

## AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

### CHARTER

#### PURPOSE

The Audit Committee (the "Committee") shall provide assistance to the Board of Directors (the "Board") in fulfilling their oversight responsibility to the shareholders, potential shareholders, and investment community, relating to corporate accounting, reporting practices of the Corporation, and the quality and integrity of the financial reports of the Corporation. The Committee's primary duties and responsibilities are to:

- Oversee that management has maintained the reliability and integrity of the accounting policies and financial reporting and disclosure practices of the Corporation.
- Oversee that management has established and maintained processes to assure that an adequate system of internal control is functioning within the Corporation.
- Oversee that management has established and maintained processes to assure compliance by the Corporation with all applicable laws, regulations and corporate policy.
- Oversee the quality and integrity of the Corporation's financial statements and the performance of the Corporation's independent auditors.
- Prepare such reports that Securities and Exchange Commission rules may require to be included in the Corporation's annual proxy statement.

Note: The Corporation's management is responsible for preparing the Corporation's financial statements and the Corporation's independent auditors are responsible for auditing the financial statements. The activities of the Committee are in no way designed to supersede or alter those traditional responsibilities. Accordingly, the Committee's is not responsible for certifying the Corporation's financial statements or guaranteeing the auditor's report.

The Committee will fulfill these responsibilities primarily by carrying out the Responsibilities and Duties enumerated below.

## **COMPOSITION AND QUALIFICATIONS**

The Committee shall be comprised of three or more directors as determined by the Board, each of whom shall be “independent” directors under the rules of the New York Stock Exchange and the Sarbanes-Oxley Act of 2002, and each shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. No member of the Committee may serve on the audit committee of more than three public companies, including the Corporation, unless the Board (i) determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee and (ii) discloses such determination in the annual proxy statement. All members of the Committee shall have a working familiarity with basic finance and accounting practices, and at least one member of the Committee shall be a “financial expert” as required by the Sarbanes-Oxley Act. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant.

No member of the Committee shall receive compensation other than (i) director’s fees for service as a director of the Corporation, including reasonable compensation for serving on the Committee and regular benefits that other directors receive and (ii) pension or similar compensation for past performance, provided that such compensation is not conditioned on continued or future services to the Corporation.

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board and shall serve until their successors shall be duly elected and qualified or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board. Unless a Chairperson is elected by the full Board, the members of the Committee may designate a Chairperson by majority vote of the full Committee membership. The Chairperson shall be entitled to cast a vote to resolve any ties. The Chairperson will chair all regular sessions of the Committee and set the agendas for Committee meetings.

## **MEETINGS**

The Committee shall meet at least four times annually, or more frequently, as circumstances dictate. As part of its job to foster open communication, the Committee will meet periodically but not less than annually with management, the director of the internal auditing department and the independent accountants separately to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the Committee or at least its Chairperson, will meet with the independent accountants and management quarterly to review the Corporation's financial statements in a manner consistent with its Responsibilities and Duties as outlined below. All meetings of the Committee may be held telephonically.

## **RESPONSIBILITIES AND DUTIES**

To fulfill its responsibilities and duties the Committee shall:

### Documents/Reports Review

1. Review and reassess, at least annually, the adequacy of this Charter. Make recommendations to the Board, as conditions dictate, to update this Charter.
2. Review with management and the independent accountants the Corporation's annual and quarterly financial statements, including the Corporation's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" prior to public dissemination and a discussion with the independent accountants, of the matters required to be discussed by applicable Auditing Standards.
3. Review with management and the independent accountants the Corporation's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies prior to the release of earnings. The Committee's discussion of earnings press releases and earnings guidance with management may be general in nature and need not take place in advance of each earnings release or each instance in which the Corporation may provide earnings guidance. The Chairperson of the Committee may represent the entire Committee for purposes of this review and discussion.
4. Perform any functions required to be performed by the Committee or otherwise appropriate under applicable law, rules or regulations, the Corporation's by-laws and the resolutions or other directives of the Board, including review of any certification required to be reviewed in accordance with applicable law or regulations of the SEC.

### Independent Accountants

5. Retain and terminate independent accountants and approve all audit engagement fees and terms. Review the performance of the independent accountants. The Committee shall have the authority and responsibility, subject to shareholder approval, to select, evaluate and where appropriate, replace the outside auditor. The Committee shall inform the independent accountants that they shall report directly to the Committee and are ultimately accountable to the Committee and the entire Board for such independent accountant's review and audit of the financial statements and report regarding financial internal controls of the Corporation. On an annual basis, the Committee should review and discuss with the independent accountants all significant relationships the independent accountants have with the Corporation to determine the independent accountants' independence.

6. The Committee shall have the authority and responsibility to approve in advance any significant audit or non-audit engagement or relationship between the Corporation and the independent accountants, other than “prohibited non-auditing services”. The following shall be prohibited non-auditing services: (i) bookkeeping or other services related to the accounting records or financial statements of the audit client; (ii) financial information systems design and implementation; (iii) appraisal or valuation services, providing fairness opinions or preparing contribution-in-kind reports; (iv) actuarial services; (v) internal audit outsourcing services; (vi) management functions or human resources; (vii) broker or dealer, investment adviser or investment banking services; (viii) legal services and expert services unrelated to the audit; and (ix) any other service that the Public Company Accounting Oversight Board prohibits through regulation.

