

# LAMAR ADVERTISING COMPANY

## Audit Committee Charter

(as amended through May 2010)

### *Purpose*

The principal purpose of the Audit Committee (the “Committee”) is to assist the Board of Directors (the “Board”) in fulfilling its responsibility to oversee the accounting and financial reporting processes of Lamar Advertising Company (the “Company”) and audits of the Company’s financial statements, including by reviewing the financial reports and other financial information provided by the Company, the Company’s disclosure controls and procedures and internal accounting and financial controls, the annual independent audit process, the implementation and effectiveness of the Company’s compliance programs and other responsibilities contained herein.

In discharging its oversight role, the Committee is granted the authority to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the authority to engage independent counsel and other advisers as it determines necessary to carry out its duties. The Company shall provide to the Committee all appropriate funding, as determined by the Committee, for payment of compensation to any such advisors and any registered public accounting firm, as well as for any ordinary administrative expenses of the Committee that it determines are necessary or appropriate in carrying out its responsibilities.

The Company’s independent auditor is ultimately accountable to the Board and the Committee, as representatives of the stockholders. In this connection, the Committee, as a committee of the Board, shall be directly responsible for the appointment (and where appropriate, replacement), compensation and oversight of the work of any registered public accounting firm selected to be the Company’s independent auditor for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Company, including resolving any disagreements between management and the independent auditor regarding financial reporting. The Committee shall receive direct reports from the independent auditor. The Committee shall be responsible for overseeing the independence of the independent auditor and for approving all auditing services and permitted non-audit services provided by the independent auditor.

This Charter shall be reviewed for adequacy on an annual basis by the Committee.

### *Membership*

The Committee shall be comprised of at least three members of the Board, all of whom will satisfy the independence requirements in effect in accordance with the applicable listing standards of the NASDAQ Global Select Market (“Nasdaq”) in accordance with the rules of the Securities and Exchange Commission (“SEC”) and:

- Who have no relationship to the Company that the Board determines would interfere with the exercise of their independent judgement in carrying out their responsibilities.

- Who do not receive, directly or indirectly, any consulting, advisory or other compensatory fee from the Company, other than in the member's capacity as a member of the Board or any of its committees.
- Who are not an "affiliated person" (as defined by applicable law or regulation) of the Company or any subsidiary, other than as a member of the Board or any of its committees.
- Who are able to read and understand fundamental financial statements in accordance with Nasdaq requirements.

In addition, at least one member of the Committee will have sufficient accounting or related financial management expertise and experience to be designated as an "audit committee financial expert" (as that term is defined by the SEC) and to satisfy any other applicable Nasdaq requirement regarding financial sophistication.

Audit Committee members shall be appointed by the Board of Directors. Unless the Board of Directors elects a Chair of the Audit Committee, the Audit Committee shall elect a Chair by majority vote.

### ***Meetings***

The Audit Committee shall meet as often as it deems necessary, but not less frequently than once per quarter, in order to perform its responsibilities. In addition, the Audit Committee or its Chair shall meet periodically with (i) the independent auditor (ii) Company management and (iii) the internal auditor in separate executive sessions. Meetings of the Committee may be held telephonically. A majority of the members of the Committee shall constitute a quorum for a meeting and the affirmative vote of a majority of members present at a meeting at which a quorum is present shall constitute the action of the Committee. The Committee shall otherwise establish its own rules of procedure. The Audit Committee shall keep such records of its meetings as it shall deem appropriate.

### ***Duties and Responsibilities***

The Committee recognizes that Company management including the internal audit staff or external audit providers and the independent auditors have more time, knowledge and detailed information about the Company than do Committee members. Consequently, in carrying out its oversight responsibilities the Committee is not providing any expert or special assurance as to the Company's financial statements or any professional certification as to the independent auditor's work. The functions set forth below shall be the common recurring activities of the Committee in carrying out its oversight function, with the understanding that the Committee's activities may diverge as appropriate given the circumstances. The Committee is authorized to carry out these activities and other actions reasonably related to the Committee's purposes or assigned by the Board from time to time.

