



AUDIT COMMITTEE CHARTER

Purpose

The Audit Committee is appointed by the Board of Directors to fulfill the Board's responsibilities for oversight of the accounting and financial reporting processes of the Company and the audits of the Company's financial statements. The Committee is also responsible for the oversight of the Company's ethics and compliance programs.

Committee Membership

The Committee shall consist of at least three members of the Board of Directors who shall meet all applicable regulatory and exchange requirements for independence and financial expertise of the Nasdaq Stock Market listing standards and the Securities Exchange Act of 1934. At least one member of the Committee shall be an "audit committee financial expert" under the rules and regulations promulgated by the SEC.

Committee members shall be appointed by the Board of Directors and shall serve at the pleasure of the Board. The Board shall designate the members of the Committee and the Chair of the Committee.

Committee Responsibilities

Oversight of the Independent Accountant

The Committee shall:

- Be directly responsible for the appointment (and where appropriate, replacement), evaluation and compensation of the work of the independent accountant;
- Evaluate annually the tenure of the independent accountant's service, the quality of its engagements and the competitiveness of its fees.
- Oversee the independence of the independent accountant. Accordingly, the Audit Committee shall discuss with the independent accountant the letter and written disclosures received from the independent accountant as required by Public Company Accounting Oversight Board Rule 3526 describing the relationships between the independent accountant and the Company that might bear on independence and the potential effects of those relationships on independence;
- Be responsible for approving, in advance, all auditing services and permitted non-audit services provided by the independent accountant, including considering whether the provision of permissible non-audit services, including the amount of such services provided, is compatible with independence of the independent accountant;
- Take, or recommend that the full Board of Directors take, appropriate action regarding the independence of the independent accountant; and
- Receive direct reports from the independent accountant.

Oversight of Financial Statements and Disclosure Matters

The Committee's role is one of oversight, and it is recognized that the Company's management is responsible for preparing complete and accurate financial statements and that the independent accountant is responsible for auditing those financial statements.

The following functions shall be the recurring activities of the Committee in carrying out its oversight function. These functions are set forth as a guide and may be varied from time to time as appropriate in the circumstances.

The Committee is expected to:

- Provide an open avenue of communication between the independent accountant and the Board of Directors;
- Consider, in consultation with the independent accountant, the audit scope and plan of the independent accountant;
- Review with the independent accountant the coordination of audit effort to assure completeness of coverage and reduction of redundant efforts;
- Inquire of management and the independent accountant about significant risks or exposures with respect to accounting methods and financial practices and assess the steps management has taken to minimize such risk to the Company.
- Review with the independent accountant the acceptability and quality of the Company's accounting principles and policies, as contemplated by Auditing Standard No. 16, and discuss with the independent accountant how the Company's accounting policies compare with those in the industry;
- Review with management and the independent accountant the Company's critical accounting policies and practices, and the accounting estimates resulting from the application thereof;
- Discuss with the independent accountant all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of use of such alternative disclosures and treatments, and the treatment preferred by the independent accountant;
- Resolve any disagreements between management and the independent accountant regarding financial reporting;
- Discuss with the independent accountant periodically whether all material correcting adjustments identified by the outside auditor in accordance with generally accepted accounting principles and the rules of the SEC are reflected in the Company's financial statements;
- Review with management and the independent accountant any material financial or other arrangements of the Company that do not appear on the Company's financial statements and any material transactions or courses of dealing with third parties that are out of the ordinary course or involve unusual terms, which arrangements or transactions are relevant to an understanding of the Company's financial statements.

