



AUDIT COMMITTEE OF THE BOARD OF DIRECTORS CHARTER

As authorized in the By-Laws and implemented by Resolution of the Board of Directors, an Audit Committee has been established for the purpose of assisting the Board in fulfilling its responsibilities and providing oversight relating to (1) the assessment of certain business risks, including financial, operational, litigation and regulatory risks; (2) the integrity of the Corporation's financial reporting; (3) the Corporation's system of disclosure controls and system of internal controls regarding financial, accounting, legal compliance, and ethics; (4) the external auditor's qualifications, independence and performance; (5) the performance of the Corporation's internal audit function; (6) the Corporation's compliance with legal and regulatory requirements and (7) preparation of the report of the Committee for the Corporation's annual proxy statement, as required by the SEC.

The Audit Committee has unrestricted access to all information relating to the Corporation and its subsidiaries, including documents and personnel. Adequate resources are available for the Committee to fulfill its oversight responsibilities. The Committee has the authority to obtain advice and assistance from outside legal, accounting or other advisors, as it deems necessary to carry out the purposes of the Committee and shall receive appropriate funding, as determined by the Committee, from the Corporation for the payment of compensation to any such advisors.

Goals and Responsibilities of the Committee:

Selection of the External Auditor

- Be directly and solely responsible for the appointment and retention (subject to ratification of the Corporation's shareholders), compensation, evaluation, oversight, and (when appropriate) termination of the external auditor.

Review of External Auditor/Financial Reporting

- At least annually, obtain and review a report by the external auditor describing: the auditor's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the 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 auditor, and any steps taken to deal with any such issues. To assist the Committee in assessing the auditor's independence, obtain and review, at least annually, a description of all fees paid to the external auditor by the Corporation and relationships between the external auditor and the Corporation. Based upon this report and

the auditor's work throughout the year, the Committee will review and evaluate the external auditor's qualifications, performance and independence.

- Meet to review and discuss with management and the external auditors the Corporation's annual audited financial statements and quarterly financial statements and significant accounting, tax and reporting issues underlying those statements, including the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the quality of the accounting principles applied and judgments made affecting the Corporation's financial statements. To this end, the Committee will review: (a) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles; (b) analysis prepared by management and/or the external 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 (c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures on the financial statements of the Corporation.
- Review with the external auditors, the scope and results of their examination of the Corporation's financial statements and any difficulties the auditor encounters in the course of its audit work, including any written communications between the external auditor and management.
- Review and discuss the types of presentation and information to be included in earnings press releases (in particular, the use of "pro-forma" information) and financial information and earnings guidance provided to analysts and rating agencies.
- Approve in advance all audit and permissible non-audit services to be provided by the external auditor, and establish policies and procedures for the engagement of the external auditor to provide audit and permissible non-audit services.

Internal Audit

- Review with the internal auditor the scope of the annual operational audit plan and receive, on a periodic basis, summary audit reports from completed audits, progress reports on the annual audit plan and a status report detailing actions taken, or to be taken, by management to address outstanding issues or findings.
- Review with management, and the external and internal auditors, the adequacy and effectiveness of the Corporation's internal control environment including any significant deficiencies in internal controls and significant changes in such controls, including appropriate review of related party transactions. The Committee also will review the annual attestation and reports of management and the external auditor on management's evaluation of the Corporation's internal controls and procedures for financial reporting. The Committee

shall review and discuss the adequacy and effectiveness of the Corporation's disclosure controls and procedures.

- Review with the external auditor the effectiveness of the internal audit function.

Legal Compliance/Risk Management

- Review with management, and the external and internal auditors, as appropriate, the Corporation's Code of Conduct, and legal and regulatory compliance measures, including compliance with the Code of Conduct.
- Review with management significant pending or potential litigation against the Corporation and its subsidiaries.
- Discuss the Corporation's risk management and risk assessment policy and guidelines, including the adequacy and approval of insurance coverage.
- Establish a hiring policy for current and former employees of the external auditor, consistent with applicable law.
- Establish procedures for handling complaints regarding accounting, internal accounting controls and auditing matters, including procedures for the confidential, anonymous submission of complaints by employees about accounting and auditing matters.

Other Responsibilities

- Maintain free and open communication between the Board of Directors, management, and the external and internal auditors.
- Annually evaluate Committee effectiveness.

Meetings:

The Committee will meet at least four times a year and will report regularly to the Board. Meetings will be attended by the external auditor and the internal auditors responsible for the Corporation's audit function. Periodically, the Committee will meet separately with management, the external auditor and the internal auditors.

Membership:

The Board of Directors of the Corporation will designate at least three directors to serve on the Audit Committee. The Committee membership will be totally comprised of "independent" directors as provided in the listing requirements of the New York Stock Exchange. At least one

member of the Committee will be an “audit committee financial expert,” as determined by the Board in accordance with applicable SEC rules. A Chairman and Vice Chairman of the Committee will be appointed by the Board.

Charter Review:

On an annual basis, the Audit Committee and the Nominations and Governance Committee will review this charter and recommend changes to the Board as appropriate.