

# TRUE PRODUCT ID AUDIT COMMITTEE CHARTER

## I. PURPOSE

The primary purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities relating to:

- Monitoring the quality, reliability and integrity of the Company's external financial reporting process;
- The adequacy of the Company's internal controls particularly with respect to the Company's compliance with legal and regulatory requirements and corporate policy;
- The independence and qualifications of the Company's independent registered public accounting firm, who shall be accountable to the Audit Committee and the Board of Directors;
- The performance of the Company's internal audit function and the Company's independent registered public accounting firm; and
- The preparation of an Audit Committee Report for inclusion in the Company's annual meeting proxy statement, in accordance with applicable rules and regulations.

## II. RESPONSIBILITIES

The Audit Committee's responsibilities shall include:

- Subject to shareholder approval, nominating, employing and replacing the independent registered public accounting firm to audit the consolidated financial statements of the Company.
- Pre-approving all audit and permitted non-audit related services, including the fees related to the provision of such services, to be performed by the Company's independent registered public accounting firm.
- Reviewing and appraising the audit efforts of the Company's independent registered public accounting firm.
- Reviewing and appraising the audit efforts of the Company's internal audit function, including reviewing with the independent registered public accounting firm the responsibilities, budget and staffing of the internal audit function.
- Ensuring that the independent registered public accounting firm submit, at least annually, to the Audit Committee a report describing (1) the independent registered public accounting firm's quality control procedures, (2) all relationships between the independent registered public accounting firm and the Company, and (3) material issues raised by the independent registered public accounting firm's most recent internal quality control review or peer review or by any governmental or professional inquiry or investigation in the most recent five-year period relating to the independent registered public accounting firm's audits. The Audit Committee is responsible for actively engaging in a dialogue with the independent registered public accounting firm with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent registered public accounting firm. As appropriate, the Audit Committee shall recommend that the Board of Directors take appropriate action in response to the independent registered public accounting firm's report to satisfy itself of their independence.
- Reviewing with management and the independent registered public accounting firm the Company's financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations to be included in the Company's Annual Report on Form 10-K and in its quarterly reports on Form 10-Q prior to filing such reports with the Securities and Exchange Commission. Such review shall include discussing

with the independent registered public accounting firm those matters required to be discussed under generally accepted auditing standards and applicable regulations.

- Discussing with management the Company's earnings press releases, earnings guidance, and other financial information provided to analysts and rating agencies.
- Meeting with management periodically to discuss guidelines and policies governing the processes used to assess, monitor and control the Company's major risk exposures, including financial risk exposures.
- Discussing with the independent registered public accounting firm any problems or difficulties encountered during the course of the audit and any significant disagreements with management.
- Approving the appointment or removal of the Vice President and General Auditor. Providing an open avenue of communication among and individually with the independent registered public accounting firm, management, the internal audit function, and the Board of Directors, and taking appropriate actions resulting from this interaction.
- Establishing procedures for the receipt, retention and resolution of complaints regarding accounting, internal controls or auditing matters, including procedures for the confidential, anonymous submission of complaints by employees of the Company.
- Reviewing and assessing the adequacy of this Charter on an annual basis and recommending changes, if any, to the Board of Directors.
- Establishing a policy to govern the Company's hiring of employees or former employees of its independent registered public accounting firm.
- Reporting regularly to the Board.
- Conducting an annual performance evaluation of the Audit Committee.

### **III. COMPOSITION**

The Audit Committee shall be comprised of at least three independent directors. All of the members of the Audit Committee shall be independent as determined under the Board's Corporate Governance Guidelines and the New York Stock Exchange standard and shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. In the judgment of the Board, all of the members of the Audit Committee shall be financially literate or become so within a reasonable period of time after his or her appointment to the Audit Committee and at least one member of the Committee shall possess experience and expertise in accounting or financial management.

The members of the Audit Committee shall be elected by the Board at the annual organizational meeting of the Board. The members of the Audit Committee shall serve until their successors shall be duly elected and qualified.

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

The Company shall provide the Audit Committee with a level of funding appropriate for the Audit Committee to carry out its responsibilities.

### **IV. MEETINGS**

The Committee shall meet at least six times annually. As part of its job to foster open communication, the Committee shall meet at least annually with management, the Vice President

and General Auditor and the independent registered public accounting firm in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately.

#### **V. LIMITATION OF DUTIES**

While the Audit Committee has the responsibilities and powers set forth in the Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete, accurate and in accordance with generally accepted accounting principles. The independent registered public accounting firm is responsible for planning and conducting audits. Management is responsible for preparing complete, accurate financial statements in accordance with generally accepted accounting principles.