

Committee Charters



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HANOVER COMPRESSOR COMPANY

AUDIT COMMITTEE CHARTER

The Board of Directors (the “Board”) of Hanover Compressor Company (the “Company”) recognizes the critical need to ensure the accuracy and completeness of the financial statements, reports and public statements of the Company in preserving the integrity of the public markets for the Company’s securities. To this end, the Board seeks to empower the audit committee (the “committee”) with sufficient authority and responsibility to achieve these goals and the other purposes set forth in this charter.

The primary purposes of the committee are to prepare an audit committee report as required by the SEC to be included in the Company’s annual proxy statement, to perform an annual evaluation of the audit committee and assist the Board in its oversight of: the integrity of the financial statements of the Company; the Company’s compliance with legal and regulatory requirements; the independence, qualifications and performance of the independent auditor; and the performance of the Company’s internal audit function and the independent auditor.

Composition

The audit committee of the Board shall consist of a minimum of three Directors. Members of the committee shall be appointed by the independent members of the Board of Directors upon the recommendation of the nominating and corporate governance committee and may be removed by a majority vote of the independent members of the Board.

All members of the committee shall be “independent” as defined under applicable law, regulation, the Company’s governance principles and by the rules of the New York Stock Exchange (“NYSE”); be “financially literate” (or become financially literate within a reasonable time after appointment) and satisfy any additional standards (other than independence) which may be imposed by the NYSE or other law or regulation; and have sufficient financial experience and ability to enable them to discharge their responsibilities. In addition, at least one member shall be an “audit committee financial expert” as defined by the SEC. No member of the audit committee may simultaneously serve on the audit committees of more than two other public companies without first obtaining a determination of the Board that such member’s service on the audit committee would not be impaired by such simultaneous service.

Meetings

The audit committee shall meet (either in person or telephonically) as often as it determines but not less frequently than four times per year. The committee should meet with management periodically, the internal auditors (or other personnel responsible for the internal audit function) at least twice per year and the independent auditors in separate executive sessions to discuss any matters the committee or any of these groups believe should be discussed privately.

Authority and Responsibilities

The committee shall have the following authority and responsibilities:

I. FINANCIAL REPORTING

1. To establish and review procedures 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. Review any submissions that have been received, the current status and resolution if one has been reached.
2. To review the Company's financial reporting and accounting standards and principles, significant changes in such standards or principles or in their application and the key accounting decisions affecting the Company's financial statements, including alternatives to, and the rationale for, the decisions made.
 3. To prepare and publish an annual audit committee report in the Company's proxy statement.
 4. To review and discuss the Company's annual audited financial statements and quarterly financial statements with management and the independent auditor, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" before filing of the Company's Form 10-Q or Form 10-K. Review the Company's financial disclosures, particularly those related to off-balance sheet arrangements, contractual obligations and "pro forma" or "adjusted" non-GAAP financial measures.
 5. To review the Company's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. The audit committee's responsibility to discuss earnings releases, as well as financial information and earnings guidance (disclosed to non-insiders), may be done generally (i.e., discussion of the types of information to be disclosed and the type of presentation to be made). The audit committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance.
 6. Review and discuss with management and the independent auditor (a) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies, (b) 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 financial statements, including analyses of the effects of alternative GAAP methods on the financial statements, and (c) the effect of regulatory and accounting initiatives on the financial statements of the Company.
 7. To set clear hiring policies for employees or former employees of the independent auditor.
 8. Meet with the independent auditor and Chief Accounting Officer to discuss the independent auditor's proposed audit planning, scope, staffing and approach, including coordination of its effort with internal audit. Discuss the coordination of audit efforts to assure completeness of coverage, avoidance of redundant efforts and effective use of audit resources.
 9. To recommend, for shareholder approval, the independent auditor to examine the Company's accounts, controls and financial statements. The committee shall have the sole authority and responsibility to select, evaluate, oversee (including resolution of disagreements between management and the Company's auditor regarding financial reporting) and if necessary replace the independent auditor, which shall report directly to the audit committee. The committee shall have the sole authority to approve all audit engagement fees and terms (including proposed budgets) and the committee, or a member of the committee, must pre-approve any audit service or pre-approve or establish a pre-approval policy regarding permissible non-audit service provided to the Company by the Company's independent auditor.
 10. To monitor and review written submissions made by the independent auditor on a periodic basis to the audit committee delineating all relationships between the independent auditor

