

## **Audit Committee Charter**

### Organization

This Charter governs the operations of the Audit Committee. The Committee shall review and reassess the Charter at least annually and obtain the approval of the Board of Directors. The Committee members shall be members of, and appointed by, the Board of Directors and shall comprise at least three directors, each of whom is independent as defined by the independence requirements of the New York Stock Exchange (the “NYSE”) and the rules and regulations of the Securities and Exchange Commission (the “SEC”), and at least one of whom shall be an “audit committee financial expert” as defined by the rules and regulations of the SEC.

A majority of the Committee members shall constitute a quorum. The members of the Committee shall be appointed, removed (with or without cause) and replaced by the Board of Directors. Vacancies on the Committee shall be filled by the Board of Directors. Each member of the Committee shall serve until the earlier of (i) the date on which he or she is no longer a member of the Board of Directors or (ii) his or her resignation or removal by the Board of Directors. A member of the Committee may resign by giving written notice to the Board of Directors, and may resign membership on the Committee without resigning from the Board of Directors. The Board of Directors may appoint additional or replacement members of the Committee from time to time.

The Board of Directors may appoint a Chairman of the Committee from time to time to serve at the pleasure of the Board of Directors. If a Chairman of the Committee is appointed by the Board of Directors, such Chairman will preside at each meeting of the Committee. The Chairman of the Committee, in consultation with the other members of the Committee, (or, in the event that no Chairman is appointed by the Board of Directors, the members of the Committee acting together) shall set the frequency of each meeting and the agenda of items to be addressed at each meeting.

Members of the Committee shall be considered independent as long as they are not affiliated (as defined by the applicable rules and regulations of the SEC and NYSE) with the Company or any of its subsidiaries, do not accept any consulting, advisory or other compensatory fee (exclusive of director fees) from the Company, and otherwise meet the independence requirements of the NYSE listing standards, as affirmatively determined by the Board of Directors. All Committee members shall be financially literate. If a Committee member serves on the audit committees of more than three public companies, the Board of Directors shall affirmatively determine if such service impairs the member’s effectiveness and disclose such determination in the proxy statement.

Minutes shall be prepared for each meeting of the Committee, which minutes shall be submitted to the Committee for approval at a later meeting. The minutes of all meetings of the Committee, as so

approved, shall be sent to the Secretary of the Company for filing in the official minute books of the Company.

The Committee may request any officer or employee of the Company or any subsidiary thereof, or any representative of outside legal, accounting or other advisors, to attend a meeting of the Committee.

#### Purpose

The Committee shall provide assistance to the Board of Directors in fulfilling its oversight responsibility to the stockholders, potential stockholders, the investment community and others in areas related to the Company's financial and accounting systems, accounting policies and investment strategies, finance-related public reporting, regulatory compliance (other than healthcare compliance, which shall be under the principal oversight of the Compliance and Quality Committee) and data security programs (including cyber security). Specifically as relates to its financial oversight responsibility, the Committee's oversight shall include the integrity of the Company's financial statements; the financial reporting process; the systems of internal accounting and financial controls; the performance of the Company's internal audit function and independent auditors; the independent auditors' qualifications and independence; and the Company's compliance with legal and regulatory requirements. In doing so, it is the responsibility of the Committee to maintain free and open communication among the Committee, independent auditors and management of the Company including those responsible for oversight of compliance.

In discharging its oversight roles, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and to engage independent counsel and other advisors as it determines necessary to carry out its duties.

The Committee shall also prepare an audit committee report as required by the SEC to be included in the Company's annual proxy statement.

#### Duties and Responsibilities

With respect to the Committee's financial oversight responsibility, it shall oversee the Company's financial reporting process on behalf of the Board of Directors and report the results of its activities to the Board of Directors. 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 are complete and accurate and are in accordance with generally accepted accounting principles ("GAAP"). Management is responsible for the preparation, presentation and integrity of the Company's financial statements and for the appropriateness of the accounting principles and reporting policies that are used by the Company. The independent auditors are responsible for auditing the Company's financial statements and for reviewing the Company's unaudited interim financial statements.

The Committee, in carrying out its responsibilities, believes its policies and procedures should remain flexible, in order to best react to changing conditions and circumstances. The Committee should take appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practice, compliance and ethical behavior. The following shall be the principal duties and responsibilities

of the Committee. These are set forth as a guide with the understanding that the Committee may supplement them as appropriate.

