

Audit Committee Charter

Purpose of Committee

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Universal Mfg. Co. (the “Company”) is to:

(a) assist the Board in its oversight of (i) the integrity of the Company’s financial statements, (ii) the Company’s compliance with legal and regulatory requirements, (iii) the independent auditors’ qualifications, independence and performance, (iv) the performance of the Company’s internal audit function and (v) the Company’s internal control over financial reporting; and

(b) decide whether to appoint, retain or terminate the Company’s independent auditors and to pre-approve all audit, audit-related, tax and other services, if any, to be provided by the independent auditors.

Committee Membership

The Committee shall consist of no fewer than three members of the Board. A majority of the members of the Committee shall each have been determined by the Board to be “independent” based on a standard of reasonableness and common understanding and usage of the term. The Board shall also determine that each member is “financially literate” in that each member shall be able to read and comprehend the Financial Statements of the Company. If the Board determines that a member of the Committee is an audit committee financial expert, it may presume that such member has accounting or related financial management expertise. No member of the Committee may (except in his or her capacity as a member of the Committee, the Board or any other Board committee) receive, directly or indirectly, any consulting, advisory or other compensatory fee from the Company, other than fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the Company (provided that such compensation is not contingent in any way on continued service).

Members shall be appointed by the Board based on the recommendations of the Corporate Governance and Nominating Committee and shall serve at the pleasure of the Board and for such term or terms as the Board may determine.

Committee Structure and Operations

The Board, taking into account the views of the Chairman of the Board, shall designate one member of the Committee as its chairperson. The Committee shall meet at least two times per year, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson.

The Committee may invite such members of management and other persons to its meetings as it may deem desirable or appropriate. The Committee shall report regularly to the Board summarizing the Committee’s actions and any significant issues considered by the Committee.

Committee Duties and Responsibilities

The following are the duties and responsibilities of the Committee:

1. To meet with the independent auditors and the Company's management, CFO or other person in charge of internal auditing for the Company ("Director of Internal Audit"), and such other personnel as it deems appropriate and discuss such matters as it considers appropriate, including the matters referred to below. The Committee must meet separately with the independent auditors, the Company's management, and the Director of Internal Audit periodically, normally at least two times per year.

2. To decide whether to appoint, retain or terminate the Company's independent auditors and to pre-approve all audit, audit-related, tax and other services, if any, to be provided by the independent auditors. The Committee shall monitor and evaluate the auditors' qualifications, performance and independence on an ongoing basis, and shall be directly responsible for the compensation and oversight of the work of the independent auditors (including resolving disagreements between management and the auditor regarding financial reporting). In conducting such evaluations, the Committee shall:

- At least annually, obtain and review a report by the independent auditors describing: the auditors' internal quality-control procedures; any material issues raised by the most recent internal quality-control review or peer review of the auditors, 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 auditors, and any steps taken to deal with any such issues; and (to assess the auditors' independence) all relationships between the independent auditors and the Company (including information the Company determines is required to be disclosed in the Company's proxy statement as to services for audit, audit-related, tax and other services, if any, provided to the Company and the written disclosures and the letter from the independent auditors required by the applicable requirements of the Public Company Accounting Oversight Board (United States)).
- Discuss with the independent auditors any disclosed relationships or services that may impact the objectivity or independence of the independent auditors.
- Review and evaluate the qualifications, performance and independence of the lead partner of the independent auditors.
- Discuss with management the timing and process for implementing the rotation of the lead audit partner, if required, the concurring partner and any other active audit engagement team partner and consider whether there should be a regular rotation of the audit firm itself.
- Take into account the opinions of management and the Director of Internal Audit.

The Committee shall present its conclusions with respect to the independent auditors to the Board for its information at least annually.

3. To review and discuss with management and the independent auditors the Company's annual audited financial statements, including the Company's specific disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Controls and Procedures," and to discuss with the Company's Chief Executive Officer and Chief Financial Officer (a) their certifications to be provided if required by the independent auditors, including whether the financial statements fairly present, in all material respects, the financial condition, results of operations and cash flows of the Company as of and for the periods presented and whether any significant deficiencies and material weaknesses exist in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information, or any fraud has occurred, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting and (b) management's report on internal control over financial reporting, if any. The Committee shall discuss, as applicable: (a) 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 light of material control deficiencies; (b) 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; and (c) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company.

4. To discuss with the independent auditors on at least an annual basis the matters required to be discussed by Statement of Accounting Standards No. 114, as it may be modified or supplemented, as well as any problems or difficulties the auditors encountered in the course of the audit work, including any restrictions on the scope of the independent auditors' activities or access to requested information, and any significant disagreements with management. Among the items the Committee will consider discussing with the independent auditors are: any accounting adjustments that were noted or proposed by the independent auditors but were "passed" (as immaterial or otherwise); any communications between the audit team and the independent auditor's non audit team members with respect to auditing or accounting issues presented by the engagement; and any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditors to the Company. The discussion shall also include the responsibilities, budget and staffing of the Company's internal audit function.

5. To discuss with management earnings press releases and to review generally the type and presentation of information to be included in earnings press releases (paying particular attention to any use of "pro forma," or "adjusted" non-GAAP, information).

6. To review with management and, as appropriate, the independent auditors periodically, normally on at least an annual basis:

- The independent auditors' annual audit scope, risk assessment and plan.

- The form of independent auditors' report on the annual financial statements and matters related to the conduct of the audit.
 - Comments by the independent auditors on internal controls and significant findings and recommendations resulting from the audit.
7. To discuss with management periodically, normally on at least an annual basis the appointment of the one or more persons to be responsible for Internal Audit functions of the Company.
 8. To discuss with management and the Director of Internal Audit periodically, normally on at least an annual basis:
 - The adequacy of the Company's internal controls.
 - The annual internal audit plan, control risk assessment, and significant findings and recommendations and management's responses thereto.
 - Internal audit staffing and compensation.
 - The internal audit function and responsibilities and any scope restrictions encountered during the execution of internal audit responsibilities.
 9. To review the procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and for the confidential, anonymous submission by Company employees of concerns regarding questionable accounting or auditing matters, and to assess compliance with these procedures.
 10. To discuss with the Company's General Counsel, as needed, any significant legal, compliance or regulatory matters that may have a material impact on the Company's business, financial statements or compliance policies.
 11. To produce the report and evaluation described under "Committee Reports" below.
 12. To discharge any other duties or responsibilities delegated to the Committee by the Board from time to time.

In fulfilling its duties and responsibilities, the Committee shall consider, among other things, the potential effect of any matter on the Company's reputation.

Committee Reports

The Committee shall produce the following report and evaluation and provide them to the Board:

1. Any report, including any recommendation, or other disclosures required to be prepared by the Committee for inclusion in the Company's annual proxy statement.
2. An annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this charter. The performance evaluation shall also include a review of the adequacy of this charter and shall recommend to the Board any revisions the Committee deems necessary or desirable, although the Board shall have the sole authority to amend this charter. The performance evaluation shall be conducted in such manner as the Committee deems appropriate.

Resources and Authority of the Committee

The chairperson of the Committee shall liaise with Management as the chairperson of the Committee may deem appropriate. The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special or independent counsel, accountants or other experts, as it deems appropriate, without seeking approval of the Board or management.