and the Company and to engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor and to recommend that the Board take appropriate action in response to the independent auditors' report to satisfy itself of the independent auditors' independence. In order to assess auditor independence, the committee will review at least annually all relationships between the independent auditor and the Company.

11. To review with the independent auditor any audit problems or difficulties and management's response thereto. The review should also include discussion of management's cooperation with, or interference with, the audit.
12. To at least annually, obtain and review a report by the independent auditor describing: the 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 any 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 any such issues.
13. Take appropriate steps to ensure the rotation of the lead (or coordinating) audit partner as required by law and to evaluate the independent auditor's qualifications, independence and performance based on the report described in paragraph 12, the statement described in paragraph 10, the auditor's work throughout the year and such other factors and information as the committee deems advisable. The committee shall present its conclusions with respect to the independent auditor to the Board.
14. To determine the appropriate amount of funding for payment of compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, for payment of compensation to any advisors employed by the audit committee, and for payment of ordinary administrative expenses of the audit committee that are necessary or appropriate in carrying out its duties.
15. Discuss with the independent auditor any communications with its national office concerning auditing or accounting issues presented by the engagement.
16. At least annually prior to the filing of the audit report with the SEC (and more frequently if appropriate), review and discuss reports from the independent auditor on (1) the independent auditor's audit of the financial statements, report on internal controls and their report thereon (2) all critical accounting policies and practices to be used, (3) all alternative treatments of financial information within U.S. generally accepted accounting principles that have been discussed with management, including ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the independent auditor and (4) other material written communications between the independent auditor and management, such as any management letter or schedules of unadjusted differences.

II. INTERNAL CONTROLS

1. To review and approve the internal audit functions and the internal audit charter, including: (i) purpose, authority and organizational reporting lines; (ii) annual audit plan and coverage, budget and staffing; and (iii) concurrence in the appointment, compensation of internal audit staff managers. To the extent that the internal audit function is performed under the direction of a general auditor that is a Company employee, the committee shall ensure that the head of the internal audit department reports directly to the committee, which shall be responsible for reviewing and approving the individual's compensation. To the extent that the internal audit function is outsourced, the committee shall ensure that the engagement is managed under the direction of the committee with applicable fees and costs being approved by the committee.
2. To review with appropriate individuals the Company's plan for reviewing its internal controls, disclosure control procedures, the internal system of controls, the results of internal audits, including any material weaknesses or significant deficiencies found and management's response and corrective actions implemented.
3. Review significant findings on internal audits during the year and management's responses thereto.
4. Review any difficulties the internal audit team encountered in the course of their audits, including any restrictions on the scope of their work or access to required information.
5. Review with management the policies and procedures with respect to officers' expense accounts and perquisites, including their use of corporate assets, and consider the results of any review of these areas by internal audit or the independent auditors.

III. CORPORATE GOVERNANCE

1. To review the results of the Company's management and risk assessment and management report.
2. To review responses to Director and officer questionnaires and all transactions or relationships between the Company and any Director, officer or stockholder owning more than 5% of the Company's stock (including any family members of the foregoing), to make recommendations to the Board as to whether any such transactions or relationships should continue, and to assure that all such transactions and relationships are appropriately disclosed in the Company's SEC filings.
3. To evaluate and take appropriate action with respect to information provided by the Chief Executive Officer and the Chief Financial Officer in connection with their certifications under Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002, by the Chief Executive Officer in connection with his certification under the NYSE rules regarding corporate governance, and by the Company in connection with its certification under the NYSE rules regarding audit committee independence. If applicable, review disclosures made to the committee by management regarding fraud involving management or other employees who have a significant role in the Company's internal controls.
4. Obtain from the independent auditor assurance that there has been no required response pursuant to Section 10A(b) of the Securities Exchange Act of 1934. Such response is required if in the course of conducting an audit, such independent auditor detects or becomes aware of information indicating that an illegal act has or may have occurred.