#### Oversight of Independent Auditors

1. The Committee shall be solely and directly responsible for the appointment and termination (subject, if applicable, to stockholder-ratification), compensation, retention 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 related work. The Committee shall pre-approve all audit and non-audit services provided by the independent auditors and shall not engage the independent auditors to perform the specific non-audit services prohibited by law or regulation. The Committee may delegate pre-approval authority to a member of the Committee. The decisions of any Committee member to whom pre-approval authority is delegated must be presented to the full Committee at its next scheduled meeting. The independent auditors will report directly to the Committee.
2. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditors for the purpose of rendering or issuing an audit report or performing other audit, review or attest services for the Company and to any advisors employed by the Committee, as well as funding for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
3. At least annually, the Committee shall obtain and review a report by the independent auditors describing:
  - The independent auditors' 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 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.
  - All relationships between the independent auditors and the Company (to assess the auditors' independence), including the written disclosures and the letter required by applicable requirements of the Public Company Accounting Oversight Board.

The Committee shall discuss with the independent auditors this report and any relationships or services that may impact the objectivity and independence of the auditors.

4. The Committee shall also obtain from the independent auditors assurance that Section 10A(b) of the Securities Exchange Act of 1934, as amended, has not been implicated.

5. After reviewing the foregoing report and the independent auditors' work throughout the year, the Committee shall review and evaluate (i) the lead partner of the independent auditors team and (ii) the qualifications, performance and independence of the independent auditors, including considering whether the independent auditors' quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditors' independence, taking into account the opinions of management and internal auditors. The Committee shall also ensure the rotation of the audit partners as required by law and may from time to time consider whether, in order to assure continuing auditor independence, it is appropriate to adopt a policy of rotating the independent auditing firm on a regular basis. The Committee shall present its conclusions with respect to the independent auditors to the Board of Directors.

In addition, the Committee shall set hiring policies for employees or former employees of the independent auditors in accordance with SEC rules and regulations and NYSE listing standards.

#### Discussion of the Audit and Internal Controls; Risk Assessment; Compliance Program

6. The Committee shall discuss with the independent auditors the overall scope and plans for the audit, including the adequacy of staffing and compensation. Also, the Committee shall discuss with management and the independent auditors the adequacy and effectiveness of the Company's internal controls, including any significant deficiencies or material weaknesses in the design or operation of, and any material changes in, the Company's internal controls, and any special audit steps adopted in light of material control deficiencies; and any fraud involving management or other employees with a significant role in such internal controls. Further, the Committee shall discuss with management and the independent auditors the Company's policies and procedures to assess, monitor and manage business risks, and legal and ethical compliance programs. In connection with its review of the Company's risk assessment and risk management policies, the Committee shall discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures. The Committee shall also discuss with the independent auditors the matters required to be discussed by auditing standards relating to the conduct of the audit, including: (a) any audit problems or difficulties, including difficulties encountered by the independent auditors in the course of the audit work (such as restrictions on the scope of activities or access to requested information); (b) any significant disagreements with management; and (c) management's response to these problems, difficulties or disagreements; and the Committee shall resolve any disagreements between the independent auditors and management.
7. The Committee shall meet as often as it determines, but not less frequently than quarterly and shall meet separately, periodically, with management, the internal auditors and the independent auditors from time to time as the Committee deems appropriate. The Committee shall provide sufficient opportunity for the independent auditors to meet privately with the members of the Committee. The Committee shall also discuss with the independent auditors the responsibilities,

budget and staffing of the Company's internal audit function.

8. The Committee shall receive regular reports from the independent auditors on, and review and discuss with the independent auditors: (a) the critical accounting policies and practices of the Company used in the audit; (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of use of such alternative treatments and the treatment preferred by the independent auditors; and (c) other material written communications between the independent auditors and management.

#### Oversight of Internal Auditors

9. The Committee shall periodically receive reports from and meet with internal audit personnel regarding status and results for the approved projects from the annual internal audit plan.
10. The Committee shall review and discuss with management (including the senior internal audit personnel), and the independent auditors, management's assertion on its assessment of the effectiveness of internal control and the independent auditors' report on internal control as of the end of the most recent fiscal year.

