

**CHARTER OF THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS  
(As amended through August 6, 2013)**

**I. Purpose**

The primary purpose of the Audit Committee is to oversee the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company. In furtherance of its purpose, the Audit Committee shall assist the Company's Board of Directors (the "Board") in fulfilling its oversight responsibility relating to: (i) the integrity of the Company's financial statements and financial reporting process, the Company's systems of internal accounting and financial controls and other financial information provided by the Company; (ii) the performance of the internal audit function; (iii) the annual independent audit of the Company's financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; (iv) the compliance by the Company with legal and regulatory requirements, including the Company's disclosure controls and procedures; (v) discussing risk assessment and risk management policies, particularly those involving the Company's major financial risk exposures; and (vi) the fulfillment of the other responsibilities set out herein. The Audit Committee shall also prepare the report of the Audit Committee required by the Securities and Exchange Commission (the "SEC") to be included in the Company's annual proxy statement.

**II. Organization**

The Audit Committee shall be appointed, and members thereof may be removed, by the Board. The Audit Committee shall consist of three or more directors, as determined by the Board, each of whom shall satisfy the independence and financial literacy requirements of Section 10A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules thereunder, the independence, financial literacy and other requirements of The NASDAQ Stock Market ("NASDAQ") and any other applicable legal or regulatory requirements. At least one member of the Audit Committee shall have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in his or her financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. The Board shall also designate the Audit Committee Chair. While there is no limit on the number of public company audit committees on which a director may serve, if a director serves on more than three, his or her service on this Audit Committee shall be subject to the Board's determination that such simultaneous service on such other audit committees will not impair his or her ability to effectively serve on this Audit Committee. The Audit Committee may form and delegate authority to subcommittees comprised of one or more members of the Audit Committee. The Audit Committee may also delegate authority to the Chair of the Audit Committee when it deems appropriate, subject to the terms hereof. No member of the Audit Committee may (i) accept, either directly or indirectly, any consulting, advisory or other compensatory fees from the Company or any of its subsidiaries, other than in his or her capacity as a member of the Audit Committee, the Board or any other Board committee (including the Board of Directors or any committee of the Board of Directors of any of the Company's subsidiaries) or (ii) be an affiliated person of the Company or any of its subsidiaries.

### **III. Meetings**

The Audit Committee shall meet as circumstances require. A quorum at any Audit Committee meeting shall be at least one-half of the members of the Audit Committee. All determinations of the Audit Committee shall be made by a majority of its members present at a meeting duly called and held, except as provided herein. Any decision or determination of the Audit Committee reduced to writing and signed by all members of the Audit Committee shall be fully effective as if it had been made at a meeting duly called and held. The Audit Committee may require any officer or employee of the Company or its subsidiaries, the Company's outside auditors, the Company's outside counsel, the Company's Internal Audit department or others to attend meetings of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee, and to provide pertinent information as necessary. The Audit Committee shall meet periodically with management, Internal Audit and the independent auditors in separate executive sessions to discuss any matters that the Audit Committee or any of these groups believe should be discussed privately. Minutes for meetings of the Audit Committee shall be prepared to document the Audit Committee's discharge of its responsibilities. The minutes shall be circulated in draft form to all Audit Committee members to ensure an accurate final record, shall be approved at a subsequent meeting of (or through a written action or electronic transmission by) the Audit Committee and shall be distributed or reported on periodically to the full Board.

### **IV. Authority and Responsibilities**

In recognition of the fact that the independent auditors are ultimately accountable to the Audit Committee, the Audit Committee shall have the sole authority and responsibility to select, evaluate and, where appropriate, replace the independent auditors (or to recommend or nominate the independent auditors for stockholder approval), and shall approve all audit engagement fees and terms and all non-audit engagements with the independent auditors. The Audit Committee shall consult with management and Internal Audit, but shall not delegate these responsibilities.

