



**AUDIT AND COMPLIANCE COMMITTEE CHARTER**  
(Amended October 4, 2007)

**I. Purpose**

The Audit and Compliance Committee (the "Committee") represents and assists the Board of Directors (the "Board") in fulfilling the Board's oversight responsibilities to shareholders relating to the Company's:

- corporate accounting and reporting practices, including the quality and integrity of its financial statements and reports;
- internal control over financial reporting and disclosure controls and procedures;
- audit process, including the qualifications, independence, retention, compensation, and performance of the independent registered public accounting firm employed for the purpose of preparing or issuing an audit report or performing other audit, review, attest or other services for the Company (the "Independent Accountants"), and the performance of the Company's Internal Audit Department (the "Audit Department"); and
- compliance with legal and regulatory requirements and management of matters in which the Company has or may have material liability exposure.

The Committee also oversees the preparation of a report required by the Securities and Exchange Commission's (the "SEC") rules to be included in the Company's annual proxy statement.

Although the Committee must fulfill the responsibilities and duties allocated to it under this Charter, the Committee is not responsible for planning and conducting audits, for the preparation, presentation and integrity of the Company's financial statements, or for determining whether the Company's financial and related disclosures are complete, accurate and are in accordance with generally accepted accounting principles ("GAAP") and applicable rules and regulations; such responsibilities rest with Company management and the Independent Accountants. Accordingly, the Committee, in carrying out its oversight responsibilities, is not providing any special or expert assurance as to the Company's financial statements, nor is it providing any professional certification as to the Independent Accountants' work.

**II. Membership**

- A. The Committee shall consist of no fewer than three Directors, each of whom shall, in the judgment of the Board of Directors, be (1) independent in accordance with the Company's Corporate Governance Principles and any applicable laws, regulations or listing standards (including, but not limited to, applicable SEC rules), and (2) financially literate in accordance with New York Stock Exchange ("NYSE") listing standards. In addition, at least one member of the Committee shall, in the judgment of the Board of Directors, be an audit committee financial expert in accordance with SEC rules.

- B. The Chair and members of the Committee shall be appointed by and serve at the pleasure of the Board of Directors.
- C. No Committee member shall serve simultaneously on the audit committee of more than two other public companies; provided, that the Committee shall determine whether a member's service on the audit committees of more than three public companies impairs that member's ability to serve on this Committee and, to the extent required, make a disclosure regarding such determination in the Company's annual proxy statement.

### III. Meetings

- A. The Committee shall meet at least four times each fiscal year, or more frequently as circumstances dictate, and may hold meetings by telephone and take action by unanimous written consent. A majority of the Committee members shall constitute a quorum for the transaction of business and the action of a majority of those present at a meeting at which a quorum is present shall constitute an act of the Committee.
- B. The Committee shall meet periodically in separate executive sessions with the Chief Legal Officer, the Chief Audit Executive, the Independent Accountants, the Chief Financial Officer and the Chief Accounting Officer.
- C. The Chair of the Committee, in consultation with other Committee members and, as appropriate, Company management, shall determine the frequency and length of Committee meetings, shall set meeting agendas and shall regularly report to the Board of Directors on the actions taken and the matters discussed at each Committee meeting.
- D. In addition to Committee members and the audit partner of the Independent Accountants, the Chief Executive Officer, the Chief Legal Officer, the Chief Financial Officer, the Chief Accounting Officer, the Chief Audit Executive and the Corporate Secretary of the Company are generally expected to attend Committee meetings. The Committee may invite to attend any Committee meeting any other member of management or other Company employee or any outside advisor to the Company, to the Board of Directors or to the Committee.

### IV. Responsibilities and Duties

The Committee's specific responsibilities include:

#### A. *Committee Assessments*

On an annual basis, the Committee shall (1) review and reassess the adequacy of this Charter and recommend to the Board of Directors any amendments to this Charter the Committee deems necessary or appropriate, (2) evaluate its performance, and (3) review and approve the Audit Department Charter

#### B. *Independent Accountants*

The Committee shall:

1. Be responsible for the appointment (subject to seeking ratification by the Company's shareholders), compensation, engagement terms, retention (or termination, if appropriate) and oversight of the work of the Independent Accountants. The Independent

Accountants shall report directly to the Committee.

2. Establish and amend as necessary, policies and procedures for pre-approving the retention of the Independent Accountants for audit, review, attest and any permitted non-audit services, and approve in advance the Independent Accountants' provision of any such services to the Company in accordance with such policies and procedures. In addition, the Committee shall review the fees and other compensation to be paid to the Independent Accountants.

3. Evaluate the Independent Accountants' qualifications, independence and effectiveness, and present its evaluation to the full Board. In this regard, the Committee will receive and review, at least annually, a report by the Independent Accountants describing:

(a) the Independent Accountants' internal quality-control procedures;

(b) any material issues raised by the most recent internal quality-control review, peer review, or Public Company Accounting Oversight Board review, of the Independent 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 Accountants, and any steps taken to deal with any such issues; and

(c) all relationships between the Independent Accountants and the Company, as delineated in a formal written statement from the Independent Accountants that meets Independence Board Standard No. 1 – "Independence Discussions with Audit Committees," and the Committee shall engage in active dialogue with the Independent Accountants regarding any relationship that might compromise the Independent Accountants' objectivity or independence.

