



Audit Committee Charter

Adopted by the Company's Board of Directors on May 22, 2002, as amended May 6, 2004.

Statement of Purpose

The Audit Committee (Committee) is a committee of the Board of Directors. Its primary function is to assist the Board in fulfilling its oversight responsibilities by overseeing the accounting, internal control and financial reporting processes and the audit process of the Company.

The Company's management is responsible for preparing the Company's financial statements and the Company's independent auditors are responsible for auditing those financial statements. The Committee is responsible for overseeing the conduct of these activities by the Company's management and the independent auditors.

Committee Membership

The Committee shall consist of no fewer than three members. The members of the Committee shall meet the independence and experience requirements of the American Stock Exchange and the Securities and Exchange Commission (SEC). In particular, all members shall have sufficient financial experience and ability to enable them to read and understand financial statements, including the Company's balance sheet, income statement, and cash flow statement. At least one member shall be a financial expert as defined under the rules and regulations of the SEC.

The members of the Committee shall be elected by the Board of Directors at each annual meeting of the Board of Directors or until their successors shall be duly elected and qualified. Unless a chair is elected by the full Board of Directors, the members of the Committee may designate a chair by majority vote of the full Committee.

Committee Authority and Responsibilities

In carrying out its intended purpose, the Committee shall have the powers, duties and responsibilities delegated to it by the Board of Directors. The Committee shall:

- Have the sole authority to appoint, evaluate and if necessary replace the independent auditor, and shall pre-approve all audit engagement fees and terms and all non-audit service engagements with the independent auditor.
- Oversee the work performed by the Company's independent auditors. Such Independent auditors shall report directly to the Committee, although they shall remain accountable to the entire Board of Directors as well as to the Committee.
- Have a clear understanding with management and the independent auditors that the independent auditors are ultimately accountable to the Board of Directors and the Committee, as representative of the Company's shareholders.
- Review annually the selection of the Company's independent auditors.

- Review and discuss with the auditors their independence from the Company and actively engage the auditors in a dialogue with respect to any disclosed relationship or services that may impact their objectivity and independence.
- Meet with management and the independent auditor in separate executive sessions periodically.
- Make regular reports to the Board.
- Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the board for approval.
- Assess its performance of the duties specified in this charter annually and report its findings to the board of directors.

In keeping with the foregoing statements, the Committee shall have the following authority and responsibilities:

Financial Statement and Disclosure Matters

1. Review and discuss with management and the independent auditor the annual audited financial statements and quarterly financial statements, including disclosures made in management's discussion and analysis and all matters required to be reviewed under applicable legal, regulatory and American Stock Exchange requirements.
2. Prepare the report required by the rules of the Securities and Exchange Commission to be included in the company's annual proxy statement.
3. Discuss with management the company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the company's risk assessment and risk management policies.
4. Discuss with management and the independent auditor 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.

Oversight of the Company's Relationship with the Independent Auditor

1. Obtain and review a report from the independent auditor at least annually regarding (a) the auditor's internal quality-control procedures, (b) any material issues raised by the most recent quality-control review, or peer review, of the firm, (c) any steps taken to deal with any such issues, and (d) all relationships between the independent auditor and the company.
2. Evaluate the qualifications, performance and independence of the independent auditor, including considering whether the auditor's quality controls are adequate and the provision of non-audit services is compatible with maintaining the auditor's independence, and taking into account the opinions of management. The Committee shall present its conclusions to the board of directors and, if so determined by the Committee, recommend that the board take additional action to satisfy itself of the qualifications, performance and independence of the auditor.

Oversight of the Company's Internal Audit Function

1. Review the appointment and replacement of the senior internal auditing executive or, in the event that the internal audit function is provided by an outside vendor, the firm providing internal audit services.

2. Review the significant reports to management prepared by the internal auditing function and management's responses.
3. Discuss with the chief executive officer and the chief financial officer of the company, all significant deficiencies in the design or operation of internal 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.

Compliance Oversight Responsibilities

1. Obtain from the independent auditor assurance that Section 10A of the Securities Exchange Act of 1934, certain audit requirements and required responses to audit discoveries, has not been implicated.
2. Review any matters relating to the integrity of management, including conflicts of interest, and adherence to the company's Code of Business Conduct and Ethics. In connection with these reviews, the Committee will meet, as appropriate, with the general counsel and other company officers and employees.

Limitation of Committee's Role

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditor.

Meetings

The Committee will meet at least four times annually, or more often as it deems necessary or appropriate, in its judgment, either in person or telephonically, and at such times and places as the Committee determines. The Chairman of the Board of Directors, any member of the Committee or the Secretary of the Company may call meetings of the Committee. In its sole discretion, the Committee may decide to hold separate meetings with management or the independent auditors. The majority of the members of the Committee shall constitute a quorum for Committee meetings and, unless otherwise required by this Charter, action may be taken by majority vote of the members present at such meetings. Minutes shall be maintained of each meeting.