



AUDIT COMMITTEE CHARTER

I. Purpose

The Audit Committee is appointed by the Board to:

- assist the Board of Directors in monitoring and ensuring:
 - the integrity of the Company's financial statements;
 - the Company's compliance with legal and regulatory requirements;
 - the qualifications and independence of the Company's independent auditors; and
 - the performance of the Company's internal audit function and external auditors;
- prepare the report required to be prepared by the Audit Committee under the rules of the Securities and Exchange Commission ("SEC") for inclusion in the Company's annual Proxy Statement; and
- oversee the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company.

II. Membership

The Audit Committee shall be composed of not less than three members, appointed annually by the Board. All of the members of the Audit Committee shall satisfy the independence requirements of §10A ("§10A") of the Securities Exchange Act of 1934 (the "Exchange Act"), as amended by the Sarbanes-Oxley Act of 2002 (the "Act") and shall satisfy any other applicable regulatory requirements.

The Audit Committee shall endeavor to include at least one "audit committee financial expert," as that term is defined in §10A.

III. Meetings

The majority of the members of the Audit Committee shall constitute a quorum. Any action required to be taken at a meeting of the Audit Committee will be deemed the action of the Audit Committee if all of the

members executed, either before or after the action is taken, a written consent and the consent is filed with the Corporate Secretary .

The Chair will make regular reports to the Board of Directors. The Audit Committee may form and delegate authority to subcommittees when appropriate. The Secretary of the Audit Committee Secretary will give notice and keep minutes of all Audit Committee meetings.

The Audit Committee will meet as often as may be deemed necessary or appropriate in its judgment, generally four times each year, either in person or telephonically. The Audit Committee will meet separately with management, the independent auditors and internal auditor at least quarterly. The Secretary of the Audit Committee will prepare a preliminary agenda. The Chair will make the final decision regarding the agenda. The Audit Committee may perform any other activities consistent with this Charter, the Company's Bylaws and governing law as the Board deems necessary or appropriate.

IV. Responsibilities and Duties

The Audit Committee is granted the authority to investigate any activity of the Company and its subsidiaries, and all employees are directed to cooperate as requested by members of the Audit Committee. The Audit Committee may request any officer or employee of the Company or the Company's legal counselor independent auditor to attend a Committee meeting. The Audit Committee has the authority to retain special legal, accounting or other consultants as necessary to advise the Audit Committee. The independent auditors for the Company are accountable to the Board and the Audit Committee as representatives of the shareholders.

In carrying out its responsibilities, the Board of Directors believes the policies and procedures of the Audit Committee shall remain flexible, in order to best react to changing conditions. The Audit Committee will:

- Possess the ultimate authority to select, retain, determine funding for and when appropriate, terminate the Company's independent auditors.
- Approve in advance all audit and non-audit engagement services to be provided to the Company by the independent auditors, other than as otherwise permitted by law and other than "prohibited non-auditing services" as defined in § 1 OA(g) of the Exchange Act. The Audit Committee may delegate to one or more of its members the authority to approve in advance all such audit or non-audit services to be provided by the independent auditors so long as it is presented to the full Audit Committee at its next meeting.
- Review the annual written statement from the independent auditor of the Company describing:

- the auditor's internal quality control procedures;
 - any material issues raised by the most recent internal quality-control review, 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 auditors, and any steps taken to deal with any such issues; and
 - all relationships between the independent auditors and the Company, including each permissible non-audit service provided to the Company, consistent with Independence Standards Board Standard 1.
- Review the qualifications, performance and independence of the lead partner of the independent auditor team and the audit firm itself. In making this review, the Audit Committee will take into account the assessments of management and the Company's internal auditors.
- Evaluate whether it is appropriate to rotate the lead audit partner or the audit firm itself.
- Meet with the independent auditors and financial management of the Company to review the scope of the proposed audit for the current year and the audit procedures to be utilized, and at the conclusion thereof, review such audit including any comments or recommendations of the independent auditors.
- Review with the independent auditor any reports or communications required by or referred to in Statement of Auditing Standards ("SAS") No.61, including any problems or difficulties the auditor may have encountered and any management letter provided by the auditor and the Company's response to that letter. Such review should include:
 - Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, and any significant disagreements with management;
 - Any changes required in the planned scope of the audit; and
 - Any accounting adjustments proposed by the auditor but "passed" as immaterial or otherwise.

