

AUDIT/FINANCE COMMITTEE

PURPOSE

The Committee shall review and monitor the Company's financial statements, accounting policies, practices and system of internal control to evaluate whether management has proper safeguards over the Company's assets and is issuing timely, accurate and appropriate financial information in accordance with applicable legal and regulatory requirements. The Committee also monitors the Company's compliance with standards of proper business conduct by employees. Additionally, the Committee advises the Board of Directors (the "Board") on all financial matters with the goal of accomplishing the Company's objectives and operating strategies while maintaining sound fiscal health. The Committee is responsible for hiring, compensation and oversight of the independent auditors, plus the Committee assesses the performance of the Company's internal audit function and independent auditors. Finally, the Committee prepares the audit committee report which SEC rules require for the Company's annual proxy statement. In order to ensure the impartial performance of the above functions, no director who is a current or former employee of the Company, or who receives compensation in any capacity other than as a director, or who otherwise, in the opinion of the Board, has a "material relationship" with the Company other than as a director, or who otherwise does not qualify as an independent director under the Board's Self-Governance Guidelines may serve on the Committee. In addition, the Committee must have at least three members. All Committee members must be "financially literate", with at least one being an "audit committee financial expert," as defined in applicable regulations.

POWERS

The Committee has all powers necessary to carry out the purpose and discharge the responsibilities of the Committee. These include the power to directly retain, at Company expense, outside legal, accounting and audit services to execute those responsibilities, without additional approval from the Board, and the power to investigate any matter within the scope of its duties, with full access to books, records, facilities and personnel necessary to do so. The Committee does not have authority to declare dividends or to approve equity offerings; nor does it have the authority to approve, without full Board consent, the terms of borrowings in excess of \$15,000,000.

AUDIT/FINANCE COMMITTEE RESPONSIBILITIES INCLUDE:

1. Directly engage, oversee, assess the qualifications and independence of, and if necessary, terminate the independent auditors, including receiving reports from the independent auditors on their compliance with mandatory rotation and related audit work performance eligibility laws applicable to their personnel.
2. Preapprove (except as delegated to the Committee Chairman to the extent allowed by law) all services to be performed by the independent auditors, including approving the itemized fees for both the annual audit and non-audit services and confirmations from the independent auditors that any such non audit services are permitted by law, with a focus on identifying any matters that might affect the scope of the audit or the independence of the auditors. When any such power is delegated to the Committee Chairman, he or she must disclose all determinations to the full Committee as soon as possible after they have been made.
3. Meet at least four times per year, or more often as needed.

4. Obtain the Board's approval of this Charter and reassess this Charter as conditions dictate (at least annually).
5. Preapprove (except as delegated to the Committee Chairman to the extent allowed by law) the scope and timing of the internal and external audit plans.
6. Have a clear understanding with the auditors that they are ultimately accountable to the Committee.
7. Resolve, if applicable, any disagreements between management and the independent auditors regarding financial reporting.
8. Approve the internal audit plan and review the performance and reports for the Committee of the internal auditors, including significant findings of the internal audit staff and the response of management to the findings. Review the coordination of the internal audit function with independent auditors and make inquiries of internal auditors as to any significant accounting exposures and management's responses thereto.
9. Provide an open avenue of communication between the independent and internal auditors and the Board.
10. Meet with the independent auditors and management to:
 - (a) Review the quality and integrity of the annual financial statements, the quarterly interim financial statements and their results of the annual audit and quarterly reviews (including a review of significant transactions not a normal part of the Company's business, changes in accounting principles and practices, significant proposed adjustments, and the choice of accounting principles).
 - (b) Review the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operation" in the quarterly Form 10-Q and annual Form 10-K filings with the SEC, including any significant unusual disclosures, plus any disclosures in these filings related to the preapproval of non-audit services by the independent auditors.
11. Meet with the independent auditors to:
 - (a) Review all reports prepared for the Committee by the independent auditors, including statements of critical accounting policies and practices to be used, discussions of alternative treatments of Company financial information within generally accepted accounting principles and other material written communications such as any management letter or schedule of unadjusted differences. Inquire about any significant accounting exposures and management's responses thereto. If necessary, discuss the ramifications of the use of alternative treatments and the treatment preferred by the auditors.
 - (b) Review the independent auditors' evaluation of:
 - (i) The quality, adequacy and clarity of the Company's accounting, financial and internal audit policies, procedures and internal controls, and elicit any recommendations for the improvement of such from auditors.
 - (ii) The impact of new legal and regulatory matters, including pronouncements of the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, the New York

Stock Exchange, the Securities Exchange Commission and other similar bodies or agencies which could have an effect upon the Company's financial statements or conditions.

