AUDIT AND FINANCE COMMITTEE CHARTER

FUNCTION:

To assist the Board of Directors in overseeing (i) the integrity of the Corporation’s financial statements, (ii) the independence, qualifications and performance of the Corporation’s independent auditor, (iii) the performance of the Corporation’s internal audit function, (iv) in coordination with the Risk and Compliance Committee, the Corporation’s compliance with legal and regulatory requirements, and (v) the financial policies, financial condition and primary financial risks of the Corporation; and to prepare the Committee’s report for inclusion in the Corporation’s Proxy Statement.

MEMBERSHIP:

The Audit and Finance Committee shall consist of at least three directors, each of whom must satisfy the independence and qualification requirements of the New York Stock Exchange, Section 10A(m)(3) of the Securities Exchange Act of 1934 and the rules and regulations of the Securities and Exchange Commission (“SEC”). The Committee will at all times endeavor to have at least one member who shall be an “audit committee financial expert” as defined by the SEC. Committee members shall not simultaneously serve on the audit committees of more than two other public companies without the approval of the full Board. Committee members and the Committee Chair will be appointed by the Board and may be removed by the Board in its discretion.

The Committee shall have the authority to delegate any of its responsibilities to subcommittees of one or more persons, including persons who are not directors, as permitted by law and applicable stock exchange regulations, as the Committee may deem appropriate.

RESPONSIBILITIES:

A. Accounting and Reporting

1. Review of Press Releases and Other Information. Discuss the Corporation’s earnings press releases, as well as the types of financial information and earnings guidance provided to analysts and ratings agencies (discussion may be done generally with respect to the types of information to be disclosed and the type of presentation to be
made and need not occur prior to each disclosure, provided that the Chair of the Committee shall review each earnings press release before issuance).

2. **Review of Annual and Quarterly Reports.** Review and discuss with management and the independent auditors the Corporation’s interim unaudited and annual audited financial statements, including disclosures made in management’s discussion and analysis, the results of the independent auditor’s review (or audit in the case of annual financial statements) and any other matters required to be communicated to the Committee by the independent auditor, prior to filing each Form 10-Q or 10-K, respectively. Recommend to the Board whether the audited financial statements should be included with the Corporation’s Form 10-K. The Committee shall also prepare the “Report of Audit Committee” contained in the annual Proxy Statement.

3. **Internal Controls - General.** Receive information from management about any significant deficiencies or material weaknesses in the design or operation of internal controls that could adversely affect the Corporation’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 Corporation’s internal controls. The Committee shall also review the independent auditor’s letter reporting the status of internal controls and other matters the independent auditor considers appropriate and obtain and review management’s response and corrective action plan.

4. **Internal Controls - Reports.** Review and discuss with management and the independent auditor, the report of management on internal control over financial reporting and the independent auditor’s report on internal control over financial reporting prior to the filing of the Corporation’s Form 10-K.

5. **General Oversight.** Discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Corporation’s financial statements, including any significant changes in the Corporation’s selection or application of accounting principles and any critical accounting estimates made in the course of preparing the financial statements.

6. **Regulatory Changes and Off-Balance Sheet Items.** Discuss with management and the independent auditor the effect of pending regulatory changes to accounting practices, as well as off-balance sheet structures (if any) on the Corporation’s financial statements.

7. **Tax Matters.** Discuss with management the Corporation’s positions with respect to income and other tax obligations, and review periodic reports from management with respect to tax compliance matters.
B. Oversight of Independent Auditor

1. **Audit Engagement and Scope.** Possess sole responsibility for the appointment (subject, if applicable, to shareholder ratification), compensation, evaluation, retention, termination and oversight of the work of the independent auditor. Review proposed audit scope for adequacy of coverage. The independent auditor shall report directly to the Committee.

2. **Audit Process.** Discuss with the independent auditor the matters to be discussed according to the applicable auditing standards relating to the conduct and results of the audit of the consolidated financial statements and solicit concerns from the independent auditor, including any difficulties encountered in the course of the audit work, restrictions on the scope of activities or access to requested information or significant disagreements with management and management’s response. The Committee should also discuss with the independent auditor material issues on which the national office of the independent auditor was consulted by the engagement team, and the responsibilities, budget and staffing of the Corporation’s internal audit function.

3. **Audit Team.** Review and evaluate the lead partner of the independent audit team, and ensure proper rotation of the lead partner and other audit partners serving the account as required under SEC independence rules.

4. **Independent Auditor’s Quality Control.** At least annually obtain and review a report from the independent auditor describing the independent auditor’s internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any review, inquiry or investigation by governmental or professional authorities within the preceding five years involving one or more independent audits carried out by the firm; and any steps taken to deal with any such issues.