### *Selection of the Auditors*

- The Committee shall approve the engagement of the independent auditor.
- In connection with its continual assessment of the independence of the independent auditor, the Committee shall pre-approve all audit and permitted non-audit services to be provided by the independent auditor and any fee for such services.
- The Committee shall request from the independent auditor annually a formal written statement delineating all relationships between the auditor and the Company consistent with Independence Standards Board Standard No. 1 (as modified or supplemented) and such other requirements as may be established by the Public Company Accounting Oversight Board, discuss with the independent auditor any such disclosed relationships and their impact on the independent auditor's independence, and take appropriate action regarding the independence of the independent auditor.
- The Committee shall (i) oversee the appointment, replacement, or dismissal of the internal auditor (ii) review the significant reports to management prepared by the internal auditor and management's responses and (iii) discuss with the independent auditor and management the internal audit responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.

### *Financial Statements and Disclosure*

- The Committee shall oversee the Company's disclosure controls and procedures.
- The Committee shall review with management and the independent auditor the audited financial statements to be included in the Company's Annual Report on Form 10-K and the Annual Report to Stockholders, and shall review and consider with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61.
- The Committee shall recommend to the Board whether, based on the reviews and discussions referred to above, the financial statements should be included in the Company's Annual Report on Form 10-K.
- As a whole, or through the Committee chair, the Committee shall review with the independent auditor, prior to filing with the SEC, the Company's interim financial information to be included in the Company's Quarterly Reports on Form 10-Q, including any significant issues arising in the independent auditor's review, and the matters required to be discussed by SAS No. 61.
- The Committee shall review and discuss with management the Company's earnings press releases, including the use of any non-GAAP financial measures.
- Annually, the Committee shall review, discuss and approve for inclusion in the Company's annual Proxy Statement a "Report of the Audit Committee," containing information required under SEC rules.

### *Review of Accounting Policies and Procedures*

- The Committee shall review with management and the independent auditor the Company's critical accounting policies and practices.
- At the completion of the annual audit, the Committee shall review with management and the independent auditor any serious difficulties or disputes with management encountered during the course of the audit, and management's response.
- The Committee shall review with the independent auditor all material communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- The Committee shall periodically review with management and the independent auditor the quality, as well as acceptability, of the Company's accounting policies, and discuss with the independent auditor how the Company's accounting policies compare with those in the industry and all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of use of such alternative disclosures and treatments and the treatment preferred by the independent auditor.
- The Committee shall periodically discuss with the independent auditor whether all material correcting adjustments identified by the independent auditor in accordance with generally accepted accounting principles and the rules of the SEC are reflected in the Company's financial statements.
- The Committee shall review with management and the independent auditor any off-balance sheet transactions, special purpose entities and transactions with affiliated companies.
- At least annually, review a report by the independent auditor describing: (i) the firm's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review or peer review of the firm, or by any review, inquiry or investigation by governmental or professional authorities (including the Public Company Accounting Oversight Board), within the preceding five years, regarding one or more independent audits carried out by the firm, and any steps taken to deal with such issues; and (iii) all relationships between the independent auditor and the Company (to be set out in a formal written statement).

### *Internal Controls and Internal Audit*

- The Committee shall periodically discuss with management, the internal auditor and the independent auditor the quality and adequacy of the Company's internal controls and internal auditing procedures, if any, including any significant deficiencies in the design or operation of those controls which could adversely affect the Company's ability to record, process, summarize and report financial data and any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's

internal controls, and discuss with the independent auditor how the Company's financial systems and controls compare with industry practices.

- The Committee shall review with management and the internal auditor the internal audit function charter.

#### *Legal Compliance*

- The Committee shall review with the Company's internal counsel or independent counsel, on at least an annual basis, any material legal compliance issues, including any legal matters that could have a significant impact on the Company's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or governmental agencies.

#### *Related Party Transaction Review*

- The Committee shall review and approve all transactions between the Company and related persons on an ongoing basis in accordance with the policies and procedures for such approvals adopted by the Board and in effect from time to time. This review shall include, but not be limited to, all transactions disclosable by the Company pursuant to SEC Reg. S-K, Item 404.

#### *Risk Assessment*

- The Committee shall review and discuss with management and the independent auditor the Company's major financial risks or exposures and assess the steps management has taken to minimize and control such risks.

In addition, the Committee shall perform any other activities consistent with this charter, the Company's bylaws and governing law as the Committee or the Board deems necessary or appropriate.

#### *Scope of Responsibilities*

While the Audit Committee has the powers and responsibilities set forth in this charter, it is not the responsibility of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in compliance with generally accepted accounting principles and applicable rules and regulations, which are the responsibilities of management and the independent registered public accounting firm.

### ***Complaint Procedures***

Any issue of significant financial misconduct shall be brought to the attention of the Committee for its consideration. In this connection, the Committee shall establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

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