Notwithstanding the foregoing, pre-approval is not necessary for minor non-audit services if: (i) the aggregate amount of all such non-audit services provided to the Corporation constitutes not more than five percent of the total amount of revenues paid by the Corporation to its auditor during the fiscal year in which the non-audit services are provided; (ii) such services were not recognized by the Corporation at the time of the engagement to be non-audit services; and (iii) such services are promptly brought to the attention of the Committee and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee. The Committee may delegate to one or more of its members the authority to approve in advance all significant audit or non-audit services to be provided by the independent auditors so long as it is presented to the full Committee at a later time.

7. Oversee independence of the independent accountants by:
- receiving from the independent accountants, on a periodic basis, a formal written statement delineating all relationships between the accountants and the Corporation consistent with Independence Standards Board Standard 1 ("ISB No. 1");
  - reviewing and actively discussing with the Board, if necessary, and the independent accountants, on a periodic basis, any disclosed relationships or services between the independent accountants and the Corporation or any other disclosed relationships or services that may impact the objectivity and independence of independent accountants; and
  - recommending, if necessary, that the Board take certain action to satisfy itself of the independent accountant's independence.
8. Review, at least annually, the qualifications, performance and independence of

the independent accountants. In conducting its review and evaluation, the Committee should:

- (a) Obtain and review a report by the Corporation's independent accountant describing: (i) the accounting firm's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the accounting 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 accounting firm, and any steps taken to deal with any such issues; and (iii) to assess the accountant's independence, all relationships between the independent accountant and the Corporation;
- (b) Ensure the rotation of the lead audit partner at least every five years, and consider whether there should be regular rotation of the accounting firm itself.
- (c) Confirm with any independent accountant retained to provide audit services for any fiscal year that the lead (or coordinating) audit partner (having primary responsibility for the audit), or the audit partner responsible for reviewing the audit, has not performed audit services for the Corporation in each of the five previous fiscal years of that Corporation.
- (d) Take into account the opinions of management and the Corporation's internal auditors.

#### Financial Reporting Process

9. In consultation with the independent accountants, management and the internal auditors, review the integrity of the Corporation's financial reporting processes, both internal and external. In that connection, the Committee should obtain and discuss with management and the independent accountant reports from management and the independent accountant regarding: (i) all critical accounting policies and practices to be used by the Corporation; (ii) analyses prepared by management and/or the independent accountant setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Corporation's management, the ramifications of the use of the alternative disclosures and treatments, and the treatment preferred by the independent accountant; (iii) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles; (iv) major issues as to the adequacy of the Corporation's internal controls and any specific audit steps adopted in light of material control deficiencies; (v) any other material written communications between the independent accountant and the Corporation's management; and (vi) review regulatory and accounting proposals.

10. Consider and approve, if appropriate, major changes to the Corporation's auditing and accounting principles and practices as suggested by the independent accountants, management or the internal auditing department.
11. Establish regular systems of reporting to the Committee by each of management, the independent accountants and the internal auditors, regarding any significant difficulties encountered during the course of the review or audit, including any restrictions on the scope of work or access to required information.
12. Review any significant disagreement among management and the independent accountants or the internal auditing department in connection with the preparation of the financial statements, restrictions on the scope of work or access to required information.

Legal Compliance/General

13. Review, with the Corporation's counsel, any legal matter that could have a significant impact on the Corporation's financial statements. The Committee, in discharging its oversight role, is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate. In this regard, the Committee shall have the authority to retain outside legal, accounting or other advisors for this purpose, including the authority to approve the fees payable to such advisors and any other terms of retention.
14. Discuss with management and the independent accountants the Corporation's guidelines and policies with respect to risk assessment and risk management.
15. Set clear hiring policies for employees or former employees of the independent accountants. At a minimum, these policies should provide that any registered public accounting firm may not provide audit services to the Corporation if the CEO, controller, CFO, chief accounting officer or any person serving in an equivalent capacity for the Corporation was employed by the registered public accounting firm and participated in the audit of the Corporation within one year of the initiation of the current audit.
16. Establish procedures for: (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and (ii) the confidential, anonymous submission by employees of the corporation of concerns regarding questionable accounting or auditing matters.
17. Prepare all reports required to be included in the Corporation's proxy statement, pursuant to and in accordance with applicable rules and regulations of the SEC.

**Weight Watchers International, Inc.**

18. Report through its Chairperson to the Board following meetings of the Committee.
19. Maintain minutes or other records of meetings and activities of the Committee.
20. The Committee shall perform a review and evaluate, at least annually, of the performance of the Committee and its members, including reviewing this Charter and the compliance of the Committee with this Charter. The Committee shall conduct such evaluations and reviews in such manner as it deems reasonably appropriate.