



AUDIT COMMITTEE CHARTER

**Audit Committee
February 9, 2010**



AUDIT COMMITTEE CHARTER

The following shall be the principal recurring processes of the audit committee in carrying out its oversight responsibilities. The committee may perform such other duties and responsibilities as are consistent with its purpose and as the board or the committee deems appropriate.

Independent auditors:

The committee shall have a clear understanding with management and the independent auditors that the independent auditors are ultimately accountable to the board and the committee, as representatives of the company's shareholders. The committee shall have the sole authority and responsibility to hire, evaluate, and, where appropriate, replace the independent auditors and, in its capacity as a committee of the board, shall be directly responsible for the appointment, compensation, and oversight of the work of the independent auditors. The committee shall discuss the auditors' independence from management and the company, including whether the auditors' performance of permissible non-audit services is compatible with their independence.

This process will include, at least annually, the committee's review of the independent auditors' internal control procedures, any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditors, 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 auditors, and any steps taken to deal with any such issues; and (to assess the auditors' independence) all relationships between the independent auditors and the company. Annually, the committee will review the qualifications and performance of the company's current independent auditors and select the company's independent auditors for the next year, subject to shareholder ratification.

Audit services:

The committee shall discuss with the internal auditors and the independent auditors the overall scope and plans for their respective audits, including their respective responsibilities and the adequacy of staffing and compensation. The committee shall approve in advance all audit engagement fees and the terms of all audit services to be provided by the independent auditors. The committee will oversee and approve the appointment, compensation, and discharge of the chief audit executive.

Permissible non-audit services:

The committee shall establish policies and procedures for the engagement of the independent auditors to provide permissible non-audit services, which shall include pre-approval of permissible non-audit services to be provided by the independent auditors. The committee shall approve in advance all permissible non-audit services to be provided by the independent auditors.

Review of interim financial statements; earnings releases:

The committee shall review the interim financial statements, and the company's disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations, with management and the independent auditors prior to the filing of the Company's Regulatory Reporting. The committee will discuss the company's



policies and procedures with respect to earnings releases, financial information, and earnings guidance provided to analysts and rating agencies. The committee will discuss the results of the quarterly review and any other matters required to be communicated to the committee by the independent auditors under generally accepted auditing standards. The chairman of the committee may represent the entire committee for the purposes of this review.

Review of annual audited financial statements:

The committee shall review with management and the independent auditors the financial statements to be included in the Company's Annual Regulatory Reporting (or the annual report to share owners if distributed prior to the filing of the regulatory reporting), including (a) their judgment about the quality, not just acceptability, of the company's accounting principles, including significant financial reporting issues and judgments made in connection with the preparation of the financial statements; (b) the clarity of the disclosures in the financial statements; and (c) the company's disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations, including critical accounting policies.

The committee will also review with management and the independent auditors (a) major issues regarding accounting principles and financial statement presentations, including significant changes in the selection or application of accounting principles; (b) major issues regarding the adequacy of internal controls and steps taken in light of material deficiencies; and (c) the effects of alternative accounting methods and regulatory and accounting initiatives on the financial statements.

The committee will discuss the results of the annual audit and any difficulties the independent auditors encountered in the course of their audit work, including any restrictions on the scope of the auditors' activities or on access to requested information, and any significant disagreements with management. The committee will also discuss any other matters required to be communicated to the committee by the independent auditors under generally accepted auditing standards, and the annual report on internal controls by the chief executive officer and chief financial officer, as received by the independent auditors.

Based on these reviews, the committee will make a recommendation to the board as to whether the audited financial statements should be included in the Company's Annual Report and Regulatory Reporting.

Risk Management, Control, and Governance:

The committee will review and discuss with management, the internal auditors, and the independent auditors the company's policies with respect to risk assessment and risk management, control, and governance.

Internal controls; disclosure controls and procedures:

The committee will review and discuss with management, the internal auditors, and the independent auditors the company's internal controls (with particular emphasis on the scope and performance of the internal audit activity), and review and discuss with the internal auditors the results of the internal audit program. The committee will review and



discuss the company's disclosure controls and procedures, and the quarterly assessments of such controls and procedures by the chief executive officer and chief financial officer.

Complaint procedures:

The committee will establish procedures for receipt, retention, and handling complaints regarding accounting, internal accounting controls, and auditing matters, including procedures for confidential, anonymous submission of concerns by employees regarding accounting and auditing matters.

Compliance programs:

The committee will review and discuss with management, the internal auditors, and the independent auditors the adequacy and effectiveness of the company's legal, regulatory, and ethical compliance programs, including the company's Code of Business Conduct.

Report for inclusion in proxy statement:

The committee shall prepare the report that regulations require to be included in the company's annual proxy statement.

Hiring of auditor personnel:

The committee shall set clear hiring policies with regard to employees and former employees of the independent auditors.

Charter:

The committee shall annually review and reassess the adequacy of this charter and recommend any proposed changes to the board for approval.

Annual performance evaluation:

The committee shall annually review its own performance.

Investigative authority:

In discharging its oversight role, the committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the company.

The audit committee will meet privately on a regular basis with each of the independent auditors and the chief audit executive without management present, in order to ensure frank and open discussion about sensitive issues or issues not otherwise discussed.

The audit committee meets periodically with management, the independent public accountants, and the internal auditors to review the manner in which these groups are performing their responsibilities and to carry out the committee's oversight role with respect to auditing, financial reporting, and internal control matters.