

CHARTER

AUDIT COMMITTEE

I. PURPOSE

The Audit Committee's primary function is to fulfill its oversight responsibilities by reviewing: the Corporation's audited financial reports and interim financial reports; the Corporation's systems of internal controls regarding finance, accounting and legal compliance that management and the Board have established; and the Corporation's auditing, accounting and financial reporting processes. The Audit Committee's primary duties and responsibilities are:

- Overseeing that management has established and maintained the Corporation's accounting and financial reporting process and internal control system to insure the reliability and integrity of the Corporation's financial reporting and disclosure practices.
- Overseeing that management has established and maintained processes to assure the quality and effectiveness of both the work of its independent public accountants and internal auditor(s).
- Overseeing the audit of the Corporation's financial statements and the assessment of internal controls over financial reporting.
- Providing an open avenue of communication among the independent public accountants, financial and senior management, the internal auditing department and the Board of Directors.

The Audit Committee will fulfill these responsibilities by carrying out the activities enumerated in Section IV of this Charter. As used herein, the term "independent public accountants" shall refer to the independent registered public accounting firm retained by the Corporation for the purpose of expressing an opinion on the Corporation's financial statements and the assessment of internal controls over financial reporting for either:

- the period covered by any financial statement; or
- the period of the engagement to audit or review the Corporation's financial statements or to prepare a report filed with the Securities and Exchange Commission ("SEC").

II. COMPOSITION

The Audit Committee shall consist of three or more directors, as determined by the Board, each of whom shall satisfy the independence and other membership requirements under applicable NASDAQ rules, as then in effect, and any applicable SEC rules or regulations. Each member of the Committee must be able to read and understand fundamental financial statements, including the Corporation's balance sheet, income statement and cash flow

statement. At least one member of the Committee must have past employment experience in financing or accounting, requisite professional certification in accounting or other comparable experience or background that leads to financial sophistication. At least one member of the Committee must be an “audit committee financial expert” under the standards established by the SEC. A person who satisfies the definition of audit committee financial expert will be presumed to have financial sophistication. The Board, after due consideration of the recommendation of the Nomination and Governance Committee, shall appoint the members of the Committee and designate its chair.

III. MEETINGS

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. Special meetings may be called by either the Chairman of the Board or the Chairman of the Committee. In order to foster open communication, the Committee shall meet periodically with management and the independent public accountants in separate executive sessions. In addition, the Committee, or at least its Chair shall meet with the independent public accountants and management quarterly to review the Corporation's interim financial statements.

IV. RESPONSIBILITIES

To fulfill its responsibilities, the Audit Committee shall:

Documents/Reports; Review, Discussion and Recommendations

1. Review this Charter at least annually and, if appropriate, update this Charter.
2. Review and discuss the Corporation's unaudited quarterly and audited annual financial statements, including the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" with management and the independent public accountants. The discussion should include, where appropriate, a discussion about the Corporation's critical accounting estimates, accounting principles, financial statement presentation, the quality of earnings, significant financial reporting issues and judgments (including off-balance sheet structures and the use of pro forma or non-GAAP financial information), the adequacy of the Corporation's internal controls over financial reporting, and any regulatory and accounting initiatives, correspondence with regulators, and published reports that raise material issues with respect to, or that could have a significant effect on, the Corporation's financial statements.
3. Discuss with the independent public accountants the matters required to be discussed by applicable law or by SAS 61, as amended, and as adopted by the Public Company Accounting Oversight Board, including:
 - a. All critical accounting policies and practices to be used;
 - b. All alternate treatments within generally accepted accounting principles of financial information that have been discussed with management,

ramifications of the use of such alternative disclosures and treatment and the treatment preferred by the independent public accountants;

- c. Any accounting disagreements between the independent public accountants and management and management's response to these problems, difficulties or disagreements; and
 - d. Other material written communications between the independent public accountants and management, such as any management letter or schedule of unadjusted differences.
4. Receive a formal written statement from the independent public accountants delineating all relationships between the independent public accountants and the Corporation and any other relationships that may adversely affect the independence of the independent public accountants; including an assurance that the independent public accountants are in compliance with applicable partner rotation requirements; and actively engage in a dialogue with the independent public accountants with respect to any disclosed relationship or services that may impact the objectivity and independence of the independent public accountants and taking, or recommending that the full Board take, appropriate action to oversee the independence of the independent public accountants.
 5. If appropriate, and based on the review and discussion referred to in paragraphs (IV) 2 through (IV) 4 of this Charter, recommend to the Board of Directors that the Corporation's audited financial statements be included in the Corporation's Annual Report on Form 10-K and produce the audit committee report required to be included in the Corporation's annual proxy statement.
 6. Review and discuss each earnings release with financial management and the independent public accountants prior to its release.
 7. Periodically, review and discuss with the internal audit department and/or, as the Committee deems appropriate, the independent public accountants, processes and controls concerning reimbursement of employee expenses and/or employee use of corporate assets.
 8. Review with management and the independent public accountants and internal auditors significant risks and exposures, and review, assess and oversee the steps management has taken to assess and manage such risks and exposures, particularly issues related to management policies and guidelines, financial reporting and control information services, business information services, business continuity, and physical asset conservation. The Audit Committee, however, generally shall defer and cede authority to the Compensation Committee for analysis and review of risks and exposures related to executive compensation.