5. Discuss with the Company's General Counsel (i) any questionable or possible illegal activities or payments reported to the Committee, (ii) any legal matters that may have a material impact on the financial statements of the Company, (iii) the Company's compliance policies and (iv) any material reports or inquiries received from regulators or governmental agencies.
6. Periodically review the Company's code of conduct to ensure it is adequate and up-to-date.
7. Review with the Company's Chief Internal Auditor and the Company's General Counsel the results of their review of the monitoring of compliance with the Company's code of conduct, and to ensure proper disclosure of any waivers of the code of conduct for officers and directors.

Outside Advisors

The committee shall have authority to retain such outside counsel, experts and other advisors as the committee may deem appropriate in its sole discretion. The committee shall have sole authority to approve related fees and retention terms.

Reporting and Evaluation

The committee shall review with the Board, after each committee meeting, any issues that arise with respect to the quality or integrity of the Company's financial statements, the company's compliance with legal requirements, the performance and independence of the company's independent auditors, or the performance of the internal audit function. The committee shall conduct and present to the Board an annual performance evaluation of the committee. The committee shall review at least annually the adequacy of this charter and recommend any proposed changes to the Board for approval.

Limitation of Audit Committee's Role

While the committee has the responsibilities and powers set forth in this charter, it is not the duty of the committee to plan or conduct audits, to determine that the financial statements are complete and accurate and are in accordance with U.S. generally accepted accounting principles, or to assure compliance with laws and regulations or the Company's internal policies, procedures, and controls. These are the responsibilities of management, the internal auditors, and the independent auditor. The committee relies on the expertise and knowledge of management, the internal auditors, and the independent auditor in carrying out its oversight responsibilities.

HANOVER COMPRESSOR COMPANY

FINANCE COMMITTEE CHARTER

The Board of Directors (the “Board”) of Hanover Compressor Company (the “Company”) recognizes the importance of the Company’s financing, capital management, liquidity, risk management and insurance to the long-term best interests of the Company and its shareholders. To this end, the Board seeks to empower the finance committee with sufficient authority and responsibility to monitor such matters and to carry out the other purposes set forth in this charter.

Composition

The finance committee of the Board shall consist of a minimum of two Directors who are found by the Board to have sufficient financial experience to enable them to discharge their responsibilities. Members of the committee shall be appointed by the independent members of the Board upon the recommendation of the nominating and corporate governance committee (which shall obtain a recommendation from the Lead Director) and may be removed by a majority vote of the independent members of the Board.

Purpose

The primary purposes of the committee shall be to assist the Board in its oversight of: proposed debt and equity offerings; bank financing; dividend policy; capital management; foreign currency management and other financial risk management matters. In carrying out these purposes, the committee shall provide an open avenue of communication between senior financial managers and the Board.

Authority and Responsibilities

The committee shall have the following authority and responsibilities:

1. To make recommendations to the Board regarding the issuance of debt and equity securities, including the principal terms thereof.
2. To make recommendations to the Board regarding bank credit facilities, lines of credit, commercial paper, guarantees and related matters, including the principal terms thereof.
3. To make recommendations to the Board regarding the timing and amount of dividends, if any.
4. To discuss with management the Company’s financial plans, liquidity and cash position, and make recommendations to the Board with respect thereto.
5. To review and approve policies relating to the management of foreign currencies and foreign credit.
6. To review and approve investment policies and plans.
7. To discuss with management the Company’s capital expenditure plans and make recommendations to the Board with respect thereto.
8. To review and approve, at least annually, the Company’s risk management policies and insurance matters (excluding directors and officers insurance, which shall be reviewed and approved by the Board’s nominating and corporate governance committee).