To fulfill its responsibilities, the Audit Committee shall:

#### **With respect to the independent auditors:**

1. Be directly responsible for the appointment, compensation, retention (and termination) and oversight of the work of the independent auditors (including resolution of disagreements between management and the independent auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review, attest services or tax services for the Company, and such independent auditors must report directly to the Audit Committee.
2. Have the sole authority to review in advance, and grant any appropriate pre-approvals of, (a) all auditing services to be provided by the independent auditors and (b) all non-audit services to be provided by the independent auditors as permitted by Section 10A of the Exchange Act, and, in connection therewith, to approve all fees and other terms of engagement, all as required by applicable laws or NASDAQ rules or listing requirements. The Audit Committee shall establish and maintain policies and procedures for the review and pre-approval of audit and permissible non-audit services to be provided to the

Company by the independent auditors (including the fees for such services). The Audit Committee shall also review and approve disclosures required to be included in SEC periodic reports filed under Section 13(a) of the Exchange Act with respect to audit, audit related and non-audit services. The Audit Committee shall consult with management regarding, but shall not delegate, these responsibilities.

3. Review on an annual basis (a) the performance of the independent auditors, including the lead audit partner, and (b) the experience and qualifications of the senior members of the independent auditors' team assigned to the Company and its subsidiaries; and, at least annually, obtain and review a report from the independent auditors describing (a) the independent auditors' internal quality control procedures and (b) 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.
4. Request and ensure that the independent auditors submit to the Audit Committee on an annual basis the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board (the "PCAOB") regarding the independent auditors' communications with the Audit Committee concerning the independent auditors' independence; actively engage in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors; satisfy itself that the provision of services by the independent auditors not related to the audit of the Company's annual financial statements and the review of the Company's interim financial statements included in the Company's Form 10-Qs for such year is compatible with maintaining the outside auditors' independence; and otherwise take, or recommend that the Board take, appropriate action to oversee the independence of the independent auditors.
5. Confirm, on an annual basis, that each of the lead audit partner, the audit partner responsible for reviewing the audit and all other audit partners have been and will be rotated in accordance with the requirements of the Exchange Act and the rules promulgated thereunder; and consider, on an annual basis, whether there should be regular rotation of the independent auditors.
6. Review all reports required to be submitted by the independent auditors to the Audit Committee under Section 10A of the Exchange Act.
7. Review, based upon the recommendation of the independent auditors, the scope and plan of the work to be done by the independent auditors, including any special audit steps adopted in light of any material control deficiencies.

**With respect to annual financial statements:**

8. Review and discuss with management, Internal Audit and the independent auditors the Company's annual audited financial statements, including specific disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations." This review shall include a discussion of major issues regarding accounting

principles and financial statement presentations, including a review of any analyses prepared by management and/or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the Company's financial statements. The review shall also include a discussion of the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting, including, without limitation, a review of critical accounting policies, estimates, reserves and accruals, judgmental areas, audit adjustments, whether or not recorded, any significant changes in the Company's selection or application of accounting principles, the effects of significant policies in controversial or emerging areas for which there is a lack of authoritative guidance, all material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons, that may have a material current or future effect on financial condition, changes in financial condition, results of operations, liquidity, capital resources, capital reserves or significant components of revenues or expenses, and such other inquiries as may be appropriate. Based on this review, the Audit Committee shall make its recommendation to the Board as to the inclusion of the Company's audited financial statements in the Company's Annual Report on Form 10-K for filing with the SEC.

9. Discuss with the independent auditors the matters required to be discussed by PCAOB Auditing Standard No. 16, *Communications with Audit Committees*, as such auditing standard may be modified or supplemented, relating to the conduct of the audit, and any other material written communications between the independent auditors and management, including, without limitation, the management representation letter and schedule of adjusted differences and a listing of adjustments and reclassifications not recorded, if any.
10. Prepare the report required by the SEC to be included in the Company's annual proxy statement and any other reports of the Audit Committee that may be required by applicable securities laws or NASDAQ rules or listing requirements.
11. Discuss with the independent auditors and Internal Audit whether they are aware of any action by an officer, director, or person acting under their direction which would violate Rule 13b2-2(b)(1) under the Exchange Act, which prohibits improper influence on the conduct of audits.