#### Oversight of Management's Conduct of the Company's Financial Reporting Process

11. *Financial Information Disclosure.* The Committee shall review and discuss earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. In connection with the foregoing, the Committee shall review the type and presentation of information to be included in the earnings press releases (paying particular attention to any use of "pro forma," or "adjusted" non-GAAP, information).
12. *Interim Financial Statements.* The Committee shall meet to review and discuss with management and the independent auditors the interim financial statements and disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations with management and the independent auditors prior to the filing of the Company's Quarterly Report on Form 10-Q. Also, the Committee shall discuss the results of the quarterly review and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards, including the independent auditors' evaluation of the quality of the Company's financial reporting and information relating to significant unusual transactions and the business rationale for such transactions. Any such matters reported to the Chairman of the Committee shall be communicated by the Chairman to the other members of the Committee.
13. *Audited Financial Statements.* The Committee shall meet to review and discuss with management and the independent auditors the annual audited 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 (or the annual report to shareholders if distributed prior to the filing of the Annual Report on Form 10-K), including the independent auditors' judgment about the quality, not just the acceptability, of accounting principles, the reasonableness of significant judgments and the clarity of the disclosures in the financial statements. Also, the Committee shall discuss the results of the annual audit and any other matters required to be communicated to the Committee by the independent auditors under generally accepted auditing standards, and applicable requirements of the Public Company Accounting Oversight Board and the SEC, including the independent auditors' evaluation of the quality of the Company's financial reporting and information relating to significant unusual transactions and the business rationale for such transactions.

The Committee shall recommend to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K and produce the audit committee report required to be included in the Company's annual proxy statement.

14. *Financial Statement Issues.* The Committee shall also review and discuss with management and the independent auditors: (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in the light of material control deficiencies; (ii) 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 financial statements; (iii) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company; and (iv) any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Company's financial statements or accounting policies which has been brought to the Committee's attention.

#### Related Party Transactions and Related Party Information

15. The Committee shall review, approve and oversee any transaction between the Company and any related person (as defined in Item 404 of Regulation S-K) and any other potential conflict of interest situations on an ongoing basis.
16. The Committee shall keep the Company's independent auditors informed of the Committee's understanding of the Company's relationships and transactions with related parties that are significant to the Company; and to review and discuss with the Company's independent auditors the auditors' evaluation of the Company's identification of, accounting for, and disclosure of its relationships and transactions with related parties, including any significant matters arising from the audit regarding the Company's relationships and transactions with related parties.

Assist the Board in Oversight of the Company's Financial Reporting and Compliance Matters; Reporting to the Board

17. The Committee shall establish and oversee procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
18. The Committee shall receive periodic reports from and meet with the Company's Chief Compliance officer. The Committee shall also review the annual plan for the Company's compliance program; review the work of the Chief Compliance Officer; ensure that the Company compliance program includes appropriate standards of conduct and policies to promote compliance within the Company; review internal systems and controls to carry out the Company's standards, policies and procedures; serve as a channel of communication between the Chief Compliance Officer and the Board and between any compliance consultant (other than any healthcare compliance consultant) and the Board; review as appropriate information relating to the adequacy, effectiveness and performance of the compliance program; and take such other actions and perform such other services as may be referred to it from time to time by the Board.
19. The Committee shall receive corporate attorneys' reports of evidence of a material violation of securities laws or breaches of fiduciary duty or any other matter brought to the attention of the Company's general counsel and/or the Chief Compliance Officer. Further, the Committee shall discuss with the Company's general counsel and/or the Chief Compliance Officer, legal matters that may have a material impact on the financial statements or the Company's compliance policies.
20. The Committee shall report regularly to the full Board of Directors. The Committee shall review with the full Board of Directors any issues that arise with respect to the quality or integrity of the Company's financial statements, the performance and independence of the independent auditors, or the performance of the internal audit function and the Company's compliance with legal or regulatory requirements.
21. The Committee shall consider any requests for waivers from the Company's Code of Business Conduct & Ethics or from the Company's Code of Ethics for Senior Financial Officers and assure that the Company discloses any such waivers as may be required by the NYSE or the regulations of SEC.

22. The Committee shall perform an evaluation of its performance at least annually to determine whether it is functioning effectively.
23. The Committee shall periodically review the Company's data security programs, including cyber security and procedures regarding disaster recovery and critical business continuity, and review the Company's programs and plans that management has established with data security compliance programs and test preparedness.
24. The Committee may conduct special reviews or investigations as it may deem necessary or appropriate to fulfill its responsibilities.

This Charter may be amended from time to time by the Board of Directors or an appropriate Committee thereof, and any amendment must be reported and disclosed as required by and in accordance with applicable laws, rules and regulations.

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