



# Audit Committee Charter

As amended by the Board of Directors on October 20, 2021

## Purpose

The principal purpose of the Audit Committee is to assist the Board of Directors in the oversight of:

1. the integrity of the financial statements of the company and its subsidiaries;
2. compliance with legal and regulatory requirements, particularly those matters that may impact the financial statements;
3. independent auditor's qualifications and independence; and
4. the performance of the company's internal audit department and independent auditors.

The Audit Committee also prepares a report as required by the Securities and Exchange Commission to be included in the Company's proxy statement.

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent auditors as well as all books, records, facilities and personnel of the Company and its subsidiaries. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

## Composition

The Audit Committee shall consist of at least three (3) Directors. Committee members shall satisfy the Audit Committee member requirements of the New York Stock Exchange, Inc. and the federal securities laws; as such requirements are interpreted by the Board of Directors in its business judgment, including that:

1. each member is independent of management and the Company and its subsidiaries and free from any relationship that would interfere with the exercise of independent judgment as a Committee member,
2. each member is financially literate, or shall become financially literate within a reasonable period of time after appointment to the Audit Committee,
3. at least one member shall be an audit committee financial expert in accordance with the rules and regulations of the Securities and Exchange Commission, and
4. at least one member (who may also serve as the audit committee financial expert) has accounting or related financial management expertise, as defined by the New York Stock Exchange Listing Standards.

The duly appointed members of the Audit Committee shall serve until replaced.

## Quorum

A majority of the members of the Audit Committee shall constitute a quorum.

## Meeting

The Audit Committee shall meet at least four times per year and at such other times as it deems necessary to fulfill its responsibilities. The Audit Committee Chair will establish the agenda for each meeting. Appropriate members of management and representatives of the independent auditors retained by the Company will be invited to attend meetings of the Audit Committee as requested by the Committee Chair. At least twice each year, management, the independent auditors and the Company's senior internal audit executive will each meet separately in executive session with the Committee.

## Responsibilities of the Audit Committee

The primary function of the Audit Committee is oversight. Management is responsible for the preparation, presentation and integrity of the financial statements and internal controls. Management is also responsible for maintaining appropriate accounting and financial reporting practices and policies as well as internal controls and procedures designed to provide reasonable assurance that the Company and its subsidiaries are in compliance with accounting standards and applicable laws and regulations. The independent auditors are responsible for planning and performing a proper audit in accordance with the audit standards of the Public Company Accounting Oversight Board (PCAOB). The independent auditors are also responsible for performing reviews of the quarterly financial statements of the Company and its subsidiaries prior to the filing of each quarterly report with the Securities and Exchange Commission (SEC) on Form 10-Q. The Audit Committee is responsible for overseeing the conduct of these activities by management and the independent auditors.

In fulfilling the Audit Committee's responsibilities, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the financial statements are complete and accurate and prepared in accordance with generally accepted accounting principles. As such, the Audit Committee is not providing any expert or special assurances as to the financial statements or any professional certification as to the independent auditors' work. Each member of the Audit Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside of the Company from which it receives information and (ii) the accuracy of the financial and other information provided to the Audit Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board of Directors).

In carrying out its oversight responsibilities, the Audit Committee shall perform the following functions:

## Oversight of the Independent Auditors

- A. Directly appoint, retain, compensate, evaluate, and terminate the independent auditors for the Company and its subsidiaries; and recommend to the Board of Directors a public accounting firm to be placed in nomination for shareowner ratification as the independent auditors for the ensuing year. The Audit Committee is authorized to delegate the authorities described in this Section A to the Company's Retirement Plans Committee with regard to the independent auditors of the Company employee benefit plans. The Audit Committee has so delegated such authorities.

