

## **Audit Committee Charter**

### **Purpose**

The Committee is appointed by the Board of Directors to assist the Board in its oversight of the integrity of the Company's consolidated financial statements, the Company's compliance with legal and regulatory requirements, the Company's system of internal controls, the Company's risk management, the qualifications and independence of the Company's independent auditor and the performance of the Company's internal and independent auditors.

It is the responsibility of the Company's management to prepare consolidated financial statements that are complete and accurate and in accordance with generally accepted accounting principles in the United States ("GAAP"), and it is the responsibility of the Company's independent auditor to audit those financial statements. The Committee's responsibility in this regard is one of oversight and review. The Committee does not provide any expert or other special assurance as to such financial statements concerning compliance with laws, regulations or generally accepted accounting principles.

### **Membership**

1. The Committee shall be comprised of at least three (3) Board members appointed by the Board after considering the recommendation of the Nominating and Governance Committee. No Board member shall serve simultaneously on the Committee and the audit committee of more than two (2) other public companies, unless the Board shall determine that such simultaneous service would not impair the Board member's ability to serve effectively on the Committee. Such determination shall be disclosed in the proxy statement. Committee members shall serve at the pleasure of the Board and for such term as the Board determines. The Board shall designate one Committee member as the Committee's chair.
2. Each Committee member shall have no material relationship with the Company and shall satisfy the independence requirements of the Company, the New York Stock Exchange ("NYSE"), the Securities Exchange Act of 1934 (the "Exchange Act"), and the rules and regulations of the Securities and Exchange Commission ("SEC").
3. Each Committee member shall be financially literate in accordance with NYSE requirements or must become financially literate in accordance with such requirements within a reasonable period of time after his or her appointment to the Committee.
4. At least one Committee member shall have accounting or related financial management expertise in accordance with NYSE requirements.

## **Operations**

1. The Committee shall hold regular meetings at least four times per year and report to the Board on a regular basis. Meetings shall include any participants the Committee deems appropriate and shall be of sufficient duration and scheduled at such times as the Committee deems appropriate to discharge properly its responsibilities.
2. The Committee shall meet periodically with management, the independent auditor and the internal auditor in separate executive sessions.
3. The Committee may form and delegate to one or more subcommittees all or any portion of the Committee's authority, duties and responsibilities, and may establish such rules as it determines necessary or appropriate to conduct its business.
4. The Committee shall have direct access to, and complete and open communication with, the Company's management and internal and independent auditor and may obtain advice and assistance from internal legal, accounting or other advisors. The Committee may retain independent legal, accounting or other advisors. The Committee shall have authority to perform or supervise investigations, and the Company shall provide for appropriate funding, as determined by the Committee, for the payment of expenses related to any such investigation.
5. The Company shall provide for appropriate funding, as determined by the Committee, for the payment of: (i) compensation to the independent auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services or other permitted services for the Company; (ii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and responsibilities; and (iii) compensation to an independent legal, accounting or other advisors retained by the Committee.
6. The Committee shall review and assess annually its performance and report the results to the Board. The Committee shall review and assess annually the adequacy of this charter and, if appropriate, recommend changes to the charter to the Board.

## **Authority, Duties and Responsibilities**

The Committee shall:

### Oversight of the Company's Relationship with the Independent Auditor

1. Have the sole authority and responsibility to appoint (which appointment may be presented to shareholders for ratification), compensate, retain, oversee, evaluate and, when appropriate, replace the independent auditor engaged for the purpose of

preparing or issuing an audit report or performing other audit, review and attest services. The independent auditor shall report directly to the Committee.

2. Preapprove all audit, review and attest services and permitted non-audit services (including the fees and terms thereof) to be performed for the Company by its independent auditor, subject to the de minimis exception for non-audit services described in Section 10A(i)(1)(B) of the Exchange Act that are approved by the Committee prior to the completion of the audit. The Committee may form and delegate authority to subcommittees consisting of one or more members the authority to grant preapprovals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant preapprovals shall be presented to the full Committee at its next scheduled meeting.
3. Review and evaluate annually the qualifications, performance and independence of the lead partner of the independent auditor and assure regular rotation of the lead audit partner, reviewing partner and other audit engagement team partners of the independent auditor as required by law. Annually evaluate the appropriateness of rotating the independent audit firm. Evaluate annually the qualifications and performance of the independent auditor. Provide its conclusions to the Board.
4. Evaluate the independence of the independent auditor by, among other things, ensuring that the independent auditor periodically, and at least annually, submits to the Committee a formal written statement delineating all relationships between the independent auditor and the Company, including any non-audit service permitted under the Exchange Act provided to the Company and the matters set forth in Independence Standards Board Standard No. 1. Engage in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact their objectivity and independence. Provide its conclusions to the Board.
5. Obtain, review and evaluate, at least annually, a report by the independent auditor describing the independent auditor's internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor, 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 independent auditor, and any steps taken in response to any such issues. Provide its conclusions to the Board.
6. Set the Company's policies for the hiring of current and former employees of the independent auditor.