9. To review and approve any material dispositions of property or the lending by the Company of any material amount of funds (by extension of credit or otherwise).
10. To advise the Board on the financial implications of any proposed combination, acquisition or divestiture.
11. To act with the authority of the full Board on any of the above matters pursuant to a delegation of authority by the Board.

Subcommittees

The committee shall have the authority to delegate any of its responsibilities to subcommittees as the committee may deem appropriate in its sole discretion.

Outside Advisors

The committee shall have authority to retain such outside counsel, experts and other advisors as the committee may deem appropriate in its sole discretion. The committee shall have sole authority to approve related fees and retention terms.

Reporting and Evaluation

The committee shall report its recommendations to the Board after each committee meeting and shall conduct and present to the Board an annual performance evaluation of the committee. The committee shall review at least annually the adequacy of this charter and recommend any proposed changes to the Board for approval.

HANOVER COMPRESSOR COMPANY

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE CHARTER

The Board of Directors (the “Board”) of Hanover Compressor Company (the “Company”) recognizes that the business and affairs of the Company are managed under the direction of the Board. In recognition of this responsibility, the Board seeks to ensure that it identifies, attracts and retains individuals to the Board who have the requisite skill, experience and expertise to effectively serve the Company’s shareholders.

Composition

The nominating and corporate governance committee of the Board shall consist of a minimum of three Directors. All members of the committee shall be “independent” as defined under applicable law, regulation, the Company’s Corporate Governance Principles and by the rules of the New York Stock Exchange (“NYSE”). Members of the committee shall be appointed based on the recommendation of the Lead Director by a majority vote of the independent members of the Board and may be removed by a majority vote of the independent members of the Board.

Purpose

The principle purposes of the committee shall be to assist the Board in identifying qualified individuals to become Board members, receive and review recommendations by shareholders for Board nominations, determine whether existing Board members should be nominated for re-election, review the composition of the Board and its committees, review the compensation of the members of the Board, oversee the evaluation of the Board and management and develop, review and implement the Company’s Corporate Governance Principles.

Authority and Responsibilities

The committee shall have the following authority and responsibilities:

1. To identify individuals qualified to become Board members, consistent with criteria recommended by the committee and approved by the Board, and to select, or to recommend that the Board select, the Director nominees for the next annual meeting of shareholders; recommend, as might be appropriate, Director removal; develop, review and recommend to the Board a set of corporate governance principles applicable to the corporation; and oversee the evaluation of the Board and management.
2. In consultation with the Chairman of the Board, the Lead Independent Director (if the Lead Independent Director is not also the Chairman of the Board) and the CEO, to search for and consider candidates to fill vacant Board positions. The committee may accept recommendations from other members of the Board and from shareholders. The committee shall select individuals as Director nominees who shall have demonstrated the highest personal and professional ethics and integrity, who are known in the business, academic or other community of their choosing to have outstanding ability and judgment, who the committee believes will be effective, in conjunction with the other nominees to the Board, in collectively serving the long-term interests of the shareholders, and who will satisfy the qualification and composition requirements of the Board and its committees, as required by law or the rules of the NYSE, the Company’s certificate of incorporation or bylaws and the Company’s Corporate Governance Principles.

