

AUDIT AND FINANCE COMMITTEE CHARTER

January 24, 2006

The Audit and Finance Committee of the board of directors assists the board in fulfilling its oversight responsibilities relating to the integrity of the financial statements, compliance with legal and regulatory requirements, the independent auditor's qualifications and independence, the performance of the internal audit function and the performance of the independent auditor, and such other duties as directed by the board of directors.

While the Audit and Finance Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the committee to plan or conduct audits or to determine that the company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibility of the independent auditor and management, respectively.

- **Structure and Organization**

1. The committee will be composed solely of directors who have the necessary experience and are independent of the management of the company and are free of any relationship that may interfere with their exercise of independent judgment as a committee member, all in accordance with SEC and NYSE requirements.
2. The committee will consist of at least three members of the board of directors. Committee members and the committee chair serve at the direction of the board of directors. All members must be or become financially literate, at least one member must have accounting or related financial management expertise, and at least one member must be an "audit committee financial expert" as defined by SEC rules.
3. A committee member invited to sit on another public company's audit committee must notify the committee. The committee must determine whether or not the committee member's service on another company's audit committee impairs the directors' ability to serve on the company's committee. Committee members should be on no more than three public company audit committees.
4. The committee will meet at least six times a year or more frequently as circumstances require. The committee may ask members of management or others to attend the meetings and provide pertinent information as appropriate. Meetings may be in person or by video or telephone conference if necessary.
5. The committee is expected to maintain free and open communication with management, the chief internal auditor, and the independent auditor.
6. The committee has the authority to investigate any matter brought to its attention.
7. The committee has the authority to retain independent legal, accounting or other advisors if determined appropriate, in its sole judgment. The company will provide funding for that purpose and for ordinary administrative expenses as determined by the committee.

The committee's responsibilities include:

- **General Responsibilities**

1. Meet at least quarterly with the independent auditor, the chief internal auditor, and management in separate sessions to discuss any matters that the committee or these groups believe should be discussed privately with the committee. Provide sufficient opportunity for the independent auditor to meet with the chief internal auditor and others in the company as appropriate.
2. Submit the minutes of all committee meetings and regularly report to the board of directors on committee matters.
3. Review and reassess the adequacy of this Charter annually and propose to the board any changes to the charter.

4. Set policies for the company's hiring of employees or former employees of the independent auditor who participated in any capacity in the audit of the company.
5. Prepare a report of the committee in accordance with SEC requirements to be included in the company's annual proxy statement.

- **Responsibilities Related to the Independent Auditor**

1. Retain, oversee and, where appropriate, terminate the independent auditor. On an annual basis, approve the compensation of the independent auditor, and evaluate the performance of the independent auditor. The independent auditor reports directly to the committee.
2. Review with the independent auditor, the chief internal auditor, and management the audit plan of the independent auditor for the current year and the following year.
3. Establish a policy with respect to the evaluation and approval of audit and permitted non-audit services and related fees, to be performed by the independent auditor.
4. On an annual basis, in accordance with NYSE requirements, obtain and review a report by the independent auditor describing (a) the firm's internal quality control procedures, (b) any material issues raised by their most recent internal quality control review or peer review, or by an inquiry or investigation by governmental or professional authorities, within the preceding five years (regarding one or more audits carried out by the firm), and (c) any steps taken to deal with any issues.
5. On an annual basis, obtain and review a report by the independent auditor delineating all relationships between the company and the independent auditor, and including the independent auditor's written affirmation that the auditor is in fact independent. The committee should actively engage in dialogue regarding such matters that may impact the objectivity, independence and qualifications of the independent auditor. The committee will evaluate the qualifications, performance and independence of the independent auditor and present its conclusions to the board. The evaluation should include an individual evaluation of the lead partner of the independent auditor.
6. At the committee's discretion, arrange for the independent auditor to be available to the full board of directors.
7. Review with the independent auditor the matters relating to the conduct of the audit, including any problems or difficulties encountered in the course of the audit work and management's response, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

- **Responsibilities Related to the Chief Internal Auditor**

1. Review and approve the appointment, replacement, reassignment, or dismissal of the company's chief internal auditor. Provide input into the annual goals and performance evaluation of the chief internal auditor. The chief internal auditor reports directly to the committee and the CFO and the CFO organization.
2. Review at least annually with management and the independent auditor the internal audit function of the company, the budget and audit plan of the internal audit function, and the internal audit charter.
3. Review the results of internal audits.

- **Responsibilities for Oversight of the Quality and Integrity of Accounting, Auditing, and Reporting Practices of the Company**

1. Discuss the annual and quarterly financial statements, including disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," with management and the independent auditor prior to filing. The committee should discuss earnings announcements, as well as financial information and earnings guidance provided to analysts and rating agencies. The discussion may be done generally, and may include the types of information to be disclosed and the types of presentations

to be made. The committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance. These discussions should cover the quality (not just the acceptability) of the financial reporting, and such other matters as the committee deems appropriate.

2. Review with management and the independent auditor major issues regarding accounting principles and financial statement presentations, including any significant changes in the company's selection or application of accounting principles.
3. Review with management and the independent auditor analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the company's financial statements, including analyses of critical accounting policies and analyses of the effects of alternative GAAP methods on the financial statements.
4. Review with management and the independent auditor the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the company.
5. Review with management, the independent auditor, and the company's chief internal auditor the adequacy and effectiveness of the company's disclosure controls and procedures, internal controls for financial reporting, and computerized information systems controls, as well as any special audit steps adopted in light of material control deficiencies.
6. As necessary, discuss with management any significant financial risk exposure and the steps management has taken to monitor and control such exposure.

- **Periodic Responsibilities**

1. Review with management any legal and regulatory matters that may have a material impact on the company's financial statements, compliance policies, and compliance programs.
2. Oversee the company's Corporate Compliance Program and periodically review program effectiveness and suggest to management any necessary improvements in the program. Establish procedures within the Corporate Compliance Program for the (i) receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, and (ii) confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters and other matters under the company's Code of Business Conduct. Approve membership of the company's compliance committee and, from time to time, meet with the Chief Compliance Officer and the head of the Corporate Compliance department.
3. Act as the Company's Qualified Legal Compliance Committee ("QLCC") for purposes of internal and external attorney reporting under Section 307 of the Sarbanes-Oxley Act of 2002. Establish a procedure for confidential receipt, retention and consideration of any attorney report to the QLCC.
4. Review and approve transactions with the company involving management and/or members of the board of directors that are not otherwise subject to the approval of the Compensation and Management Development Committee and would require disclosure under SEC rules. In the event a transaction involves a committee member, that member will recuse him or herself from the approval of the transaction.
5. Annually assess the committee's performance.
6. Perform such other functions assigned by law, the company's charter or bylaws, or the board of directors.