#### Oversight of the Company's Internal Auditor and Internal Controls

7. Approve the appointment and, when and if appropriate, replacement of the Company's senior internal auditing executive, who shall report directly to the

Committee. Review the qualifications and performance of the senior internal auditing executive.

8. Review the significant reports to management prepared by the internal auditing department and management's responses.
9. Discuss, as appropriate, the adequacy of the Company's internal controls with the internal and independent auditors and management, including without limitation reports from the Chief Executive Officer or the Chief Financial Officer regarding significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting or any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls. Review and discuss, as appropriate, any major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies. Review the Chief Executive Officer and Chief Financial Officer certification process and the role of the Disclosure Committee.
10. Review and discuss with management and the internal and independent auditors management's annual report on the Company's internal control over financial reporting and the independent auditor's attestation report regarding management's report. Receive reports from management regarding management's quarterly evaluations of changes in internal controls over financial reporting and discuss with management and the independent auditor as appropriate.
11. Review the annual plan and scope of work of the internal auditor.

#### Oversight of the Financial Statements, Audit and Disclosure

12. Review the results of internal and independent audits and discuss with management and the independent auditor the Company's annual audited consolidated financial statements and condensed consolidated quarterly and year-to-date financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and other matters required by professional auditing standards or under applicable legal, regulatory or NYSE requirements.
13. Regularly review with the independent auditor significant issues regarding accounting principles and financial statement presentations, including (i) any significant changes in the Company's selection or application of accounting principles; (ii) 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 (iii) any significant communications between the independent audit team and the independent audit firm's national office respecting auditing or accounting issues presented by the engagement.

14. Review and discuss with the independent auditor and, to the extent appropriate, management, in connection with the Company's Annual Report on Form 10-K, and otherwise, as appropriate, any reports of the independent auditor required by law or professional auditing standards, including reports on: (i) critical accounting policies and practices used in preparing the financial statements; (ii) alternative treatments under GAAP for policies and procedures related to material items discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and (iii) other material written communications between the independent auditor and management of the Company, such as any management letter issued or proposed to be issued, and a schedule of unadjusted differences, if any.
15. Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit, including difficulties encountered in the course of the audit work, restrictions on the scope of activities or access to requested information, significant disagreements with management, and management's response.
16. Discuss with management and the independent and internal auditors, the independent auditor's judgment about the quality, not just acceptability, of the accounting principles as applied in the Company's financial statements.
17. Review the annual plan and scope of work of the independent auditor.
18. Obtain a statement from the independent auditor that the audit was conducted in a manner consistent with applicable portions of Section 10A of the Exchange Act.
19. After review, recommend to the Board the acceptance and inclusion of the annual audited consolidated financial statements in the Company's Annual Report on Form 10-K.
20. Review or discuss, as and when appropriate: (i) the types of information to be disclosed and the type of presentation to be made in earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information and any reconciliation to GAAP information, that have been, or will be, issued by the Company, as well as financial information and earnings guidance that have been provided to analysts and rating agencies; and (ii) the effect of regulatory and accounting initiatives and off-balance sheet structures on the Company's consolidated financial statements.
21. Be responsible for resolution of disagreements between management and the independent auditor regarding financial reporting.

#### Oversight of Compliance with Legal and Regulatory Requirements

22. When deemed appropriate, review with the Company's Chief Legal Officer, or appropriate delegates, legal, disclosure or other matters that may have a material

impact on the Company's consolidated financial statements or on the Company's compliance policies.

23. Obtain, review and evaluate reports from management with respect to the Company's policies and procedures regarding compliance with applicable legal and regulatory requirements, and the Company's Code of Ethics and Business Conduct.
24. Establish procedures for: (i) the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters.
25. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any external or employee complaints or published reports that raise material issues regarding the Company's financial statements or accounting policies.
26. Review and discuss, as and when appropriate, the internal auditor's review of perquisites, expenses and conflicts of interest, if any, of, members of the Management Committee and senior management of the business units. Review disclosures of insider and affiliated party transactions.
27. Provide the report of the Committee as required by the SEC in the Company's annual proxy statement.

#### Oversight of the Company's Risk Management

28. Review or discuss, as and when appropriate, with management, the Company's guidelines, policies and procedures for risk assessment and management. Review the major risk exposures of the Company and its business units, including market, credit, financial, legal and other operational risk, and the steps management has taken to monitor and control such exposures. Provide its conclusions to the Board.

#### Other Authority

29. Make such recommendations with respect to any of the above and other matters as the Committee deems necessary or appropriate.
30. Have such other authority, duties and responsibilities as may be delegated to the Committee by the Board.

The Committee's authority, duties and responsibilities are discharged through evaluating reports given to the Committee, presentations made to the Committee and other significant financial reporting decisions reported to the Committee by management, the internal and independent auditors and by other persons or organizations the Committee deems appropriate.