3. To select Director nominees to be presented for shareholder approval at the annual meeting. In undertaking this task the committee shall consider the performance of Directors against criteria to be established by the committee, with such criteria including attendance at Board and meetings of committees of the Board.
4. In consultation with the Lead Director, to review the Board's committee structure and to recommend to the Board for its approval Directors to serve as members and chairs of each committee of the Board. The committee shall review and recommend Board committee slates annually and shall recommend additional committee members to fill vacancies as needed.
5. To review on an annual basis non-employee Director compensation and benefits. In discharging this duty, the committee shall be guided by three goals: compensation should fairly pay Directors for work required in a company of the Company's size and scope; compensation should align Directors' interests with the long-term interests of shareholders; and the structure of the compensation should be simple, transparent and easy for shareholders to understand. The Chairman of the Board shall, if he is a member of the committee, recuse himself from all discussions and recommendations regarding his own compensation as Chairman.
6. To review on an annual basis the directors and officers insurance program, including the amount and scope of coverage, and the indemnification provided to Directors and officers to ensure that such insurance and indemnity protection is consistent with the overall goal of attracting and retaining the highest caliber Directors.
7. In consultation with the Chairman of the Board, the Lead Independent Director (if the Lead Independent Director is not also the Chairman of the Board) and the CEO, to be responsible for the periodic review (at least annually) and interpretation of the Company's governance policies and the nominating and corporate governance committee charter, as well as consideration of other corporate governance issues that may, from time to time, merit consideration by the entire Board;
8. In consultation with the Chairman of the Board, the Lead Independent Director (if the Lead Independent Director is not also the Chairman of the Board) and the CEO, to consider and make recommendations to the Board concerning the appropriate size and needs of the Board;
9. To implement and oversee a Board self-evaluation processes whereby the Board shall establish performance criteria for itself and evaluate itself and individual members on a regular basis. Board evaluation shall include an assessment of whether the Board has the necessary diversity of skills, backgrounds, experiences, etc., to meet the Company's ongoing needs. Individual director evaluations shall include high standards for in-person attendance at Board and meetings of committees of the Board and consideration of absences;
10. To consider policies relating to the Board and directors, including committee structure and size, share ownership, and retirement and resignation;
11. To recommend to the Board for its approval and to implement Company procedures regarding the consideration of nominees to the Board received from shareholders;
12. To implement share ownership guidelines which ensure that Directors have a sufficient stake in the Company to share in the financial future of shareholders while also considering the appropriate financial planning and needs of individual Directors.

Subcommittees

The committee shall have the authority to delegate any of its responsibilities to subcommittees as the committee may deem appropriate in its sole discretion.

Outside Advisors

The committee shall have the sole authority to retain a search firm or firms to assist in identifying Director candidates, and to retain outside counsel and any other advisors as the committee may deem appropriate in its sole discretion. The committee shall have sole authority to approve related fees and retention terms.

Reporting and Evaluation

The committee shall report its actions and recommendations to the Board after each committee meeting and shall conduct and present to the Board an annual performance evaluation of the committee. The committee shall review at least annually the adequacy of this charter and recommend any proposed changes to the Board for approval.

Access

The committee shall consider candidates recommended by security holders who submit such recommendations in writing to the attention of the Company's general counsel at the address of the Company's corporate headquarters as indicated in its annual proxy statement.

HANOVER COMPRESSOR COMPANY

MANAGEMENT DEVELOPMENT AND COMPENSATION COMMITTEE CHARTER

The Board of Directors (the “Board”) of Hanover Compressor Company (the “Company”) recognizes the critical role played by the Company’s chief executive officer (“CEO”) and other senior executives and the importance to the Company and its shareholders of attracting, developing, retaining and compensating such individuals. The Board seeks to empower the Management Development And Compensation Committee in a manner that facilitates these goals.

Composition

The management development and compensation committee of the Board shall consist of a minimum of three Directors. All members of the committee shall be “independent” as defined under applicable law, regulation, the Company’s Governance Principles and by the rules of the New York Stock Exchange (“NYSE”). Additionally, each member of the committee shall (i) be a “non-employee director” for purposes of Rule 16b-3 under the Securities Exchange Act of 1934 and (ii) satisfy the requirements of an “outside director” for purposes of Section 162(m) of the Internal Revenue Code.

Members of the committee shall be appointed by the full Board upon the recommendation of the nominating and corporate governance committee (which shall consult with the Lead Director) and may be removed by a majority vote of the independent members of the Board.

Purpose

The primary purposes of the committee shall be to adopt a compensation philosophy and strategy that (i) assists management in the identification, development and retention of superior executive talent, (ii) rewards employees for superior performance consistent with the Company’s values, and (iii) ensures that the interests of management are aligned with the Company’s shareholders.