- Obtain from the independent auditors assurance that the annual audit was conducted in a manner consistent with § 10A, which sets forth certain procedures to be followed in any audit of financial statements required under the Exchange Act.
- Review with management and the independent auditors, the Company's annual audited financial statements and quarterly financial statements, including:
 - the Company's disclosures under "Management's Discussion and Analysis";
 - major issues regarding accounting principles and auditing standards and financial statement presentation; and
 - the independent auditor's judgment as to the accuracy of financial information, adequacy of disclosures and quality of the Company's accounting principles.
- Review as needed an analysis prepared by management or the independent auditor of significant financial reporting issues and judgments made in connection with the preparation and presentation of the Company's financial statements, including an analysis of the effect of alternative GAAP methods on the Company's financial statements and a description of any transactions as to which management obtained SAS No.50 letters.
- 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 of concerns regarding questionable accounting or auditing matters.
- Review with management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports that raise material issues regarding the Company's financial statements or accounting policies.
- Set policies for the Company's hiring of employees or former employees of the independent auditor who were engaged on the Company's account.
- Annually review with the independent auditors, the Company's internal auditors, and financial and accounting personnel the adequacy and effectiveness of the accounting and financial controls of the Company, and any special audit steps adopted in light of material control deficiencies, and make or review any recommendations for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis will be

given to the adequacy of such internal controls to expose payments, transactions or procedures that might be deemed illegal or otherwise improper.

- Review the internal audit function of the Company, including the independence of the function, the ability of the function to raise issues to the appropriate level of authority, the proposed audit plans for the coming year, and the coordination of such plans with the independent auditors. The Audit Committee should request copies or summaries of the significant reports to management prepared by the internal auditing department and management's responses.
- Review recommendations and findings of the internal auditors to assure that appropriate actions are taken by management.
- Review with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
- Meet periodically with management to review the Company's policies with respect to risk assessment and risk management, the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
- Review and approve significant changes to the Company's selection or application of accounting principles and practices as suggested by the independent auditor, internal auditor or management.
- Review with the Company's legal counsel:
 - legal matters that may have a material impact on the financial statements or reflect upon the Company's compliance policies;
 - any material reports or inquiries received from regulators or governmental agencies;
 - material pending legal proceedings involving the Company; and
 - other contingent liabilities.
- Review disclosures made by the Company's principal executive officer and principal financial officer regarding compliance with their certification obligations under the Act, including the Company's

disclosure controls and procedures and internal controls for financial reporting and evaluations thereof.

- Conduct or authorize an appropriate review of any related-party transactions deemed significant by the Audit Committee.
- Review the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Ethics.
- Conduct or authorize an investigation of any matter brought to its attention within the scope of its duties, with the power to retain outside legal counsel for this purpose if, in its judgment, such investigation is appropriate.
- Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
- Review the Audit Committee's performance annually.

V. Continuous Flow of Information to Audit Committee Members

The Audit Committee shall identify and routinely access all relevant information necessary to carry out its responsibilities, including key operating reports of the Company. The Audit Committee shall, at its discretion, retain and determine funding for outside resources including advice and assistance from outside legal, accounting or other advisors to help review and assess such information.

VI. Limitations

The function of the Audit Committee is oversight. It is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent auditor. Nor is it the duty of the Audit Committee to resolve disagreements, if any, between management and the independent auditor or to assure compliance with laws and regulations and the Company's Code of Ethics.