- Review with management quarterly and at the completion of the annual examination:
 - The independent accountant’s audit of the Company’s financial statements;
 - The independent accountant’s quarterly reviews of financial statements included in the Company’s quarterly SEC reports performed in accordance with Statement on Auditing Standards No. 100;
 - Any significant changes required in the independent accountant’s audit plan; and
 - Other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards;
- Review with the independent accountant all material communications between the independent accountant and management, such as any management letter or schedule of unadjusted differences;
- Consider and review with management:
 - Significant findings during the year and management’s responses thereto; and
 - Any difficulties encountered by the independent accountant in the course of its audit, including any restrictions on the scope of work or access to required information and any serious difficulties or disputes with management encountered during the course of the audit.
- Review legal and regulatory matters that may have a material impact on the financial statements, related Company compliance policies and programs, and reports received from regulators;
- Meet with the independent accountant and management in separate executive sessions to discuss any matters that the committee or these groups believe should be discussed privately with the Audit Committee;
- Recommend to the full Board of Directors whether, based on the reviews and discussions referred to above, the financial statements should be included in the Company’s Annual Report on Form 10-K;
- Oversee the Company’s disclosure controls and procedures;
- Review and discuss with management and the independent accountant the Company’s quarterly financial results, accounting review and associated earnings press release, including the use any non-GAAP financial measures in the earnings press release; and
- Review and approve the Company’s Foreign Exchange Risk Management Policy and the use and entry into of uncleared and non-exchange traded swaps by the Company, the guaranty by the Company of the use of such swaps by the Company’s subsidiaries and the use of the commercial end-user exemption contemplated by the Commodity Futures Trading Commission under the Commodity Exchange Act for such swaps.

Oversight of Internal Controls

The Committee is expected to:

- Monitor the adequacy and effectiveness of the Company's internal controls and internal auditing procedures, including computerized information system controls and security, and consider and review with the independent accountant:
 - Such adequacy and effectiveness and how the Company's financial systems and controls compare with industry practices;
 - Any significant deficiencies in the design or operation of those controls that could adversely affect the Company's ability to record, process, summarize and report financial data;
 - Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls; and
 - Any related significant findings and recommendations of the independent accountant and internal auditing personnel together with management's responses thereto.

Oversight of Internal Audit

The Committee shall be responsible for the oversight of the Company's Internal Audit function. As such, the Committee shall:

- Approve the Internal Audit Charter;
- Review and approve the annual risk-based Internal Audit Plan and any changes to that Plan;
- Review the results of internal audits conducted, any recommendations resulting from such audits, and the implementation of any corrective or supplemental recommendations deemed appropriate.
- Provide a forum for the head of Internal Audit (or such person's designee) to meet in executive session without other Company employees present.

Complaint Procedures

Any issue of significant financial misconduct shall be brought to the attention of the Committee for its consideration. The Committee shall establish 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 (including its subsidiaries) of concerns regarding questionable accounting or auditing matters.

Related Party Transactions

The Committee shall review and approve all related-party transactions involving the Company in accordance with the Policy with respect to Related Party Transactions.

Oversight of Ethics and Compliance Programs

The Committee is expected to:

- Approve and administer a code of ethics, as defined by the rules of the Securities and Exchange Commission, for senior officers and such other employees and agents of the Company as it determines.
- Oversee the implementation and administration of the Company's ethics and compliance programs, including the policies and procedures that are designed to address the compliance and regulatory risks facing the Company;
- Review and discuss with management the results of the Company's periodic assessments of compliance and regulatory risks facing the Company;
- Periodically discuss with management results of risk assessments and underlying policies for risk management with respect to cybersecurity and data protection; and
- Review and discuss with the Chief Compliance Officer the adequacy and effectiveness of the Company's compliance programs, including:
 - Program design;
 - Program implementation;
 - Employee compliance and ethics training; and
 - Auditing and monitoring of compliance with applicable corporate policies.

Committee Authority

The Committee shall have access all books, records, facilities and employees of the Company as it determines necessary to carry out its duties. The Committee shall have the authority to investigate any matter brought to its attention. The Committee shall have the authority to engage or seek the advice of such experts and advisors as it deems necessary or advisable for the performance of its duties, including the independent accountant and independent counsel. The Committee shall at all times be responsible for the oversight, compensation and termination of such advisors. The Committee shall be provided with sufficient resources for the reasonable compensation of such advisors.

Procedures and Administration

Meetings

The Committee shall meet at least six times per year or more frequently as circumstances require and minutes of such meetings will be kept. The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary.

Reports to the Board

The Committee shall make regular reports to the Board of Directors.

Charter Review

The Committee shall annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board.