- (iii) Other significant matters which come to their attention during the course of the audit.
- (c) Assess whether the scope of the joint internal/external audit program for the year has been substantially completed, including whether problems were encountered and, if so, what the response of management was.
 - (d) Assess, if applicable, if any member of management has attempted to exert any improper influence on the independent auditors in the performance of their work.
 - (e) At least annually, obtain and review a report by the independent auditors describing: the auditing 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 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 any such issue.
 - (f) On an annual basis, obtain from the independent auditors a written communication delineating their relationships and professional services as required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees. In addition, review with the independent auditors the nature and scope of any disclosed relationships or professional services and take, or recommend that the Board take, appropriate action to ensure the continuing independence of the auditors.
12. Meet separately with management, with internal auditors and with the independent auditors on a periodic basis in carrying out these functions.
 13. Discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.
 14. Set clear hiring policies for employees or former employees of independent auditors.
 15. Review procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
 16. Review the reports and the processes of the CEO and CFO for certifying the Company's financial statements and internal control processes, to the extent required by law, including receiving, if applicable, reports from management, the independent auditors or the internal auditors on any material deficiencies found in the internal controls or incidents of fraud by an employee with a significant role in internal controls.
 17. Review the formulation of appropriate standards and policies and review the procedure for compliance with the Antitrust Laws, business conduct policies and the Foreign Corrupt Practices Act. Receive periodic reports from the General Counsel regarding compliance.
 18. Review and make recommendations to the Board regarding financial philosophy, policies (such as dividend and capital structure) and strategies.

19. Review key financial implications of acquisitions, divestitures, major new “grass roots” facilities requests, as well as major new product justifications. Recommend actions on such matters to the Board and review post-audit analyses of these matters prepared by management.
20. Review and approve yearly capital appropriations budget and major capital expenditures not otherwise covered above for financial soundness as well as for consistency against the long-term objectives and strategies. Review and approve any Company sales related transactions in excess of \$15,000,000 and investment related transactions in excess of \$5,000,000. Review post-audit analyses of major capital justifications prepared by management.
21. Review and approve short-term and long-term financing policies and plans and review specific financing practices. Review and approve new or refinanced long-term debt issues not in excess of \$15,000,000.
22. Review and recommend for Board approval the terms of offerings of common stock, preferred stock, bonds, long-term leases or other types of equity offerings. Review and recommend for Board approval new or refinanced long-term debt issues in excess of \$15,000,000.
23. Review, and where deemed appropriate, recommend for Board approval the limits of management’s authority for short-term borrowings.
24. Review periodic reports to determine if management is sensitive to, and the Company is in compliance with, various covenants in debt instruments.
25. Discuss policies with respect to risk assessment and periodically review the Company’s risk management programs, including general liability, D&O and other insurance policies, as well as the reserve valuations of balance sheet accounts such as Allowance for Doubtful Accounts.
26. Review foreign currency exposure on a periodic basis and review the financial instruments used to hedge (neutralize) the position both in type of instrument and value.
27. Direct and supervise investigations into matters within the scope of its responsibilities, if deemed necessary.
28. Review management’s presentation of financial statements and related materials and evaluate whether the Board receives an objective and adequate flow of information as to matters which lie within the scope of the Committee’s responsibilities.
29. Report its findings on the above to the Board on a regular basis, but not less than quarterly.
30. Prepare and review the report of the Audit/Finance Committee in the annual Proxy Statement.
31. Conduct an annual performance review of the Committee.