Authority and Responsibilities

The committee shall have the following authority and responsibilities:

1. To recommend for approval by the independent members of the Board, the annual and long-term performance goals and objectives relevant to CEO compensation, evaluate the CEO’s performance in light of those goals and objectives (which shall include, among others, the performance of and compensation provided by comparable companies as well as the value of awards made in prior years), and, either as a committee or together with the other independent directors (as directed by the Board), determine and approve the CEO’s compensation based on this evaluation. During its consideration of the compensation of the CEO, the committee shall meet in executive session without the CEO.
2. Produce a compensation committee report on executive compensation as required by the SEC to be included in the Company’s annual proxy statement or annual report on Form 10-K filed with the SEC.
3. To oversee the development of executive succession plans.
4. To review and approve on an annual basis the Company’s compensation philosophy and strategy to ensure that it continues to reward superior performance consistent with the

Company's values and ensure that the interests of management are aligned with the Company's shareholders.

5. To approve and/or recommend approval by the independent members of the Board matters related to non-CEO executive officer compensation, incentive-compensation plans and equity-based plans. The committee shall, to the extent permitted by law and the operative plan documents, have and shall exercise all the authority of the Board of Directors with respect to the administration, amendment, modification and approval of such plans, and shall carry out the responsibilities delegated to it under such plans; provided, however, that any change requiring shareholder approval shall be first submitted to the full Board for consideration and approval.
6. To provide oversight of management's decisions concerning the performance and compensation of other Company officers and employees.
7. When and as appropriate, to review, and recommend for approval by the Board all employment agreements, severance arrangements, and change-in-control agreements with the CEO and other members of senior management.
8. Fulfill such other duties and responsibilities as are consistent with the purposes of the Committee enumerated in this Charter.

Subcommittees

The committee shall have the authority to delegate any of its responsibilities to subcommittees, as the committee may deem appropriate in its sole discretion.

Outside Advisors

The committee shall have sole authority to retain such compensation consultants, outside counsel and other advisors as the committee may deem appropriate in its sole discretion. The committee shall have sole authority to approve related fees and retention terms.

Reporting and Evaluation

The committee shall report its actions and any recommendations to the Board as soon as practicable after each committee meeting and shall conduct and present to the Board an annual performance evaluation of the committee. The committee shall review at least annually the adequacy of this charter and recommend any proposed changes to the Board for approval.

Compensation Principles

The compensation committee shall abide by the following compensation principles to achieve the Company's long-term goals:

1. Compensation arrangements shall seek to emphasize pay for performance and encourage retention of those employees who enhance the Company's performance;
2. Compensation arrangements shall seek to promote ownership of the Company's stock to align the interests of management and shareholders;
3. Compensation arrangements shall seek to maintain an appropriate balance between base salary and long-term and annual incentive compensation;
4. In approving compensation, the recent compensation history of the executive, including special or unusual compensation payments, shall be taken into consideration;

5. Cash incentive compensation plans for senior executives shall seek to link pay to achievement of financial goals set in advance by the committee.

HANOVER COMPRESSOR COMPANY

DISCLOSURE COMMITTEE CHARTER

This Disclosure Committee Charter (the "Charter") has been adopted by the President and Chief Executive Officer and the Vice President and Chief Financial Officer (the "Senior Officers") of Hanover Compressor (the "Company") and ratified by the Audit Committee of the Company's Board of Directors (the "Audit Committee"). The provisions set forth in the Charter are in addition to, and not in lieu of, the Company's internal controls.

Purpose

Subject to the guidance and supervision of the Senior Officers, the Disclosure Control Committee (the "Committee") shall:

