

AUDIT COMMITTEE CHARTER

The Audit Committee

One committee of the Board of Directors will be known as the Audit Committee. The Audit Committee will have a minimum of three members. Only independent directors meeting the requirements of the Nasdaq National Market will serve on the Audit Committee.

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to the public; the Company's systems of internal controls regarding finance and accounting that management and the Board have established; and the Company's auditing, accounting and financial reporting process generally. Consistent with this function, the Audit Committee should encourage continuous improvement of, and should foster adherence to, the Company's financial and accounting policies, procedures and practices. The Committee provides an avenue for communication between internal accounting and financial personnel, the independent accountants and the Board. The Committee should have a clear understanding with the independent accountants that the ultimate accountability of the independent accountants is to the Board and the Committee.

Committee members shall be appointed by the Board of Directors. Each Committee member shall serve for a period of one year or until his or her successor has been duly named and appointed.

General Responsibilities

The Committee will:

- assist the Board in fulfilling its fiduciary responsibilities to the stockholders with respect to matters relating to the Company's accounting, reporting, audit and internal control practices.
- facilitate open avenues of communication between the Company's independent auditors and the Board of Directors.
- advise the independent auditors that they are ultimately accountable to the Board of Directors and the Audit Committee, and not management.
- report Committee actions to the full Board of Directors and make appropriate recommendations.

- inquire into, review and receive written statements concerning the independence of the Company's independent auditors, including a description of all relationships between the Company and the independent auditors.
- conduct or authorize investigations into matters within the Committee's scope of responsibility. The Committee is authorized to retain and determine funding for independent counsel, accountants or other advisors it determines necessary to carry out its duties.
- meet at least four times each year in regular meetings (telephonically or in person), and more frequently if circumstances warrant. A portion of each meeting may exclude Company employees to provide opportunity for independent discussion.

Responsibilities For Selecting Independent Auditors And Reviewing Internal Accounting Functions

- The Committee, subject to any action that may be taken by the full Board, shall have the sole authority and responsibility to select, evaluate, determine the funding for, and, where appropriate, replace the independent auditors. The Audit Committee also will review and approve fees paid to the independent auditors.
- The Committee will confirm and assure the objectivity of the internal accounting functions and the independence of independent auditors, including a review of permissible non-audit services, if any, provided by the independent auditors.
- The Committee will assist in coordinating internal accounting functions and the external audit activities. The purpose of coordinating this effort is to maximize completeness of coverage and to reduce redundancy and overall costs.

Responsibilities For Reviewing The Annual External Audit And Reviewing Quarterly And Annual Financial Statements

- The Audit Committee will strive to ensure that the independent auditors provide the Committee with a timely notification and analysis of significant financial reporting issues.
- The Audit Committee will ask management, internal accounting personnel and the independent auditors about significant risks and exposures and will assess management's steps to minimize them.

- The Audit Committee will review the Company's annual financial statements in Form 10-K with management and the independent auditors before such annual financial statements are filed with the SEC.
- The Audit Committee will review the Company's interim financial statements in Form 10-Q with management and the independent auditors before such interim financial statements are filed with the SEC.

The Audit Committee Will Review With The Independent Auditors And The Internal Accounting Department:

- the planned arrangements and scope of the annual audit.
- the adequacy of the Company's internal controls, including computerized information systems controls and security.
- any significant findings and recommendations made by the independent auditors or internal accounting personnel, together with management's response.
- the need for internal accounting personnel and the independent auditors to assess their responsibility for detecting accounting and financial reporting errors, fraud and defalcations, illegal acts and noncompliance with regulatory requirements.
- the need for changes or improvements, including improvements inefficiency, in financial or accounting practices or controls.

The Audit Committee Will Review With Management And The Independent Auditors:

- the Company's annual financial statements and related notes.
- the independent auditors' audit of and report on the financial statements.
- the auditor's qualitative judgment about the appropriateness, not just the acceptability, of accounting principles and financial disclosures.
- any serious difficulties or disputes with management encountered during the course of the audit.
- anything else about the audit procedures or findings that generally accepted auditing standards require the auditors to discuss with the Committee.

- changes in the Company's accounting policies and practices and significant judgments that may affect the financial results.
- the nature of any unusual or significant commitments or contingent liabilities together with the underlying assumptions and estimates of management.
- the effect of changes on accounting standards that may materially affect the Company's financial reporting practices.

The Audit Committee Will Consider And Review With Management And Internal Accounting Personnel:

- any significant findings during the year and management's response to them.
- the budget and staffing for internal accounting requirements.
- the activities, structure and qualifications of internal accounting personnel.

Approval Of Audit And Non-Audit Services

In addition to approving the engagement of the independent auditors to audit the Company's financial statements, the Committee will approve all use of the Company's independent auditors for permissible non-audit services prior to any such engagement. In addition, the Committee may from time to time approve the use of the Company's independent auditors for permissible non-audit services pursuant to pre-approval policies and procedures established by the Audit Committee, provided the policies and procedures are detailed as to the particular service, the Audit Committee is informed of each service, and such policies and procedures do not include delegation of the Audit Committee's responsibilities to management of the Company.

Other Periodic Responsibilities

The Audit Committee will:

- annually review the Audit Committee's charter and, where appropriate or necessary, update and revise (subject to Board approval) the Audit Committee's Charter.
- meet with the appropriate internal accounting personnel, the independent auditors, and management in separate executive sessions to discuss matters that should be discussed privately with the Audit Committee.

- annually review the Committee's responsibilities, methodology and functions and evaluate its own performance and institute appropriate changes to improve performance or reflect changes in the business environment.
- review with the Company's counsel any legal matters that could have a significant impact on the Company's financial statements.
- review significant risks and exposures.
- review with the independent auditors any findings on reporting errors, fraud and defalcations, illegal acts and regulatory issues.
- review management letters and management responses.
- establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and ensure that such complaints are treated confidentially and anonymously.
- to the extent delegated by the Board, assist the Board in oversight of the Company's compliance with policies and procedures addressing ethical concerns and the Company's code of conduct, including the review and approval of significant conflicts of interest and related-party transactions.