5. **Auditor Independence.** At least annually obtain and review a report from the independent auditor describing all relationships between the independent auditor and the Corporation. Discuss with the independent auditor any relationships or services that may impact its objectivity and independence, including whether the provision of permitted non-audit services is compatible with maintaining the auditor’s independence, taking into account the opinions of management and internal auditors.

6. **Pre-Approval of Services.** Pre-approve all auditing services and permitted non-audit services to be performed for the Corporation by its independent auditors, including receiving certain disclosure, documentation and discussion of non-prohibited internal control services and tax services, as required by NYSE, SEC and PCAOB rules.
7. **Employment Policies.** Set clear policies for the Corporation’s hiring of employees or former employees of the independent auditor.

C. Oversight of Internal Audit

1. **Audit Plan Risk Assessment.** Review and discuss with the head of internal audit the approach to risk assessment in the development of the annual audit plan, including the risk of fraud, and the commitment of internal audit resources to audit the Corporation’s guidelines, policies and procedures to mitigate identified risks. Such discussions should encompass the Corporation’s principal financial, accounting, internal control and related risk exposures and, as appropriate, include the Corporation’s principal Risk Officer.

2. **Internal Audit Function.** Discuss the internal audit department’s responsibilities, annual audit plan, budget and staffing with the head of internal audit.

3. **Internal Audit Results.** Review significant internal audit results and management’s action plans.

4. **Internal Audit Charter.** Periodically review the charter for the internal audit function.

D. Additional Reporting

1. **Accounting and Auditing Complaints.** Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or audit matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

2. **Legal Matters.** Review periodic reports of the General Counsel on litigation and other legal matters that may have a material impact on the financial statements or the Corporation’s internal controls.

3. **Compliance Programs.** At least annually review and discuss the Corporation’s approach to legal and regulatory compliance matters with the principal Compliance Officer and the Risk and Compliance Committee of the Board.

E. Financial Policies

1. **Financial Policies.** Periodically review and approve financial policies recommended by management pertaining to:
   - Leverage ratio, coverage and ratings
• Dividend policy
• Share repurchase activity

2. Financial Condition. Review the financing requirements of the Corporation and primary financial policies including those pertaining to:

• Alignment of the Corporation’s capital structure with its business strategy
• Sources of liquidity, including potential funding vehicles
• Debt maturities
• Lines of credit
• Terms of significant financing transactions
• Use of derivatives
• Exposure to floating interest rates
• Trends in portfolio interest rates

3. Covenant Compliance. Review any issues regarding the Corporation’s compliance with covenants contained in indenture agreements and other principal financing agreements.

4. Financing Transactions. Consider and recommend to the Board, as appropriate, debt issuance and share repurchase authority, and all other transactions involving the Corporation’s capital stock including common or preferred stock issuances, stock splits and stock dividends. With respect to any significant business acquisition, review the financing plans for and impact of such acquisition on the Corporation’s capital structure.

5. Derivative Transactions. Review and approve policies on hedging and the use of derivatives, including policies on the use of exemptions to clearing and trade execution requirements.

6. Financial Risk Management. Review and discuss with management the Corporation’s:

• Financial risk assessment process
• Financial risk management activities and strategies
• Use of third party insurance and self-insurance strategies

F. Other

1. Investigations. Conduct any investigation that the Committee deems appropriate, with full access to all of the Corporation’s records, facilities, personnel and outside advisors, and retain outside counsel, auditors and other consultants to advise the Committee for that purpose.
2. **Meetings.** Meet as often as the Committee determines, but not less frequently than quarterly.

3. **Private Sessions.** Meet in separate private sessions with the Chief Financial Officer and other officers of the Corporation, the internal auditors and the independent auditor periodically.

4. **Reporting to the Board.** Provide the Board with regular reports of the activities of the Committee.

5. **Consultants and Advisors.** Possess the sole authority to retain or terminate, as it deems necessary or appropriate, outside counsel, auditors and other consultants or outside advisors to assist in discharging its responsibilities. The Corporation will provide appropriate funding, as determined by the Committee, for payment of any resource engaged for this purpose, including the engagement of the independent auditor, and for all other administrative expenses necessary for the Committee to carry out its duties.

6. **Committee Evaluation.** Annually evaluate the performance of the Committee.

G. **Limitation of Audit and Finance Committee’s Role**

The oversight function of the Committee does not include any duty to plan or conduct audits or to provide any special assurance as to the Corporation’s financial statements, the work or independence of its independent auditors or its compliance with laws or regulations.