

EXHIBIT 1
Required Audit Committee Responsibilities for Nasdaq 100 Companies

	Post-SOX (of 94 Companies)	Pre-SOX (of 98 Companies)
Oversee the Financial Reporting Process		
Review annual audited financial statement	99%	100%
Discuss audited financial statements with management and auditors	98	95
Monitor Control Processes		
Monitor controls directly affecting reliability of financial statements	97	98
Establish procedures for receiving and investigating whistleblower complaints	96	0
Review and approve related-party transactions	77	4
Oversee Hiring and Performance of Independent Auditors		
Auditor is accountable to the audit committee	63	0
Select and replace external auditors:		
Solely by audit committee	91	10
With full board of directors	5	87
Preapprove all audit services and fees	88	*
Preapprove all nonaudit services and fees	93	*
Approve auditor compensation	94	38
Ensure auditor independence	98	100
Ensure partner-rotation rule (SOX section 203) has been met	35	N/A
Review that the one-year cooling-off period (SOX section 206) has been met in hiring previous auditors as employees	2	N/A
Discuss and resolve disagreements between auditors and management (SOX section 301)	67	0
Review report from auditors on principles chosen (SOX section 204)	60	N/A
Composition		
One member has accounting or financial management expertise	94	89
All other members must be financially literate	91	89
At least three members	99	94
All members must be independent	99	99
Other Responsibilities		
Charter reviewed annually	98	81
Authority to use outside experts	97	66
Prepare the report that SEC requires in annual proxy	90	54

*Reported as a combined measure under pre-SOX. If preapproval was included in the pre-SOX charters, the charters had combined preapproval for audit and nonaudit services. Only 9% of pre-SOX charters report the responsibility to preapprove fees.

N/A: Not available. This category was not generally considered to be one of the best practices prior to SOX.