

CHARTER OF THE AUDIT COMMITTEE

The Audit Committee is appointed by the Board to assist the Board in monitoring (1) the integrity of the financial statements of the Company, (2) the compliance by the Company with legal and regulatory requirements and (3) the independence and performance of the Company's internal and external auditors.

The members of the Audit Committee shall meet the independence and experience requirements of the Nasdaq Stock Market. The members of the Audit Committee shall be appointed by the Board.

The Audit Committee shall have the authority to retain special legal, accounting or other consultants to advise the Committee. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

The Audit Committee shall make regular reports to the Board.

The Audit Committee shall:

1. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
2. Review the annual audited financial statements with management, including major issues regarding accounting and auditing principles and practices, the adequacy of internal controls that could significantly affect the Company's financial statements, and any alternative accounting treatments permitted under accounting principles generally accepted in the United States that have been discussed with management, as well as any preferred treatment.
3. Review an analysis prepared by management and the independent auditor of significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements.
4. Review with management and the independent auditor the Company's annual and quarterly financial statements prior to the filing of its Form 10-K or Form 10-Q, respectively.
5. Meet periodically with management to review the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures.
6. Review major changes to the Company's auditing and accounting principles and practices as suggested by the independent auditor, internal auditor, if any, or management.
7. Have the authority and responsibility for the appointment, compensation, retention, and oversight of the work of the independent auditor, or any other firm engaged by the Company for the purpose of preparing or issuing an audit or attestation report on financial information of the Company, including resolution

- of disagreements between management and the auditor regarding financial reporting.
8. Pre-approve all audit and permitted non-audit services to be performed by the independent auditor.
 9. Receive periodic reports from the independent auditor regarding the auditor's independence consistent with Independence Standards Board Standard 1, discuss such reports with the auditor, and if so determined by the Audit Committee, take appropriate action to oversee the independence of the auditor.
 10. Evaluate together with management the performance of the independent auditor and, if so determined by the Audit Committee, replace the independent auditor.
 11. Review the adequacy of the Company's internal auditing function, if any.
 12. Review any significant reports to management prepared by the internal auditing department, if any, and management's responses.
 13. Meet with the independent auditor prior to the audit to review the planning and staffing of the audit.
 14. Obtain from the independent auditor the report required by Section 10A(b) of the Securities Exchange Act of 1934.
 15. Obtain reports from management, the Company's senior internal auditing executive, if any, and the independent auditor that the Company's subsidiary/foreign affiliated entities are in conformity with applicable legal requirements and the Company's code of conduct.
 16. Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 or Section 204 of the Sarbanes-Oxley Act of 2002, relating to the conduct of the audit.
 17. Review with the independent auditor the management letter provided by the auditor and the Company's response to that letter. Such review should include:
 - a. Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information.
 - b. Any changes required in the planned scope of the audit.
 - c. The responsibilities, budget and staffing of the internal audit department, if any.
 18. Supervise preparation of the report required by the rules of the Securities and Exchange Commission to be included in the Company's annual report to shareholders.
 19. Advise the Board from time to time with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's code of conduct.
 20. Meet with the Company's legal counsel to review legal matters that may have a material impact on the financial statements, the Company's compliance policies

and any material reports or inquiries received from regulators or governmental agencies.

21. Meet at least annually with the Chief Financial Officer, the senior internal auditing executive, if any, and the independent auditor in separate executive sessions.
22. Review all related party transactions for a potential conflict of interest on an ongoing basis and approve all such transactions.
23. Establish procedures, under confidential and anonymous submissions, for the receipt, retention and treatment of complaints regarding accounting, internal accounting control or auditing matters.

While the Audit Committee has the responsibilities and powers set forth in this Charter, the Audit Committee's function is one of oversight. The Company's management is responsible for preparing the Company's financial statements and, along with the internal auditors, if any, for developing and maintaining systems of internal accounting and financial controls. The independent auditors will assist the Audit Committee and the Board in fulfilling their responsibilities for the review of these financial statements and internal controls. The Audit Committee expects the independent auditors to call its attention to any accounting, auditing, internal accounting control, regulatory or other related matters that they believe warrant consideration or action. The Audit Committee recognizes that the financial management and the internal and independent auditors have more knowledge and information about the Company than do Audit Committee members. Consequently, in carrying out its oversight responsibilities, the Audit Committee does not provide any expert or special assurance as to the Company's financial statements or internal controls or any professional certification as to the independent auditors' work.