



Audit Committee Charter

As amended DECEMBER 13, 2005

Purpose

The Audit Committee will represent the Board of Directors by:

- Overseeing the integrity of the financial statements and financial disclosures;
- Overseeing the qualifications and independence of the independent auditor and the internal audit function;
- Overseeing the performance of the independent auditor and the internal audit function;
- Providing an avenue of communication between the independent auditor, management, the internal audit function, and the Board of Directors; and
- Overseeing the system of disclosure controls and the system of internal controls regarding finance, accounting, legal compliance, and ethics that management and the Board of Directors have established.

The Committee will report at each Board of Directors meeting following a Committee meeting.

Duties and Responsibilities

General Activities

- 1) Provide an open avenue of communication between the independent auditor, management, the internal audit function, and the Board of Directors.
- 2) Meet a minimum of four times per year or more frequently, as circumstances require. The Committee may ask members of management or others to attend meetings and provide pertinent information, as necessary. Each regularly scheduled meeting shall conclude with an executive session of the audit committee absent members of management.
- 3) Review with the independent auditors and the internal audit function the coordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
- 4) Consider and review with management, the independent auditors, and the internal audit function:
 - a) Significant findings during the year, including the status of previous audit recommendations;
 - b) Any difficulties encountered in the course of audit work, including any restrictions on the scope of activities or access to required information; and

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- c) Any changes required to the planned scope of the audit plan.
- 5) Set clear hiring policies, compliant with governing laws or regulations, for employees or former employees of the independent auditor.
- 6) Establish and maintain procedures for the receipt, retention, and treatment of complaints regarding accounting, internal accounting, or auditing matters. Additionally, establish and maintain procedures for confidential, anonymous submission by Company employees regarding questionable accounting or auditing matters.
- 7) Review management activities to establish and monitor compliance with any Code of Ethics adopted by the Company.
- 8) Ensure there are no unjustified restrictions or limitations on the Internal Audit function.
- 9) Review periodically with the General Counsel legal and regulatory matters that may have a material impact on the Company's financial statements, compliance policies and programs.
- 10) Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel and other professionals to assist in the conduct of any investigation or to obtain advice, as the Committee deems appropriate to perform its duties and responsibilities.

Scheduled Activities

Independent Auditors

- 1) Appoint, compensate, and oversee the work performed by the independent auditor for the purpose of preparing or issuing an audit report or related work. The Committee shall review the performance of the independent auditor and remove the independent auditor, if circumstances warrant. The independent auditor shall report directly to the Committee and the Committee shall oversee the resolution of disagreements between management and the independent auditor in the event that they arise. The Committee shall consider whether the independent auditor's performance of permissible non-audit services is compatible with the auditor's independence.
- 2) At least annually, obtain and review a report by the independent auditor describing:
 - a) The independent auditor's internal quality control procedures;
 - b) Any material issues raised by the most recent internal quality control review or by any inquiry or investigation by governmental or professional authorities within the preceding five years, and any steps taken to deal with any such issues; and
 - c) The auditor's independence consistent with Independence Standards Board Standard 1, and discuss with the auditor the auditor's independence.
- 3) Hold timely discussions with the independent auditor regarding the following:
 - a) Audit scope and plan;
 - b) Any problems or difficulties encountered during the audit and related management's response;
 - c) The independent auditor's attestation and management's internal control report;
 - d) All critical accounting policies and practices, as defined by the Securities and Exchange Commission (SEC);
 - e) All alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such

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- alternative disclosures and treatments, and the treatment preferred by the independent auditor;
- f) Other material written communications between the independent auditor and management, including, but not limited to, the management letter and schedule of unadjusted differences;
 - g) The auditor's independent qualitative judgment about the appropriateness, not just the acceptability, of the accounting principles applied and the clarity of the financial disclosure practices uses or proposed to be adopted by management;
 - h) The independent auditor's reasoning for accepting or questioning significant estimates made by management; and
 - i) The independent auditor's reasoning for appropriateness of the accounting principles and disclosure practices adopted by management for new transactions or events.
- 4) Review and pre-approve both audit and non-audit services to be provided by the independent auditor (other than with respect to *de minimis* exceptions permitted by the Sarbanes-Oxley Act of 2002). Approval of non-audit services shall be disclosed in periodic reports required by the SEC.
 - 5) Review with management and the independent auditors the results of quarterly reviews, annual audits, and related reporting requirements, including internal control reports or management internal control certifications, in consultation with the Finance Committee and other committees as deemed appropriate, prior to the filing of the related Form 10-K or Form 10-Q.
 - 6) Review with management and the independent auditor the financial disclosures contained in each Form 10-K, Form 10-Q and Form 8-K prior to the filing thereof with the SEC.
 - 7) Arrange for the independent auditor to be available to the Board of Directors at least annually to help provide a basis for the Board to recommend to the Committee the appointment of the independent auditor.
 - 8) Monitor the rotation of the partners of the independent auditor on Unified's audit engagement team as required by applicable laws and rules.

Management

- 9) Review with management 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 other special audit steps adopted in light of material control deficiencies.
- 10) Review periodically with management the Company's major financial risk exposures and the steps management has taken to monitor and control such risks.
- 11) Review with management the effect of regulatory and accounting initiatives, as well as off-balance sheet structures on the financial statements of Unified.

Internal Audit

- 12) Review and concur in the appointment, replacement, and dismissal of the Director of Internal Audit.
- 13) Review and approve the Internal Audit charter.
- 14) Review with management and the Director of Internal Audit the following:
 - a) Annual business risk assessment;

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- b) Annual internal audit plan; and
- c) Quarterly internal audit update on the results of internal audit reviews and resource needs.

Other

- 15) Review the Committee charter periodically, at least annually, and recommend to the Board of Directors any necessary amendments, as conditions dictate.
- 16) At least annually, review and assess the performance of the Committee and report the Committee's findings to the Board (or another committee of the Board if so designated).
- 17) Review any analyses 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 accounting methods on the financial statements.

Audit Committee Membership Requirements and Reporting

- 1) The Committee will be comprised of members from the Board of Directors.
- 2) The Committee members will include an Audit Committee Chairman, three to five committee members, and the Chairman of the Board of Directors, ex officio.
- 3) Each member of the Committee shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee, and shall comply with the requirements of Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended, and Item 7(d)(3)(iv)(B) of Regulation 14A.
- 4) All members of the Committee shall have a working familiarity with basic finance and accounting practices. The Board of Directors shall determine whether at least one member of the Committee qualifies as an "audit committee financial expert" in compliance with the criteria established by the SEC and other relevant regulations. The existence of such member shall be disclosed in periodic filings, as required by the SEC.
- 5) The Director of Internal Audit reports functionally to the Committee and administratively to the chief financial officer.