Independent Public Accountants and Internal Auditor(s)

9. Be directly responsible for the appointment, compensation, oversight and, if appropriate, termination of the independent public accountants retained to audit the books of the Corporation, its operating groups and subsidiaries. The Committee shall also consider the regular rotation of the lead audit partner at the independent public accountants and consider regular rotation of the accounting firm serving as the Corporation's independent public accountants.
10. Select, retain, compensate, oversee and terminate, if necessary, any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation.
11. Periodically consult with the independent public accountants about internal controls and the quality and accuracy of the Corporation's financial statements and elicit the independent public accountants' recommendations for improving the Corporation's internal controls.
12. The independent public accountants shall report directly to the Audit Committee and the Audit Committee shall periodically confirm that the independent public accountants understand that they are directly accountable to the Audit Committee.
13. Resolve disagreements between management and the independent public accountants regarding financial reporting.
14. Preapprove, in the Committee's discretion, all audit and all non-audit and tax services to be performed by the independent public accountants (or other registered public accounting firm). Establish policies and procedures for the Committee's preapproval of permitted services by the independent public accountants (or other registered public accounting firm) on an ongoing basis. The Committee may not approve the performance of any of the following services by the independent public accountants:
 - a. bookkeeping or other services related to the accounting records or financial statements of the Corporation;
 - b. financial information systems design and implementation;
 - c. appraisal or valuation services, fairness opinions or contribution-in-kind reports;
 - d. actuarial services;
 - e. internal audit out-sourcing services;
 - f. management functions or human resources;

- g. broker or dealer, investment adviser or investment banking services;
 - h. legal services and expert services unrelated to the audit; and
 - i. any other service that the SEC or Public Company Accounting Oversight Board determines, by regulation, is impermissible.
15. Approve, in the Committee's discretion, non-audit services performed by the independent public accountants which were not pre-approved by the Committee when the independent public accountants render a service that was anticipated to be an audit service, but which turns out to be a non-audit service, but only if:
- a. the aggregate fees for all non-audit services are not more than five percent of total fees paid to the independent public accountants during the fiscal year in which the non-audit services are provided;
 - b. the service was not initially recognized by the Corporation as a non-audit service;
 - c. the service is promptly brought to the attention of the Audit Committee; and
 - d. the Audit Committee (or one or more members of the Audit Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Audit Committee) approves the activity prior to the conclusion of the audit.
16. Oversee the independence, objectivity and performance of the internal audit function by reviewing the nature, extent, quality and effectiveness of the internal audit program, including the anticipated level of support and coordination with the independent public accountants' audit process, as well as the appointment, replacement or dismissal of the head of internal audit.

Financial Reporting Processes

17. In consultation with the independent public accountants and the internal auditors, review the integrity of the organization's financial reporting processes, both internal and external.
18. Consider and approve, if appropriate, major changes to the Corporation's auditing and accounting principles and practices as suggested by the independent public accountants, management or the internal auditing department.

Process Improvement

19. Following completion of the annual audit, review separately with management and the independent public accountants any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

20. Review with the independent public accountants, the internal auditing department and management the extent to which changes or improvements in financial or accounting practices or internal controls over financial reporting, as approved by the Audit Committee, have been implemented.
21. Review activities, organizational structure and qualifications of the internal audit department.
22. Review, with the Corporation's counsel or other counsel selected by the Committee, any legal matter that could have a significant impact on the Corporation's financial statements.
23. Oversee procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting or auditing matters, internal accounting controls or other matters, which procedures shall provide for the confidential and anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
24. Review, and if appropriate, approve any "related party transactions". As used herein a "related party transaction" shall refer to transactions required to be disclosed pursuant to SEC Regulation S-K, Item 404.
25. Oversee management's implementation of a code of ethics for senior financial officers.
26. Perform any other activities consistent with this Charter, the Corporation's By-laws and governing law, as the Committee or the Board deems necessary or appropriate.
27. Review: (i) recommendations from management, the independent public accountants and internal auditors regarding internal controls over financial reporting; (ii) any material weaknesses or significant deficiencies in, or changes to, internal controls over financial reporting or any fraud involving management reported to the Audit Committee by the independent public accountants or management; and (iii) the resolution of any material weaknesses or significant deficiencies.
28. Review: (i) the adequacy and effectiveness of the Corporation's disclosure controls and procedures; and (ii) internal controls over financial reporting, including obtaining from management their assessments of the Corporation's internal control over financial reporting.

While the Audit Committee has responsibilities and powers set forth in this Charter, the Audit Committee does not have the duty to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and in accordance with generally accepted accounting principles. These tasks are the responsibility of the independent public accountants and management. The Audit Committee also does not have the duty to ensure compliance with laws and regulations or any code of conduct applicable to the Corporation or its employees.

V. RESOURCES

The Audit Committee will be provided with the necessary resources (both internal and external) to carry out its duties. The Committee may, in its sole discretion, retain outside counsel, accountants or others to assist the Committee discharge its duties when, in the Committee's judgment, such assistance is appropriate. The Corporation shall provide for appropriate funding, as determined by the Audit Committee, in its capacity as a committee of the Board, for payment of: (i) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation; (ii) compensation to any advisers employed by the Audit Committee; and (iii) ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.