**With respect to quarterly financial statements:**

12. Review and discuss with management, Internal Audit and the independent auditors the Company's quarterly financial statements, including specific disclosures made in "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the independent auditors' review of the quarterly financial statements (including a review of the matters included in paragraph 8 above), prior to submission to stockholders, the SEC or any other governmental body, NASDAQ or the public. The Chair of the Audit Committee or any subcommittee of the Audit Committee may represent the entire Audit Committee for the purpose of this review.

13. Discuss with the independent auditors the matters required to be discussed by PCAOB Auditing Standard No. 16, *Communications with Audit Committees*, as such auditing standard may be modified or supplemented, relating to the conduct of their review.

**With respect to periodic reviews:**

14. Periodically review separately with each of management, the independent auditors and Internal Audit (a) any significant disagreement between management and the independent auditors or Internal Audit in connection with the preparation of the financial statements, (b) any difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information, and (c) management's response to any such disagreements or difficulties.
15. Periodically discuss with the independent auditors, without management being present, (a) their judgments about the quality and appropriateness of the Company's accounting principles and financial disclosure practices as applied in its financial reporting and (b) the completeness and accuracy of the Company's financial statements.
16. Consider and approve, if appropriate, significant changes to the Company's accounting principles and financial disclosure practices as suggested by management; and review with the independent auditors, management and Internal Audit, at appropriate intervals, the extent to which any changes or improvements in accounting or financial practices, as approved by the Audit Committee, have been implemented.
17. Review and discuss with management, Internal Audit, the independent auditors and the Company's in-house and independent counsel, as appropriate, any legal, accounting, regulatory or compliance matters that could have a significant impact on the Company's financial statements, including the effect of any new or proposed regulatory or accounting initiatives, statements or rules, as well as off-balance sheet structures, on the Company's financial statements and other public disclosures.

**With respect to discussions with management:**

18. Review and discuss with management the Company's earnings press releases, including the use, if any, of "pro forma" or "adjusted" non-GAAP financial measures (as defined in Regulation G), as well as any financial information and earnings guidance that may be provided to analysts and rating agencies. Such review and discussions may be done generally (i.e., review and discussion of the types of information to be disclosed and the types of presentations to be made). The Audit Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance.

**With respect to the internal audit function and internal controls:**

19. Review, based upon the recommendation of Internal Audit, the scope and plan of the work to be done by Internal Audit and the responsibilities, budget and staffing needs of Internal Audit. In connection with such review, the Audit Committee shall discuss with management, Internal Audit and the independent auditors, the Company's major risk exposures (with particular emphasis on financial risk exposures), the adequacy and

effectiveness of the Company's accounting and financial controls, and the steps management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies.

20. Review periodically the performance of Internal Audit.
21. Discuss with management, the independent auditors and Internal Audit their assessments and conclusions regarding the adequacy and effectiveness of the Company's disclosure controls and procedures and the Company's internal control structure and procedures, including any special audit steps adopted in light of any significant deficiencies or material weaknesses.
22. Establish procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
23. Review (a) the internal control report prepared by management, including management's assessment of the effectiveness of the Company's internal control over financial reporting, and (b) the independent auditors' attestation report on internal control over financial reporting. Management and Internal Audit shall report periodically to the Audit Committee regarding (a) any significant deficiencies and material weaknesses in the design or operation of the Company's internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information, (b) any fraud (whether or not material) involving management or other employees having a significant role in the Company's internal control over financial reporting and (c) any change in internal control over financial reporting that occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

