

BOARD OF DIRECTORS AUDIT COMMITTEE CHARTER



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I. Audit Committee Purpose

The Audit Committee shall be directly responsible for the appointment, retention, compensation and oversight over the work of the Company's independent public accountants. The Audit Committee's primary duties and responsibilities are to:

- Monitor the integrity of the Company's financial statements, financial reporting process and systems of internal controls regarding finance and accounting.
- Monitor the Company's compliance with legal and regulatory requirements.
- Monitor the qualifications and independence of the Company's independent public accountants.
- Monitor the performance of the Company's internal audit function and independent public accountants.
- Prepare the report that SEC rules require be included in the Company's annual proxy statement.
- Provide an avenue of communication among the independent public accountants, management and the Board of Directors.
- Monitor significant litigation and financial risk exposure.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent public accountants as well as anyone in the Company. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting, or other consultants or experts it deems necessary in the performance of its duties.

II. Composition and Meetings

The Audit Committee shall be comprised of at least three directors. Each member of the Audit Committee shall satisfy the applicable independence, experience and financial expertise requirements of the New York Stock Exchange and Securities Exchange Act of 1934, as amended by the Sarbanes-Oxley Act of 2002, and the rules promulgated thereunder. Directors' fees are the only form of compensation that an Audit Committee member may receive from the Company. All members of the Committee shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements, and at least

one member of the Committee shall have accounting or related financial management expertise.

Nomination, appointment and removal of Committee members and operations of the Committee shall be in accordance with the Company's Committee Guidelines.

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Audit Committee Chair shall prepare and/or approve an agenda in advance of each meeting. The Committee shall meet privately in executive session periodically with management, the independent public accountants, any internal auditors (or other personnel responsible for the internal audit function), and as a committee to discuss any matters that the Committee or each of these groups believe should be discussed. In addition, the Committee, or at least its Chair, should communicate with management and the independent public accountants quarterly to review the Company's financial statements and significant findings based upon the auditors' limited review procedures.

III. Responsibilities and Duties

The Audit Committee shall:

1. Review and reassess the adequacy of the Charter at least annually, and shall submit the Charter to the Board of Directors for approval and have the document posted on the Company's web site and published in the proxy at least every three years in accordance with SEC regulations.
2. Review the Company's annual audited financial statements, including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the matters required to be discussed pursuant to Statement on Auditing Standards No. 61, and recommend to the Board whether the audited financial statements should be included in the Company's Form 10-K, prior to filing or distribution. Review should include discussion with management and independent public accountants of significant issues regarding accounting principles, practices, and judgments.
3. Review with financial management and the independent public accountants the Company's quarterly financial statements, including disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to filing or distribution. Discuss any significant changes to the Company's accounting principles and any items required to be communicated by the independent public accountants in accordance with AICPA SAS 61 (see item 8). The Chair of the Committee may represent the entire Audit Committee for purposes of this review.

4. Review disclosures made by the Chief Executive Officer and Chief Financial Officer regarding compliance with their certification obligations as required under the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder, including the Company's disclosure controls and procedures and internal controls for financial reporting and evaluation thereof.
5. Review earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. Such review may be done generally and need not be in advance of each earnings press release or each instance in which management provides such guidance.
6. Review policies with respect to risk assessment and risk management, including the steps management has taken to monitor and control major financial risk exposures.
7. Report regularly to the Board of Directors.

Independent Public Accountants

8. The Audit Committee shall have the sole authority to appoint or replace the independent public accountants, and shall approve all audit engagement fees and terms and all non-audit engagements with the independent public accountants. The Audit Committee shall consult with management but shall not delegate these matters, except that pre-approvals of non-audit services may be delegated to a single member of the Audit Committee.
9. In its capacity as a committee of the Board, the Audit Committee shall be directly responsible for the oversight of the work of the independent public accountants (including the resolution of disagreements between management and the independent public accountants regarding financial reporting) for the purpose of preparing or issuing an audit report or related work, and the independent public accountants shall report directly to the Audit Committee.
10. The Audit Committee shall review with the independent public accountants any audit problems or difficulties and management's response. Such matters include any restrictions on the scope of the independent public accountant's activities or on its access to requested information, any significant disagreements with management, any accounting adjustments that were proposed by the independent public accountants but not accepted by management (whether or not material), any communications between the audit team and the independent public accountants' 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 public accountants to the Company.

11. At least annually, the Audit Committee shall obtain and review a report by the independent public accountants describing: the independent public accountants’ internal quality control procedures; any material issues raised by the most recent internal quality control review, or peer review, of the independent public accountants, 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 public accountants, and any steps taken to deal with such issues.
12. On an annual basis, the Committee should review and discuss with the independent public accountants all relationships they have with the Company that could impair the independent public accountants’ independence.
13. Review the independent public accountants’ audit plan – discuss scope, staffing, locations, reliance upon management, and their general audit approach.
14. Prior to releasing the year-end earnings, discuss the results of the audit with the independent public accountants. Discuss certain matters required to be communicated to audit committees in accordance with AICPA SAS 61.
15. Consider the independent public accountants’ judgments about the quality and appropriateness of the Company’s accounting principles as applied in its financial reporting.
16. Set clear hiring policies for employees or former employees of the independent public accountants.

Internal Audit Services and Legal Compliance

18. The Audit Committee shall ensure that the Company maintains an internal audit function.
19. The Audit Committee shall discuss with the independent public accountants the responsibilities, budget and staffing of the Company’s internal audit function.
20. On at least an annual basis, the Audit Committee shall review with the Company’s General Counsel any legal matters that could have a significant impact on the organization’s financial statements, the Company’s compliance with applicable laws and regulations, and inquiries received from regulator or governmental agencies.

Other Audit Committee Responsibilities

21. Annually prepare a report to shareholders as required by the Securities and Exchange Commission. The report should be included in the Company's annual proxy statement.
22. Perform any other activities consistent with this Charter, the Company's by-laws, and governing law, as the Committee or the Board deems necessary or appropriate.
23. Maintain minutes of meetings and periodically report to the Board of Directors on significant results of the foregoing activities.
24. Establish procedures for (a) the receipt, retention and proper treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
25. Review any reports of the public accountants mandated by Section 10A of the Securities Exchange Act of 1934, as amended, and obtain from the registered public accountants any information with respect to illegal acts in accordance with Section 10A.
26. At least annually perform self-assessment of Audit Committee performance.
27. Review financial and accounting personnel succession planning within the Company.
28. Annually review policies and procedures as well as audit results associated with Directors' and Officers' expense accounts and perquisites. Annually review a summary of Directors' and Officers' related party transactions and potential conflicts of interest.

Limitation of Audit Committee's Roles

29. While the Audit Committee has the responsibilities and powers set forth in its Charter, it is not the duty of the Audit Committee to prepare financial statements, 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 (GAAP) and applicable rules and regulations. These are the responsibilities of management and the independent public accountants.

Document last updated and approved by the Navigant Consulting Board of Directors on February 17, 2004