

AUDIT COMMITTEE CHARTER

1. *Members.* The Board of Directors (the “Board”) shall appoint an Audit Committee of at least three members, consisting entirely of “independent” directors of the Board, and shall designate one member as Chair. For purposes hereof, “independent” shall mean a director who both meets the New York Stock Exchange definition of “independence” as determined by the Board in its business judgment and satisfies the Guidelines for Determining Independence of its Members adopted by the Board..

Each member of the Company’s Audit Committee shall be financially literate and at least one member of the Audit Committee shall have accounting or related financial management expertise, both as the Board interprets such qualifications in its business judgment. Also, at least one member of the Audit Committee shall meet the Securities and Exchange Commission’s definition of an “audit committee financial expert,” as determined by the Board in its business judgment. One member may satisfy both qualifications. No member of the Company’s Audit Committee may serve on the audit committee of more than three public companies unless the Board has determined in its business judgment that such simultaneous service would not impair the ability of such member to effectively serve on the Company’s Audit Committee.

2. *Purposes, Duties, and Responsibilities.* The Audit Committee shall represent the Board in discharging its responsibilities relating to the accounting, reporting, and financial practices of the Company and its subsidiaries and shall regularly report to the Board. The Audit Committee shall assist the Board with oversight of: (a) the integrity of the Company’s financial statements; (b) the Company’s compliance with legal and regulatory requirements; (c) the independent auditor’s qualifications and independence; and (d) the performance of the Company’s internal audit function and independent auditors. The Audit Committee shall also prepare the Audit Committee Report for inclusion in the Company’s Annual Proxy Statement. The Audit Committee shall have the authority and responsibility to:

(i) Retain and terminate the Company’s independent auditors, evaluate the performance, qualifications and independence of the independent auditors and be directly responsible for the appointment, compensation and oversight of the work of any registered public accounting firm engaged by the Company. This evaluation should include the review and evaluation of the lead partner of the independent auditor. In making its evaluations, the Audit Committee should take into account the opinions of management and the Company’s internal auditors (or other personnel responsible for the internal audit function). In addition to assuring the regular rotation of the lead audit partner as required by law the Audit Committee should further consider whether, in order to assure continuing auditor independence, there should be regular rotation of the audit firm itself. The Audit Committee should present its conclusions with respect to the independent auditor to the Board.

(ii) Pre-approve all permissible non-audit services and all audit, review or attest engagements, and the compensation, fees and terms for such services provided by the independent auditors. By approving the audit engagement, an audit service within the scope of the engagement shall be deemed to have been pre-approved.

(iii) Establish policies and procedures for the pre-approval of services by the independent auditors. The Audit Committee reviews proposed services by the independent auditors at least semiannually. The Audit Committee has delegated to the Audit Committee Chair the authority to pre-approve any non-material changes to any non-audit-related services previously approved by the Audit Committee to be performed by the independent auditor, and requested that the Chair report to the Audit Committee all such changes on non-audit-related work at the next Audit Committee meeting.

(iv) Review with the independent auditor their audit procedures, including the scope, fees and timing of the audit, and the results of the annual audit examination and any accompanying management letters.

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(v) Obtain and review, at least annually, 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; and (to assess the auditor's independence) all relationships between the independent auditors and the Company.

(vi) Review with the independent auditor the written statement from the auditor, required by the Independence Standards Board, concerning any relationships between the auditor and the Company or any other relationships that may adversely affect the independence of the auditor. The Audit Committee shall also consider whether the independent auditor's performance of permissible non-audit services is compatible with the auditor's independence. Based on such review and consideration, the Audit Committee shall assess the independence of the auditor.

(vii) Meet to review and discuss with management and the independent auditor the Company's annual audited financial statements and the quarterly financial statements including the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations." Such review and discussion must include: (A) major issues regarding the Company's 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; (C) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company; and (D) the type and presentation of information to be included in earnings press releases (paying particular attention to any use of "pro forma," or "adjusted" non-GAAP, information), as well as review any financial information and earnings guidance provided to analysts and rating agencies.

(viii) Review with management and the independent auditor the results of any significant matters identified as a result of the independent auditor's interim review procedures prior to the filing of each Company's Quarterly Report on Form 10-Q or as soon thereafter as possible. The Audit Committee chairperson may perform this responsibility on behalf of the Audit Committee.

