee shall approve all such transactions.

The Committee shall perform any other activities consistent with this charter, the Company's by-laws, and governing law, as the Committee or Board deems necessary or appropriate.

NORTHWEST BANCORP, INC.
Audit and Non-Audit Services Pre-Approval Policy

I. Statement of Principles

The Audit Committee of the Board of Directors is required to pre-approve the audit and non-audit services performed by the independent auditor in order to assure that they do not impair the auditor's independence. Unless a service to be provided by the Company's independent auditor is specifically addressed by this policy, it will require specific pre-approval by the Audit Committee. Additionally, any proposed service that exceeds pre-approved maximum fee amounts will require specific pre-approval by the Audit Committee.

The Appendices to this policy describe the Audit, Audit-related, Tax and All Other services that have the pre-approval of the Audit Committee. The Audit Committee will periodically review, and revise if necessary, the list of pre-approved services and maximum fee limitations.

II. Delegation

The Audit Committee may delegate pre-approval authority to one or more of its members. By this policy, the Committee delegates specific pre-approval authority to the Committee Chair provided that the anticipated fee for any such pre-approval service does not exceed \$ 10,000. The member or members to whom such authority is delegated shall report any pre-approval decisions to the Audit Committee at its next scheduled meeting.

III. Audit Services

The annual Audit services engagement terms and fees will be subject to the specific pre-approval of the Audit Committee. The Committee will approve, if necessary, any changes in terms, conditions and fees resulting from changes in audit scope, Company structure or other matters. Audit services will include the attestation engagement for the independent audit and report on management's assertions on effectiveness of internal control over financial reporting.

In addition to the annual Audit services engagement approved by the Audit Committee, the Audit Committee may grant pre-approval for other Audit services, not specifically pre-approved in the annual Audit services engagement. Other Audit services may include financial audits of subsidiaries or affiliates of the Company and services associated with Securities and Exchange Commission (SEC) registration statements, periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings.

The Audit Committee has pre-approved the Audit services listed in Appendix A. All other Audit services not listed in Appendix A must be separately pre-approved by the Audit Committee.

IV. Audit-related Services

Audit related services are assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and that are traditionally performed by the independent auditor. The Audit Committee believes that the provision of Audit-related services does not impair the independence of the auditor, and has pre-approved the Audit-related services listed in Appendix B. All other services not listed in Appendix B must be separately pre-approved by the Audit Committee.

V. Tax Services

The Audit Committee believes that the independent auditor can provide Tax services to the Company such as tax compliance; certain tax planning and tax advice without impairing the auditor's independence. The Audit Committee will not permit the retention of the independent auditor in connection with a transaction initially recommended by the independent auditor, the primary purpose of which may be tax avoidance and tax treatment of which may not be supported in the Internal Revenue Code and related regulations. The Audit Committee has pre-approved the Tax services listed in Appendix C. All Tax services, which are not listed in Appendix C, must be separately pre-approved by the Audit Committee.

VI. All Other Services

The Audit Committee believes that the independent auditor may provide permissible non-audit services without impairing the independence of the auditor. The Audit Committee has pre-approved the All Other Services listed in Appendix D. Permissible All Other Services not listed in Appendix D must be separately pre-approved by the Audit Committee.

A list of the SEC's prohibited non-audit services is attached to this policy as Exhibit 1. The SEC's rules and relevant guidance should be consulted to determine the precise definitions of these services and the applicability of exceptions to certain of the prohibitions.

VII. Pre-Approval Fee Levels

Maximum fee amounts for all pre-approved services to be provided by the independent auditor will be established periodically by the Audit Committee. Proposed services to be provided by the independent auditor that exceed these maximum fee amounts will require specific pre-approval by the Audit Committee.

VIII. Supporting Documentation

With respect to each proposed pre-approved service, the independent auditor will provide detailed back-up documentation, which will be provided to the Audit Committee, regarding the specific services to be provided.

IX. Procedures

The Audit Committee has determined to take additional measures on an annual basis to meet its responsibility to oversee the work of the independent auditor and to assure the auditor's independence from the Company. A formal written statement will be requested from the independent auditor delineating the relationships between the independent auditor and the Company, consistent with Independence Standards Board Standard No.1, and discussing with the independent auditor its methods and procedures for ensuring independence.

Dated: August 3, 2005

Appendix A

Pre-approved Audit Services

Dated: August 3, 2005

<u>Service</u>	<u>Maximum Fee Per Engagement</u>
Services associated with SEC registration statements, periodic reports and other documents filed with the SEC or other documents issued in connection with securities offerings (e.g., comfort letters, consents), and assistance in responding to SEC comment letters: <ul style="list-style-type: none">• Consents	\$ 5,000.00

Appendix B

Pre-approved Audit-Related Services

Dated: August 3, 2005

<u>Service</u>	<u>Maximum Fee Per Engagement</u>
Financial statement audits of employee benefit plans	\$ 20,000.00
Attestation engagements for Lenders and Lender Servicers Participating in the Federal Family Loan Education Program	\$ 12,000.00

Appendix C

Pre-approved Tax Services

Dated: August 3, 2005

<u>Service</u>	<u>Maximum Fee Per Engagement</u>
U.S. federal, state and local tax planning and advice	\$ 10,000.00
U.S. federal, state and local tax compliance	\$ 75,000.00
Preparation of final federal, state, or local tax returns of an acquired entity subsequent to acquisition	\$ 30,000.00

Appendix D

Pre-approved All Other Services

Dated: August 3, 2005

<u>Service</u>	<u>Maximum Fee Per Engagement</u>
Accounting opinion issued in conjunction with regulatory application	\$ 10,000.00
Annual fee to KPMG's On-Line Research Library	\$ 2,000.00

Exhibit 1

Prohibited Non-Audit Services

- Bookkeeping or other services related to the accounting records or financial statements of the audit client
- Financial information systems design and implementation
- Appraisal or valuation services, fairness opinions or contribution-in-kind reports
- Actuarial services
- Internal Audit outsourcing services
- Management functions
- Human resources
- Broker-dealer, investment advisor or investment banking services
- Legal services
- Expert services unrelated to the audit