



Audit Committee Charter

Statement of Purpose

The purpose of the Audit Committee (the "Committee") is to (i) appoint, oversee, and replace, if necessary, the independent registered public accounting firm, and (ii) act on behalf of, and provide assistance to, the Board in fulfilling its oversight responsibility with respect to the Company's accounting and reporting practices, and the quality and integrity of its financial reports.

Organization

The Committee shall be comprised of at least three members of the Board, who shall satisfy the independence and experience requirements of The Nasdaq Stock Market and who shall meet the audit committee independence requirements of The Nasdaq Stock Market and the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act"), as such requirements are interpreted by the Board in its business judgment. The Board shall annually review the Committee's compliance with such requirements. Each member of the Committee must be able to read and understand fundamental financial statements. In addition, at least one member of the Committee will be an "audit committee financial expert" (as that term is defined by the Securities and Exchange Commission (the "SEC")). No member of the Committee shall have participated in the preparation of the financial statements of the Company or any subsidiary of the Company at any time during the past three years. Members of the Committee shall be appointed by the Board on the recommendation of the Governance and Nominating Committee of the Board. Unless a chair is elected by the Board, the members of the Committee shall designate a chair by majority vote of the full Committee membership. The chair shall lead the Committee, including setting the agenda, presiding over the meetings, making subcommittee assignments and reporting to the Board on the Committee's behalf. The Board may remove members of the Committee from such Committee, with or without cause.

Duties and Responsibilities

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

1. **Audited Financials.** The Committee shall review and discuss with management and the independent registered public accounting firm the audited financial statements and shall review and discuss with the independent registered public accounting firm the matters contemplated by the current auditing and related professional practice standards issued by the Public Company Accounting Oversight Board, as may be amended from time to time. The Committee shall inquire of the Company's management and the independent registered public accounting firm as to whether there were any significant financial reporting issues and judgments made in connection with such financial statements.
2. **Interim Financials.** As a whole, or through the Committee chair, the Committee shall review the Company's interim financial information with management and the independent registered public accounting firm. The Committee shall inquire of the Company's management and the independent registered public accounting firm as to whether there were any significant financial reporting issues and judgments made in connection with such interim financial statements. The Committee shall review and discuss with management the Company's earnings press releases, as well as financial information and earnings guidance, if any, provided to analysts and ratings agencies.
3. **Internal Controls.** The Committee shall periodically discuss with management, the independent registered public accounting firm, and, as needed, internal auditors or any third party assisting the Company with its internal controls and internal auditing procedures, the quality and adequacy of the Company's internal controls and internal auditing procedures, including any material weaknesses in the design or operation of those controls which could adversely affect the Company's ability to record, process, summarize and report financial data and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls, and discuss with the independent registered public accounting firm how the Company's financial systems and controls compare with industry practices. In connection with the Committee's review of internal controls hereunder, it shall review annually a summary of expenses of all Section 16 Officers, as defined in Section 16 of the Securities Exchange Act of 1934, as amended, and shall be engaged to review on a periodic basis any expenses not contemplated by the Company's internal expense policy.