(ix) Recommend to the Board whether, based on the review and discussions described in paragraphs (iv) through (viii) above, the financial statements should be included in the Company's Annual Report on Form 10-K.

(x) Review with the independent auditor any audit problems or difficulties and management's response, including reviewing with the independent auditor, as the Audit Committee deems appropriate, any accounting adjustments that were noted or proposed by the independent auditor but were "passed" (as immaterial or otherwise), any communications between the firm's audit team and the firm's national office respecting auditing or accounting issues presented by the engagement and any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditor to the Company. The review with the independent auditor should also include discussion of the responsibilities, budget and staffing of the Company's internal audit function.

(xi) Review the adequacy of the Company's internal controls.

(xii) Review significant changes in the accounting policies of the Company and accounting and financial reporting rule changes that may have a significant impact on the Company's financial reports.

(xiii) Establish procedures to receive retain and treat complaints and concerns of employees of the Company and others regarding the Company's accounting, internal accounting controls or

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auditing matters and for the confidential, anonymous submission by employees of the Company concerns regarding questionable accounting or auditing matters.

(xiv) Review and discuss the Company's earnings press releases as well as financial information and earnings guidance provided to analysts and ratings agencies.

(xv) Review and discuss policies with respect to risk assessment and risk management including guidelines and policies that govern the process by which this is handled.

(xvi) Set clear hiring policies for employees or former employees of the independent auditors.

(xvii) Review material pending legal proceedings involving the Company and other major financial risk exposures and the steps management has taken to monitor and control such exposures.

(xviii) Review the adequacy of the Audit Committee Charter on an annual basis and recommend such changes as the Audit Committee may determine from time to time are appropriate.

(xix) Evaluate the performance of the Audit Committee annually.

(xx) Report Audit Committee actions to the Board of Directors, including any issues that arose with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the Audit Committee's conclusions with respect to the performance and independence of the Company's independent auditors or the performance of the internal audit function.

(xxi) Determine, in its capacity as a committee of the Board, appropriate funding to be provided by the Company 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, compensation to any outside advisers employed by the Audit Committee under paragraph 3 below and ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

(xxii) Perform such other duties and responsibilities as may be assigned to the Audit Committee, from time to time, by the Board of Directors and/or the Chairman and Chief Executive Officer.

3. *Outside Advisors.* The Audit Committee shall have the authority to retain such outside counsel, accountants, experts and other advisors as it determines appropriate to assist it in the performance of its functions and shall receive appropriate funding, as determined by the Audit Committee, from the Company for payment of compensation to any such outside advisors.

4. *Meetings.* The Audit Committee shall meet six times per year: (i) for the first three quarters of the fiscal year once each quarter on the day prior to the release of earnings to review that quarter's pre-earnings release plus such other matters that may be placed on the agenda; (ii) annually in June on or around the day of the regular Board meeting to review that fiscal year's Audit Plan activities plus such other matters that may be placed on the agenda; (iii) annually on or around October 31 on the day prior to the release of the year-end earnings to conduct the year-end pre-earnings release review plus such other matters that may be placed on the agenda; and (iv) annually in the second week of February on the day of the Annual Shareholders Meeting and prior to the Annual Meeting of the Board of Directors to conduct the Post Audit meeting plus such other matters that may be placed on the agenda. The Committee shall meet separately, periodically, with management, with internal auditors (or other personnel responsible for the internal audit function) and with independent auditors. The Audit Committee shall also meet at such additional times as the Audit Committee may from time to time deem necessary or appropriate in its judgment.

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The meetings may be either in person or telephonically; except that it is intended that the annual meetings in June and February will be held with a majority of the Audit Committee attending in person, except as the Audit Committee may from time to time otherwise deem appropriate or advisable in its judgment. The Audit Committee shall meet in executive session with the independent auditors and the internal auditor at least quarterly. The Audit Committee shall report to the full Board with respect to each meeting and shall make such reports to shareholders as are required by applicable regulations or as are deemed advisable in the Audit Committee's judgment. The majority of the members of the Audit Committee shall constitute a quorum.