

AUDIT COMMITTEE CHARTER

1. Organization

The Audit Committee is a standing committee of the Board of Directors. The Board of Directors shall elect the members of the Audit Committee of the Corporation and shall designate the Chairman of the Committee.

2. Purpose

The Audit Committee shall provide assistance to the Board of Directors by overseeing and monitoring (1) the integrity of the Corporation's financial statements, (2) the Corporation's compliance with legal and regulatory requirements, (3) the outside auditor's qualifications and independence and (4) the performance of the Corporation's internal control function, its system of internal and disclosure controls and the outside auditor. The Audit Committee facilitates communications among the Board of Directors, financial and senior management and the outside auditor.

3. Composition and Qualifications

The Audit Committee shall consist of three or more directors as determined by the Board of Directors. The members of the Audit Committee will meet the applicable independence and experience requirements of the New York Stock Exchange, securities laws and the standards of independence adopted by the Corporation's Board of Directors. Each member of the Audit Committee will have no relationship to the Corporation, including disallowed compensatory arrangements, that may, in the Board of Directors' reasonable judgment, interfere with the exercise of his or her independence from management and the Corporation. No member of the Audit Committee shall receive any compensation, directly or indirectly, from the Corporation other than that paid for services as a director or committee member. Each member of the Audit Committee shall be financially literate, as such qualification is interpreted by the Board of Directors in its business judgment, or must become financially literate within a reasonable period of time after his or her appointment to the Audit Committee. At least one member of the Audit Committee must have the accounting or related financial management expertise to be considered a "financial expert" in compliance with criteria established by the Securities and Exchange Commission (SEC). Each Audit Committee member is expected to obtain periodic personal education and training to enhance performance as a member of the Audit Committee and to report such training to the Chairman of the Audit Committee.

4. Responsibilities and Duties

The Audit Committee's responsibilities are:

- a. Recommending to the Board of Directors the annual selection of the outside auditor that audits the financial statements of the Corporation. The outside auditor for the Corporation is ultimately accountable to the Board of Directors and reports directly to the Audit Committee of the Corporation. The Audit Committee has the authority and responsibility to select, compensate, evaluate, and, where appropriate, replace the outside auditor.

- b. Ensuring that the outside auditor submits on an annual basis to the Audit Committee a formal written statement, in accordance with the Independence Standards Board, delineating relationships between the auditor and the Corporation. The Audit Committee is responsible for engaging in a dialogue with the outside auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the outside auditor or that may potentially constitute prohibited services. The Audit Committee will recommend appropriate action to ensure the independence of the outside auditor.
- c. Ensuring that the outside auditor submits on an annual basis to the Audit Committee a report describing the outside auditor 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 such issues.
- d. Evaluating the outside auditor's qualifications and performance based on the reports submitted to the Audit Committee by the outside auditor, the outside auditor's work throughout the year and taking into account the opinions of management and the Corporation's personnel responsible for the internal control function. This evaluation shall include a review and evaluation of the lead partner of the outside auditor.
- e. Ensuring that the lead audit partner rotates on a regular basis, as required by law, and periodically evaluating whether there should be a rotation of the outside audit firm.
- f. Providing oversight to the financial reporting and disclosure processes and internal control activities of the Corporation, including review of the organization, plans and results of such activity, discussions with management and the outside auditor of the quality and adequacy of the Corporation's internal control processes and review of the outside auditor's annual report on the Corporation's internal controls.
- g. Meeting with the outside auditor and financial management of the Corporation to review the scope and fees of the proposed audit for the current year and the audit procedures to be utilized, and at the conclusion thereof, reviewing any comments or recommendations of the outside auditor. Additionally, review and pre-approve permitted non-audit services to be provided by the outside auditor. Such pre-approval of non-audit services may be performed by the Audit Committee chairman and then reported to the Audit Committee at its next meeting.
- h. Reviewing and discussing with the outside auditor and management, the Corporation's financial results and other information to be included in the Corporation's quarterly earnings press release and quarterly reports to be filed with the SEC prior to the issuance of the earnings press release and the Corporation's filing of the Form 10-Q. This review will include the Corporation's disclosure under "Management's Discussion and Analysis of Financial Condition and Results of Operations", management's report on internal control and the financial reporting and disclosure processes, management

certifications, use of “pro-forma” or “adjusted” non-GAAP information, earnings guidance provided to analysts and rating agencies, off-balance sheet structures and the effects of regulatory and accounting initiatives.

- i. Reviewing and discussing the financial statements contained in the annual report to shareholders with management and the outside auditor and determining that the outside auditor is satisfied with the disclosure and content of such financial statements. Any proposed or implemented changes in accounting principles should be reviewed. These discussions will include review of significant reserves and unusual accruals, consideration of the suitability of accounting principles, review of contingencies and highly judgmental areas, discussion of audit adjustments, whether or not recorded, and such other inquiries as may be appropriate. If deemed appropriate after such review and discussion, recommend to the Board of Directors that the financial statements be included in the Corporation’s annual report on Form 10-K.
- j. Reviewing with the outside auditor any problems or difficulties incurred during the audit and management’s response and holding timely discussions with the outside auditor regarding all critical accounting policies and practices; such reviews and discussions to include all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the outside auditor and other material written communications between the outside auditor and management including, but not limited to, the management letter and schedule of unadjusted differences. The Audit Committee shall resolve any disagreements between management and the outside auditor.
- k. Setting clear hiring policies for the Corporation for employees or former employees of the outside auditor.
- l. Obtaining advice and assistance from outside legal, accounting or other advisors as deemed appropriate to fully execute the Committee’s duties and responsibilities.
- m. Assisting the Board of Directors in its oversight of the Corporation’s compliance with applicable legal and regulatory requirements.
- n. Preparing the Audit Committee Report required under SEC rules to be included in the Corporation’s annual proxy statement.
- o. Reviewing and reassessing the adequacy of the Audit Committee Charter on an annual basis, with the charter approved by the Board of Directors.
- p. Handling complaints from employees on accounting positions and practices, internal accounting controls or auditing matters, including development of procedures for handling such complaints and for confidential, anonymous submissions by the Corporation’s employees of concerns regarding questionable accounting matters.

- q. Reviewing and confirming periodically that appropriate policies are in place and are being implemented to assess and manage the Corporation's risk.
- r. Reporting regularly to the Board of Directors regarding the execution of its duties and responsibilities.
- s. Performing an annual self-assessment relative to the Audit Committee's purpose, duties and responsibilities outlined herein.
- t. Performing such other duties as the Board of Directors may from time-to-time prescribe.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete, accurate and in accordance with generally accepted accounting principles. This is the responsibility of management and the outside auditor. Nor is it the duty of the Audit Committee to assure compliance with laws and regulations and the Corporation's policies.

5. **Meetings**

The Audit Committee shall meet at least four times annually, or more frequently as circumstances dictate. Periodically, meetings shall conclude with an executive session of the Committee, excluding members of management and the outside auditor, and on such terms and conditions as the Committee may elect. The Audit Committee shall also meet periodically with management, the outside auditor and those responsible for the Corporation's internal control function in separate executive sessions to discuss any matters that the Committee, the outside auditor, management or those responsible for internal control believe should be discussed privately.