4. Review and discuss with the Independent Accountants (a) the scope and plan of their independent audit of the Company, and (b) any audit problems or difficulties that the Independent Accountants encountered in the course of their audit work and Company management's response thereto.

5. Receive timely direct reports from the Independent Accountants describing, among other things: (a) critical accounting policies and practices used in the Independent Accountants' audit; (b) all alternative treatments of financial information within GAAP discussed with Company management, including the ramifications of such treatment and the treatment preferred by the Independent Accountants; and (c) all other material written communications between the Independent Accountants and Company management.

6. Establish practices or processes for the hiring of employees and former employees of the Independent Accountants.

C. *Financial Reporting Processes and Disclosure Procedures*

The Committee shall:

1. Consider the Independent Accountants' judgments about the Company's internal control environment and the appropriateness of the Company's accounting principles as applied to its financial reporting.

2. Consider and approve, if appropriate, major changes to the Company's

auditing and accounting principles and practices as suggested by the Independent Accountants, Company management or the Audit Department.

3. Review any significant disagreement among Company management and the Independent Accountants or the Audit Department in connection with the Company's internal control environment or preparation of the financial statements or other financial reporting matters.

4. Review with Company management and the Independent Accountants the results of their timely analysis of significant financial reporting issues and developments, including changes in, or adoptions of, accounting principles and disclosure practices. Such review shall also include confirming that (a) management disclose its critical accounting policies that have a material impact on the Company's financial presentations in its public disclosures, and (b) in the event that the Company's public disclosures contain any pro forma financial information, the presentation of such information complies with the SEC rules regarding the accuracy of pro forma financial information.

5. Review and discuss with Company management, the Chief Audit Executive and the Independent Accountants the adequacy and effectiveness of, and management's report on, the Company's internal control over financial reporting in accordance with applicable law and regulations, including with respect to (a) any significant deficiencies or material weaknesses in the design and operation of such controls and procedures that could adversely affect the Company's ability to record, process, summarize and report financial information, and any special audit steps adopted to address such deficiencies and weaknesses, and (b) any fraud, whether or not material, that involves Company management or non-management employees who have a significant role in the Company's internal control over financial reporting.

6. Review, at least annually, the adequacy of internal controls and procedures related to the Company's executive officers' and other selected senior managers' expenses and use of Company assets.

7. Review and discuss with Company management and the Independent Accountants the Company's annual audited and quarterly financial statements to be filed with the SEC, including (a) in each case the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and (b) the matters required to be discussed with the Independent Accountants by Statement of Auditing Standards No. 100 (as in effect at that time) with respect to quarterly statements, and by Statement of Auditing Standards No. 61 (as in effect at that time) with respect to annual statements. In addition, based on the information available to the Committee, the Committee will recommend, through the Chair, to the full Board whether or not the Company's audited financial statements should be filed with the Company's Annual Report on SEC Form 10-K.

8. Discuss the Company's earnings press releases, as well as financial information and earnings guidance, if any, provided to analysts and ratings agencies.

9. Review the Company's policies with respect to risk assessment and risk management and the steps Company management has taken to monitor and address significant operational risks.

10. Decide, in consultation with Company management, the Independent Accountants and any other advisors the Committee deems appropriate, if and when any of the Company's previously issued financial statements and related Independent Accountants' reports should be restated or should no longer be relied on due, in each case, to an error as addressed in Statement of Financial Accounting Standard No. 154 (or any successor accounting principle thereof).

D. *Ethical and Legal Compliance*

The Committee shall:

1. At least annually, review and approve the Company's Ethics Policy, as may be materially revised from time to time by Company management subject to Committee approval, and discuss with management the Company's system to monitor and enforce compliance with the Ethics Policy.

2. Establish procedures for (a) the treatment of complaints received by the Committee 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.

3. Review and approve the Audit Department's Annual Audit Plan, and periodically review the staffing, organizational structure and qualifications of, and internal audit reports prepared by, the Audit Department.

4. Meet with the Company's Chief Legal Officer at each Committee meeting (and, at least annually, meet with the Chief Legal Officer in an executive session), and review any legal or regulatory matters that could reasonably be anticipated to have a material impact on the Company's financial statements.

E. *Other Responsibilities; Delegation*

Subject to this Charter, the Company's By-laws and any applicable regulatory requirements and listing standards, (1) the Committee shall undertake such additional or revised responsibilities or procedures consistent with the Committee's purpose and as the Board of Directors deems necessary or appropriate, and (2) the Committee may delegate to a subcommittee such duties and responsibilities as the Committee deems to be appropriate and in the Company's best interests.

F. *Authority to Engage Independent Counsel and Advisers; Funding of Independent Accountants*

The Committee shall have the authority to retain, on such terms and conditions (including fees) as it determines to be appropriate, any outside advisors, including independent legal counsel, as it deems necessary to assist it in fulfilling its responsibilities and duties under this Charter, and such retained advisors shall report directly to the Committee. The Company shall, as determined by the Committee, provide appropriate funding for payment of compensation to the Independent Accountants and to any outside advisors retained by the Committee, and for payment of administrative expenses of the Committee that are necessary and appropriate in carrying out its duties.