

AUDIT COMMITTEE

CHARTER

(amended and restated through October 2005)

- I. Composition of the Audit Committee: The Audit Committee shall be comprised of at least three directors appointed by the Board of Directors, each of whom shall satisfy the independence and other applicable membership requirements under the rules of the New York Stock Exchange, Inc. and the U.S. Securities and Exchange Commission, as such requirements are interpreted by the Board of Directors in its business judgment.
- II. Purposes and Function of the Audit Committee:
- A. The purposes of the Audit Committee are:
- To assist the Board in its oversight of (1) the integrity of the Company's financial statements, (2) the Company's compliance with legal and regulatory requirements, (3) the qualifications and independence of the Company's independent auditor, (4) the performance of the Company's internal auditing department and the independent auditor and (5) the Company's accounting and financial reporting principles and policies and internal controls and procedures; and
 - To prepare the report of the Committee required to be included in the Company's annual proxy statement.
- B. The function of the Audit Committee is oversight. The management of the Company is responsible for the preparation, presentation and integrity of the Company's financial statements. Management and the internal auditing department are responsible for maintaining appropriate accounting and financial reporting principles, policies, internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. The independent auditors are responsible for planning and carrying out audits, reviews (including reviews of the Company's quarterly financial statements prior to the filing of each quarterly report on Form 10-Q) and other procedures. In fulfilling their responsibilities hereunder, it is recognized that members of the Audit Committee are not full-time employees of the Company and all such members are not, and do not represent themselves to be, accountants or auditors by profession or experts in the fields of accounting or auditing. Each member of the Audit Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company from which it receives information and (ii) the accuracy of the financial and other information provided to the Audit Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board of Directors). Certain matters regarding the oversight of the Company's compliance with legal and regulatory requirements may be delegated by the Board to other committees of the Board.

III. Meetings of the Audit Committee: In addition to such meetings of the Audit Committee as may be required to discuss the matters set forth in Article IV, the Audit Committee should meet separately, periodically following regularly scheduled in person meetings with management, the head of the internal auditing department and the independent auditors to discuss any matters that the Audit Committee or any of these persons or firms believe should be discussed privately. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditors to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee. The members of the Audit Committee shall be appointed by the Board on the recommendation of the Corporate Responsibility & Governance Committee and shall serve for such terms as the Board may determine, or until their earlier resignation, death or removal by the Board. The Board shall designate one member of the Audit Committee to serve as its chairperson. Notice of all meetings shall be given, and waiver thereof determined, pursuant to the provisions contained in the Company's bylaws. The chairperson will preside, when present, at all meetings of the Audit Committee. The Audit Committee may meet by telephone or video conference and may take action by written consent. Each member of the Audit Committee shall have one vote. One-third of the members, but not less than two, shall constitute a quorum. The Audit Committee shall be authorized to take any permitted action only by the affirmative vote of a majority of the Audit Committee members present at any meeting at which a quorum is present, or by the unanimous written consent of all of the Audit Committee members.

IV. Duties and Powers of the Audit Committee: To carry out its purposes, the Audit Committee shall have the following duties and powers:

- A. With respect to the independent auditor,
- 1.) To be directly responsible for the appointment, retention, termination, compensation and oversight of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting);
 - 2.) To oversee partner rotation as required by law and to consider whether, in order to assure continuing auditor independence, there should be a regular rotation of the audit firm itself;
 - 3.) To pre-approve the engagement of the independent auditors to provide any audit or non-audit services consistent with the limitations on such services prescribed by law (with the power to delegate the authority to pre-approve any engagement to the Chair of the Audit Committee);

- 4.) To review the fees charged by the independent auditors for audit and non-audit services;
 - 5.) To obtain and review, at least annually, a report from the independent auditors describing: the independent auditors' internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, 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 auditors, and any steps taken to deal with any such issues;
 - 6.) To require that the independent auditors prepare and deliver annually a Statement as to Independence (it being understood that the independent auditors are responsible for the accuracy and completeness of this Statement), to discuss with the independent auditors any relationships or services disclosed in this Statement that may impact the objectivity and independence of the Company's independent auditors and to take appropriate action in response to this Statement to satisfy itself of the independent auditors' independence; and
 - 7.) To instruct the independent auditors that the independent auditors are accountable to the Audit Committee and shall report directly to the Audit Committee.
- B. With respect to the internal auditing department,
- 1.) To review the annual internal audit plan and the responsibilities, budget and staffing of the internal auditing department, including the appointment and replacement of the head of the internal auditing department;
 - 2.) To advise the head of the internal auditing department that he or she is expected to provide to the Audit Committee summaries of reports and, as appropriate, the entire report to management prepared by the internal auditing department and management's response thereto; and
 - 3.) To determine the policies for hiring within the Company's internal auditing and finance departments any former employee of the Company's independent audit firm.
- C. With respect to financial reporting principles and policies and internal audit controls and procedures,