- A. Design, establish and maintain controls and other procedures (the "Disclosure Controls and Procedures") to ensure that:
 1. Information required to be disclosed in the reports and statements filed by the Company pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported in conformity with, and within the time periods specified by, the Exchange Act and the rules and forms of the Securities and Exchange Commission (the "SEC").
 2. Information required to be disclosed in registration statements and prospectuses filed by the Company pursuant to the Securities Act of 1933, as amended (the "Securities Act"), is recorded, processed, summarized and disclosed in conformity with the Securities Act and the rules and forms of the SEC.
 3. Information included in the documents identified in clauses A.1 and A.2 and in private offering memoranda (collectively, "Disclosure Documents") is recorded, processed, summarized and disclosed so that:
 - (a) Disclosure Documents do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which such statements were made, not misleading; and
 - (b) Any financial statements and other financial information included in Disclosure Documents fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of and for the periods presented therein; and
 4. All information to be included in any Disclosure Document is communicated to the Company's management, including, without limitation, the Senior Officers, as appropriate to allow timely decisions regarding required disclosure.
- B. Evaluate the effectiveness of the Disclosure Controls and Procedures on a regular basis, to allow timely decisions regarding required disclosures in the Company's Annual Report on Form 10-K and each Quarterly Report on Form 10-Q. Communicate to the Company's management, including, without limitation, the Senior Officers:
 1. The Committee's conclusions regarding the effectiveness of the Disclosure Controls and Procedures;

2. All significant deficiencies and material weaknesses in the design or operation of the Disclosure Controls and Procedures that could adversely affect the Company's ability to record, process, summarize and report information identified in clauses A.1 through A.3 above;
 3. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Disclosure Controls and Procedures, including, without limitation, internal controls; and
 4. Any significant changes in the Disclosure Controls and Procedures, including, without limitation, internal controls, or in other factors that could significantly affect the Disclosure Controls and Procedures, including, without limitation, internal controls, subsequent to the date of the Committee's most recent evaluation, including, without limitation, any corrective actions with regard to significant deficiencies and material weaknesses.
- C. Design, establish and maintain a process pursuant to which the Committee shall be responsible for preparing and approving the disclosures included in the Disclosure Documents.
- D. Maintain written records of the Disclosure Controls and Procedures followed in connection with the preparation and approval of Disclosure Documents.
- E. Undertake any other responsibilities delegated to it from time to time by any Senior Officer to assist that Senior Officer in fulfilling his or her responsibility for oversight of compliance with the Disclosure Controls and Procedures.
- F. Review and supervise the preparation of the Company's (i) press releases containing financial information, earnings guidance, information about material acquisitions or dispositions or other information material to the Company's security holders and (ii) correspondence broadly disseminated to shareholders and all presentations to analysts and the investment community and review disclosures for the Company's investor relations website.

In discharging its duties, the Committee shall have access to all Company books, records, facilities and personnel, as well as the Company's independent auditors and outside counsel.

Composition and Qualifications

The Committee shall consist of officers or employees of the Company appointed from time to time by the Senior Officers; provided, however, that at least one member of the Committee shall be an attorney with expertise in SEC rules and regulations with respect to disclosure and at least one member of the Committee shall be a certified public accountant with expertise in accounting and SEC financial reporting. Notwithstanding the foregoing, the Senior Officers recognize that from time to time two or more members (who among themselves have the expertise described in the preceding sentence) may assume any or all of the responsibilities of the Committee set forth in this Charter to approve Disclosure Documents (excluding annual and quarterly reports) when time or other circumstances do not permit the full Committee to meet, all in order to ensure compliance with the objectives stated in clause A. above.

The members of the Committee may be removed by any Senior Officer or by a majority vote of the Audit Committee or the Company's Board of Directors.

One member of the Committee shall be appointed by a Senior Officer as Chairperson. The Chairperson shall be responsible for scheduling and presiding over the Committee's meetings, preparing agendas for such meetings and supervising the work of the Committee.

The Committee shall meet regularly and at least quarterly. As necessary, appropriate or desirable to discharge the responsibilities set forth in this Charter, designated members of the Committee shall meet

with the Senior Officers and the Chairman of the Committee shall meet with the Audit Committee. The Committee may invite to its meetings any director, member of management and such other persons as it deems appropriate in order to carry out its responsibilities.

No member of the Committee shall receive additional compensation for serving on the Committee.

Annual Performance Evaluation

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including reviewing compliance of the Committee with this Charter. In addition, the Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the Senior Officers any improvements to this Charter that the Committee considers necessary or valuable. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.