**Other:**

24. Establish and periodically review policies and procedures with respect to the review and oversight of all related party transactions (including transactions required to be disclosed pursuant to Item 404 of Regulation S-K) for potential conflict of interest situations.
25. Review and approve or ratify all related party and conflict of interest transactions involving any director, executive officer, nominee for director, any holder of 5% or more of any class of the Company's voting securities or any non-executive officer (or any member of the immediate family (as defined in Item 404 of Regulation S-K) of any of the foregoing persons), if such related party or conflict of interest transaction involves more than \$10,000, in each case using appropriate counsel or other advisers as the Audit Committee may deem necessary.
26. Review and recommend to the Board for its approval (a) any change or waiver to the Company's code of ethics for directors or executive officers (i.e., those officers covered in Rule 16a-1(f) under the Exchange Act, including, without limitation, the Company's principal executive officer, principal financial officer, principal accounting officer or

controller, or persons performing similar functions) and (b) any public disclosure made regarding such change or waiver.

27. Establish and review and approve a policy addressing the Company's hiring of employees or former employees of the independent auditors.
28. Review and approve the decision by the Company and its subsidiaries to enter into swaps, as defined in Section 1a(47) of the Commodity Exchange Act and applicable regulations and rules ("Swaps"), and to review and approve the decision by the Company and its subsidiaries to enter into Swaps that are exempt from the requirements of section 2(h)(1) and 2(h)(8) of the Commodity Exchange Act ("Exempt Swaps"), pursuant to section 2(h)(7) of the Commodity Exchange Act and applicable regulations and rules (the "End-User Exception"). The Audit Committee shall set appropriate policies governing use of Swaps, Exempt Swaps, and the End-User Exception by the Company and its subsidiaries. The Audit Committee shall review and approve the decision to use Exempt Swaps, and the policies governing the use of Exempt Swaps, at least annually or more often upon a triggering event, including but not limited to a change in the Company's hedging policy.
29. Review and reassess the adequacy of this Charter (including with respect to compliance with the rules or listing requirements of NASDAQ) at least annually and recommend to the Board any changes deemed appropriate by the Audit Committee.
30. Review its own performance annually.
31. Report regularly to the full Board and review with the full Board any issues that have arisen with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors or the performance of Internal Audit.
32. Perform any other activities consistent with this Charter, the Company's by-laws and any other applicable legal or regulatory requirements, as the Audit Committee or the Board deems necessary or appropriate. The Audit Committee shall also carry out such other duties that may be delegated to it by the Board from time to time.

## **V. Resources**

The Audit Committee shall have the authority (i) to investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the Company and (ii) to engage independent counsel and other advisers as it deems necessary to carry out its duties. The Company shall provide such funding as is determined by the Audit Committee to be necessary or appropriate for payment of compensation to (i) the independent auditors for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company and (ii) any independent counsel or other advisers retained by the Audit Committee. The members of the Audit Committee shall be reimbursed for ordinary administrative expenses necessary or appropriate in carrying out their duties.

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While the Audit Committee has the responsibilities and powers set forth in this Charter, the Company's management is responsible for preparing the Company's financial statements and the Company's independent auditors are responsible for performing an independent audit of such financial statements in accordance with generally accepted auditing standards and for issuing a report thereon. The Audit Committee is responsible for overseeing the conduct of these activities and is not expected to audit the Company, to define the scope of the audit, to control the Company's accounting practices or to define the standards to be used in the preparation of the Company's financial statements. Nor is it the duty of the Audit Committee to conduct investigations or to assure compliance with laws and regulations or the Company's Code of Business Conduct and Ethics. The Audit Committee may rely, without independent verification, on the information provided to it and on the representations made by management that the Company's financial statements have been prepared in conformity with generally accepted accounting principles and the corresponding reports of the independent auditors prepared in connection with their reviews and audits. Consequently, in carrying out its responsibilities, the Audit Committee is not determining that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles, nor is the Audit Committee providing any expert or special assurance as to the Company's financial statements or any professional certification as to the independent auditors' work.