- 1.) To advise management, the internal auditing department and the independent auditors that they are expected to provide to the Audit Committee a timely analysis of significant financial reporting issues and practices;
- 2.) To consider any reports or communications (and management's and/or the internal audit department's responses thereto) submitted to the Audit Committee by the independent auditors required by or referred to in SAS 61 (as codified by AU Section 380), as may be modified or supplemented, including reports and communications related to:
 - (a) deficiencies noted in the audit in the design or operation of internal controls;
 - (b) consideration of fraud in a financial statement audit;
 - (c) detection of illegal acts;
 - (d) the independent auditor's responsibility under generally accepted auditing standards;
 - (e) significant accounting policies;
 - (f) management judgments and accounting estimates;
 - (g) adjustments arising from the audit;
 - (h) the responsibility of the independent auditor for other information in documents containing audited financial statements;
 - (i) disagreements with management;
 - (j) consultation by management with other accountants;
 - (k) major issues discussed with management prior to retention of the independent auditor;
 - (l) difficulties encountered with management in performing the audit;
 - (m) the independent auditor's judgments about the quality of the entity's accounting principles; and
 - (n) reviews of interim financial information conducted by the independent auditor.

- 3.) To meet with management, the head of the internal auditing department and/or the independent auditors:
 - (a) to review the scope of the annual audit;
 - (b) to review the audited financial statements;
 - (c) to review any significant matters arising from any audit or report or communication referred to in items B 2. or C 2. above, whether raised by management, the internal auditing department or the independent auditors, relating to the Company's financial statements;
 - (d) to review the form of opinion the independent auditors propose to render on the consolidated financial statements to the Board of Directors and shareholders;
 - (e) to review 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;
 - (f) to review 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;
 - (g) to review the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, if any, on the financial statements of the Company; and
 - (h) to inquire about significant risks and exposures, if any, and the steps taken to monitor and minimize such risks, it being understood that it is the job of management to assess and manage the Company's exposure to risk and that the Committee's responsibility is to discuss guidelines and policies by which risk assessment and management is undertaken.
- 4.) To obtain from the independent auditors assurance that the audit was conducted in a manner consistent with Section 10A of the Securities Exchange Act of 1934, as amended, which sets forth

certain procedures to be followed in any audit of financial statements required under the Securities Exchange Act of 1934;

- 5.) To review with the Company's General Counsel the Company's compliance policies and any significant legal matters that may have a material effect on the financial statements, including material notices to or inquiries received from governmental agencies; and
- 6.) To review with management risk management practices required for or implemented by the businesses, including risk management practices and plans in the event of the failure of information technology systems.

D. With respect to reporting and recommendations,

- 1.) To prepare any report, including any recommendation of the Audit Committee, required by the rules of the U.S. Securities and Exchange Commission to be included in the Company's annual proxy statements;
- 2.) To meet to review the Company's annual audited financial statements and quarterly financial statements with management and the independent auditors and to review the Company's specific disclosures made in "Management's Discussion and Analysis" prior to any filing of such statements with the U.S. Securities and Exchange Commission;
- 3.) To review the contents of press releases reflecting financial information and earnings guidance, and the disclosures to be included in any conference call with analysts or the public relating to earnings, as well as financial information and earnings guidance provided to analysts and rating agencies, it being understood that such review may, in the discretion of the Committee, be done generally (i.e., by reviewing the types of information to be disclosed and the type of presentation to be made) and that the Audit Committee need not review in advance each earnings release or each instance in which the Company gives earnings guidance;
- 4.) To review disclosures made by the principal executive officer and the principal financial officer in conjunction with their obligations to certify reports pursuant to the Sarbanes-Oxley Act of 2002; and
- 5.) To 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 employees of the

Company of concerns regarding questionable accounting or auditing matters.

- E. With respect to the Audit Committee,
- 1.) To review this Charter at least annually and recommend any changes to the Board of Directors;
 - 2.) To maintain minutes and records of, and report its activities to the Board of Directors on a regular basis and to make such recommendations with respect to the above and other matters as the Audit Committee may deem necessary or appropriate; and
 - 3.) To review annually the performance of the Audit Committee.
- V. Resources and Authority of the Audit Committee: The Audit Committee shall have the resources and authority appropriate to discharge its responsibilities, including the authority to engage independent auditors for special audits, reviews and other procedures and to retain special counsel and other experts or consultants.