- B. Instruct the independent auditors that they are ultimately accountable to the Board of Directors and Audit Committee and conduct executive sessions with the independent auditors.
- C. Review
  - 1. the scope and results of the annual audit to be performed in accordance with the PCAOB auditing standards,
  - 2. any problems or difficulties that the independent auditors encountered in the course of the audit work and management's response, and
  - 3. any questions, comments or suggestions the independent auditors may have relating to the internal controls and accounting practices and procedures of the Company and its subsidiaries.
- D. Establish policies and procedures related to the engagement of the independent auditors for all audit services and permitted non-audit services, pre-approve such services to be performed by the independent auditors, and review the fees paid to the independent auditors for all of such services.
- E. At least annually, consider the independence of the independent auditors, including whether the provision of permitted non-audit services is compatible with maintaining independence, and receive and review a report from the independent auditors describing all relationships between the independent auditor and the Company and its subsidiaries.
- F. Receive and review annually reports from the independent auditors describing
  - 1. the independent auditor's internal quality-control procedures and any material issues raised by the most recent internal quality-control review, peer review, or PCAOB review of the independent auditor, 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 firm, and any steps taken to deal with any such issues, and
  - 2. other required reports from the independent auditors.
- G. Review with the independent auditors and management the adequacy and effectiveness of the systems of internal controls (including any significant deficiencies and significant changes in internal controls reported to the Audit Committee by the independent auditors or management), accounting practices, and disclosure controls and procedures; and current accounting trends and developments.

## Oversight of the Internal Auditors

- A. Review and approve the internal audit department's charter and annual audit plan.
- B. Discuss and approve any significant changes to the internal audit department's charter or annual audit plan.
- C. Review and approve the adequacy of resources and organizational structure of the internal audit department.
- D. Participate with management in the annual performance evaluation, compensation determination as well as in the appointment and replacement of the senior internal audit executive.

- E. Review, as appropriate, significant reports prepared by the internal audit department together with management's response and follow-up to these reports.

## Oversight of Management's Financial Reporting Process

- A. Prior to the filing of a report on Form 10-K or Form 10-Q with the SEC, review with management and the independent auditors the annual and quarterly financial statements of the Company and its subsidiaries, including
  1. any material changes in accounting principles or practices used in preparing the financial statements;
  2. disclosures relating to internal controls over financial reporting;
  3. the items required by Statement of Auditing Standards in effect as of original adoption and annual updates; and
  4. the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," included in the Company's Form 10-K or Form 10-Q. Discuss the nature of any significant changes, adjustments, reclassifications, or disclosures proposed by the independent auditors and the judgment of the independent auditors concerning the quality of the Company's accounting principles and underlying financial estimates.
- B. Based upon the reviews and discussions described in A. above, recommend to the Board of Directors whether the financial statements should be included in the annual report on Form 10-K.
- C. Review earnings press releases, as well as Company policies regarding financial information and earnings guidance provided to analysts and rating agencies (this function may be performed by the Chair or the full Audit Committee.) These requirements may be met with general discussions of the types of information to be disclosed and the type of presentation to be made.
- D. Discuss with the CEO, CFO, and independent auditors any matters brought to the attention of the Audit Committee by the CEO/CFO as required pursuant to their certifications under SEC Exchange Act Rules 13a-15 and 15d-15. These matters would include
  1. any significant deficiencies in the design or operations of internal controls that could adversely affect the ability to record, process, summarize, and report financial data of the Company or any of its subsidiaries and have identified for the independent auditors any material weaknesses in internal controls; and
  2. any fraud, whether or not material, that involves management or other employees who have a significant role in the internal controls.
- E. Discuss policies with respect to risk assessment and risk management, as well as significant financial risk exposures and actions that management has taken to monitor, control, and report such exposures. Review significant findings prepared by the independent auditors and the internal audit department together with management's responses.
- F. Discuss, as needed, with the Company's Senior Vice President, Chief Legal and Compliance Officer those legal and regulatory matters involving the Company that may have a material impact on the Company's financial statements.

## Other Duties and Responsibilities

- A. Annually review the Company's ethics program, focusing in particular on the Company's Code of Business Conduct, and report on such review to the Board of Directors.
- B. Annually,
  - 1. Conduct a self-evaluation of the Committee's performance,
  - 2. Review and reassess the adequacy of the Committee's Charter and recommend any proposed changes to the Board of Directors for approval, and
  - 3. Prepare the report required by the rules of the SEC to be included in the Company's annual proxy statement to shareholders and ensure that the Committee's Charter is published in the Company's proxy statement at least every three years in accordance with SEC regulations.
- C. Establish policies and procedures for the receipt, retention, and treatment of complaints from employees regarding the Company's accounting, internal accounting controls, or auditing matters, as well as for confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters.
- D. Establish policies related to the hiring of employees or former employees of the independent auditor.
- E. Perform such other functions as assigned by law, the Company's charter or bylaws, or the Board of Directors.
- F. Report to the Board of Directors after each Audit Committee meeting.