4. Risks and Exposures. The Committee shall discuss with management any significant risks or exposures facing the Company, evaluate the steps management has taken or proposes to take to mitigate such risks to the Company, and shall review the Company's compliance with such mitigation plans. The Committee also shall discuss with the independent registered public accounting firm any significant risks or exposures facing the Company to the extent that such risks or exposures relate to accounting and financial reporting, and review related mitigation plans with the independent registered public accounting firm.
5. Accounting Policies. The Committee shall periodically review with management and the independent registered public accounting firm the quality, as well as acceptability, of the Company's accounting policies, and discuss with the independent registered public accounting firm how the Company's accounting policies compare with those in the industry and all alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, the ramifications of use of such alternative disclosures and treatments, the treatment preferred by the independent registered public accounting firm, any changes in Company's critical accounting principles and the effects of alternative GAAP methods, off-balance sheet structures and regulatory and accounting initiatives.
6. Adjustments. The Committee shall periodically discuss with the independent registered public accounting firm whether all material correcting adjustments identified by the independent registered public accounting firm in accordance with GAAP are reflected in the Company's financial statements.
7. Engagement and Oversight of Independent Registered Public Accounting Firm. The Committee shall appoint, retain, evaluate, oversee, approve compensation for, and when necessary, terminate the engagement of, the independent registered public accounting firm, including the resolution of disagreements between management and the independent registered public accounting firm regarding financial reporting. The Committee shall approve, in advance, all audit services and all permitted non-audit, tax and other services to be provided to the Company by the independent registered public accounting firm, in each case, in accordance with the Committee's Pre-Approval Policy. The Committee shall also discuss with the independent registered public accounting firm and the internal auditors (if any) the overall scope and plans for their respective audits, including the adequacy of staffing and their respective fees. The Committee shall annually evaluate the performance and independence of the Company's registered public accounting firm.
8. Independence. The Committee shall discuss with the independent registered public accounting firm its independence, and shall actively engage in a dialogue with the independent registered public accounting firm regarding any disclosed relationships or services that might impact the objectivity and independence of the independent registered public accounting firm. The Committee shall obtain a formal written statement delineating all relationships between the independent registered public accounting firm and the Company pursuant to Public Company Accounting Oversight Board Rule 3526. The Committee shall take, or recommend that the full Board take, appropriate action to oversee the independence of the independent registered public accounting firm. The Committee shall ensure that it receives from the independent registered public accounting firm the written disclosures and letter from the independent registered public accounting firm required by the requirements of the Public Company Accounting Oversight Board regarding the independent registered public accounting firm's communications with the Committee regarding independence.
9. Critical Audit Matters. The Committee shall, to the extent applicable, review with the independent registered public accounting firm any matter arising from the audit of the financial statements that was communicated or required to be communicated to the Committee that both relates to accounts or disclosures that are material to the financial statements and involves especially challenging, subjective or complex auditor judgment.
10. Related Party Transactions. The Committee shall review and approve all related-party transactions required to be disclosed pursuant to SEC Regulation S-K, Item 404.
11. Filings. The Committee shall recommend to the Board whether, based on the reviews and discussions referred to above, the audited financial statements should be included in the Company's Annual Report on Form 10-K. The Committee shall also prepare, in accordance with the rules of the SEC as amended from time to time, a written report of the Committee to be included in the Company's annual proxy statement for each annual meeting of stockholders.
12. Communications. The Committee shall review with the independent registered public accounting firm all material communications between the independent registered public accounting firm and management, such as any management letter or schedule of unadjusted audit differences.
13. Code of Conduct and Ethics. The Committee shall recommend to the Board the approval of a code of conduct and ethics for senior financial officers and such other employees and agents of the Company as it determines, and shall periodically review and update the code of conduct and ethics as needed. The Committee shall discuss with management and the independent registered public accounting firm and the internal auditors (if any) the overall corporate "tone" for ethical financial and business behavior, including the need for integrity, transparency, and compliance in all financial and business matters.
14. Complaints. The Committee shall establish procedures for (i) the receipt, retention, investigation, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
15. Information Technology Systems, Processes and Data. In the event of a significant breakdown or security breach

affecting the information technology systems of the Company or a third party, the Committee shall work with management to formulate a mitigation plan and shall review the Company's compliance with such mitigation plan.

16. Generally. The Committee shall review such other matters as the Board or the Committee shall deem appropriate.

Procedures and Administration.

1. Meetings. The Committee shall hold regularly scheduled meetings no less frequently than quarterly and such special meetings as circumstances dictate. It shall periodically meet separately with management, with the internal auditors (if any, or other personnel responsible for the internal audit function), and with the independent registered public accounting firm to discuss results of examinations, or discuss any matters that the Committee or any of these persons or firms believe should be discussed privately, and have such other direct and independent interaction with such persons or firms from time to time as the members of the Committee deem appropriate. The Committee shall report regularly to the Board on its activities.
2. Access to Management and Advisors. The Committee shall have access to management, internal staff, the independent registered public accounting firm, the corporate compliance staff and the Company's internal and outside legal counsel, both at meetings and otherwise.
3. Action. Action may be taken by the Committee (or any subcommittee of the Committee) upon the affirmative vote of a majority of the members of the Committee (or subcommittee). Action may be taken by the Committee without a meeting if all of the members of the Committee indicate their approval thereof in writing.
4. Notice. Any member of the Committee may call a meeting of the Committee upon due notice to each other member at least twenty-four hours prior to the meeting (provided that participation in any meeting shall be deemed to constitute waiver of any deficiency in such notice).
5. Charter. The Committee shall annually review and reassess the adequacy of this Charter and recommend any proposed changes to the Board for approval.
6. Independent Advisors. The Committee is authorized, without further action by the Board, to engage such independent legal, financial, accounting, and other advisors as it deems necessary or appropriate to carry out its responsibilities, and to approve the fees and other retention terms of such advisors.
7. Expenses. The Committee is empowered, without further action by the Board, to cause the Company to pay the ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
8. Committee Self-evaluation. The Committee shall review its performance against the requirements of this Charter annually and shall report to the Board on the results of such evaluation. The Committee's performance evaluation shall be conducted in such manner as the Committee deems appropriate.
9. Investigations. The Committee shall have full access to all books, records, facilities and personnel of the Company and shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate, including the authority to request any officer, employee or advisor of the Company meet with the Committee or any advisors engaged by the Committee.
10. Subcommittees. The Committee may delegate authority to one or more members of the Audit Committee who are independent directors of the Board, including the authority to grant pre-approvals of audit and permitted non-audit services, provided that decisions of such subcommittee to grant pre-approvals shall be presented to the full Committee at its next meeting.