

LAMAR ADVERTISING COMPANY

Audit Committee Charter

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, the effectiveness of internal control over financial reporting, and internal accounting controls, the annual independent and internal 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 and the Committee shall conduct an annual performance self-evaluation.

Membership

The Committee shall be comprised of at least three members of the Board, all of whom will satisfy the independence requirements of Rule 10A-3 of the Securities and Exchange Act of 1934 and the rules of the NASDAQ Global Select Market (“Nasdaq”) as in effect in accordance with the rules of the Securities and Exchange Commission (“SEC”). Each member of the Committee shall:

- have no relationship to the Company that the Board determines would interfere with the exercise of their independent judgment in carrying out their responsibilities;
- not receive, directly or indirectly, any consulting, advisory or other compensatory fee from the Company or any subsidiary thereof, other than in the member's capacity as a member of the Board or any of its committees; and
- not be 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.

No member of the Committee can have participated in the preparation of the Company's or any of its subsidiaries' financial statements at any time during the past three years.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement. At least one member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background that leads to financial sophistication. At least one member of the Committee must be an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K. A person who satisfies this definition of audit committee financial expert will also be presumed to have financial sophistication.

Audit Committee members shall be appointed by the Board of Directors and shall continue to be members as long as they remain directors and until their successors as committee members are elected and qualified or until their earlier death, incapacity, resignation or removal. 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 and set the compensation 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 and tax services to be provided by the independent auditor or other registered public accounting firms and any fee for such services, and establish policies and procedures for the Committee's pre-approval of permitted services by the Company's independent auditor or other registered public accounting firms on an on-going basis.
- The Committee shall review with management, the internal auditor and the independent auditor the scope, planning and staffing of the proposed audit schedule for the current year.
- 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.
- At least annually, to evaluate the qualifications, performance and independence of the Company's auditor, including an evaluation of the lead audit partner, and to assure the regular rotation of the lead audit partner at the Company's independent auditor.
- The Committee shall (i) oversee the appointment, performance, replacement, or dismissal of the internal auditor (ii) review the significant reports to management prepared by the internal auditor and management's responses (iii) discuss with the internal auditor, independent auditor and management the internal audit responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit and (iv) compliance with standards.
- The Committee shall select, retain, compensate, oversee and terminate, if necessary, any other registered public accounting firm engaged for the purpose of preparing or issuing an audit or performing other audit, review or attest services for the Company.

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. 1301.
- The Committee shall review and discuss with management the Company's earnings press releases, including the use of any non-GAAP financial measures and the presentation of any earnings guidance.
- 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 obtain and review a report by the Company's independent auditors that describes all critical accounting policies and practices to be used in the audit.
- 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 written 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.
- The Committee shall review and discuss with management, the internal auditor and the independent auditor management's annual assessment of the effectiveness of the Company's internal control over financial reporting and the independent auditor's assessment on the effectiveness of the Company's internal control over financial reporting.
- 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).
- The Committee shall review financial and accounting personnel succession planning within the Company for key accounting and financial staff.

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 material weaknesses or 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.

- The Committee shall review the Company's Code of Business Conduct and Ethics at least annually and recommend needed changes to management.

Related Party Transaction Review

- The Committee shall review and approve all transactions between the Company and any related person 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.

Delegation of Authority

The Committee shall have the authority to delegate any of its responsibilities, along with the authority to take action in relation to such responsibilities, to one or more subcommittees as the Committee may deem appropriate in its sole discretion.

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. The members of the Committee are not employees of the Company and are not responsible for conducting the audit or performing other accounting procedures.

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.