

**Charter
Audit and Finance Committee
Time Warner Inc.**

The Board of Directors of Time Warner Inc. (the “Corporation”; “Company” refers to the Corporation and its consolidated subsidiaries) has adopted this charter for its Audit and Finance Committee (the “Committee”). This charter is intended to supplement the provisions in the Corporation’s By-laws pertaining to the Committee.

Composition

Number and Qualifications. The Committee shall have at least three members. Each Director who serves on the Committee must be affirmatively determined by the Board to satisfy the requirements established by the Corporation’s By-laws and Corporate Governance Policy, as well as by the New York Stock Exchange, to be considered an “independent” member of the Board. In addition, the Board of Directors must determine that each member of the Committee satisfies the requirements governing independence of audit committee members established by the New York Stock Exchange and Securities and Exchange Commission (the “SEC”), including those issued pursuant to Rule 10A-3 of the Securities Exchange Act of 1934.

In addition to satisfying the foregoing independence requirements, each member of the Committee must be financially literate, and at least one member of the Committee must have accounting or related financial management expertise and satisfy the criteria to be an audit committee financial expert under the rules and regulations of the SEC, as those qualifications are interpreted by the Corporation’s Board of Directors.

No Committee member shall serve on the audit committees of more than two other public companies at the same time as he or she serves on this Committee, unless the Board specifically determines that it would not impair the ability of an existing or prospective Committee member to serve effectively on the Committee. Further, each prospective Committee member shall evaluate carefully the existing demands on his or her time before accepting appointment or re-appointment to the Committee.

Appointment. The Board of Directors, upon the recommendation of its Nominating and Governance Committee, shall elect the chairman and other members of the Committee on an annual basis, generally at the first meeting of the Board of Directors following the Corporation’s annual stockholders meeting.

Rotation and Removal. The Committee chairmanship shall be rotated periodically. To assure familiarity with the issues facing the Committee, the chairman should generally have served at least one year on the Committee prior to becoming chairman.

The Board of Directors may, pursuant to the By-laws, remove a member of the Committee, or replace the chairman, provided that the Board must, at all times, assure that the

Committee will have a chairman and sufficient members to satisfy the requirements set forth above relating to the number and qualifications of Committee members.

Purpose

The Committee's purpose is to assist the Board in fulfilling its responsibilities to the shareholders, potential shareholders, and investment community, by assisting in the Board's oversight of: the quality and integrity of the Corporation's financial statements and accounting practices, the Company's compliance with legal and regulatory requirements, the independent auditor's qualifications and independence, and the performance of the Company's internal auditors, internal audit function, and independent auditor. In addition, the Committee assists the Board in connection with the Corporation's financial structure and strategy. The Committee also provides assistance to the Board by performing certain functions in connection with reports of material violations of securities laws, material breaches of fiduciary duties, and similar violations by the Company, and investigations related to such reports. Further, the Committee shall produce the Committee's report to be included in the Corporation's annual proxy statement.

Responsibilities

While the fundamental responsibility for the Corporation's financial statements rests with management and the Independent Auditor, and while the Internal Auditor and Independent Auditor are responsible for conducting audits, the Committee shall have the following authority and responsibilities:

Independent Auditor

Appointment and Oversight. The Committee is responsible for the appointment, compensation, retention, oversight, and pre-approval of services provided by the registered accounting firm engaged for the purpose of preparing or issuing an audit report and performing other audit, review, or attest services covering the consolidated financial statements of the Corporation (the "Independent Auditor" or "firm") and any other services provided to the Corporation by such firm. The Independent Auditor shall report directly to the Committee. The Committee shall have a clear understanding with the Independent Auditor that the firm is ultimately accountable to the Committee, as the shareholders' representative.

Evaluation. The Committee shall, no less than annually (including at the time it appoints the Independent Auditor), evaluate the Independent Auditor's qualifications, performance, fees, and independence. This evaluation shall include the review and evaluation of the lead partner of the Independent Auditor firm. In making its evaluation, the Committee shall take into account the opinions of management and the Corporation's Internal Auditor. The Committee shall report its findings to the Board.

Annual Report on Quality Control and Independence. The Committee shall receive and review, at least annually, a report from the Independent Auditor relating to the firm's independence and quality of its internal controls. This report shall describe (i) the Independent Auditor's internal quality-control procedures, (ii) any material issues raised by the most recent

peer review or internal quality-control review of the firm, (iii) any material issues raised by any governmental or professional authority in any inquiry or investigation, within the preceding five years, regarding any independent audit carried out by the firm, and (iv) any steps taken to deal with any issues raised in connection with clauses (ii) through (iii) above. Further, to assist the Committee in assessing the firm's independence, the report shall describe all relationships between the Independent Auditor and the Company (including any significant fees for any anticipated non-audit services), including those required by the applicable requirements of the Public Company Accounting Oversight Board regarding the Independent Auditor's communications with the Committee concerning independence.

Firm and Partner Rotation. The Committee shall consider, at least annually, whether the Corporation should have a policy requiring a regular rotation of the Independent Auditor and report its findings to the Board. The Committee shall also establish a policy regarding the rotation of the lead partner and concurring and reviewing partners in accordance with applicable SEC regulations. Further, the Committee may establish a policy regarding the rotation of the partners of the Independent Auditor who are responsible for each of the Company's major business units.

Hiring Policy. The Committee shall also establish a policy regarding the Company's hiring of current or former employees of the Independent Auditor.

Independent Auditor Plan. The Committee shall review with the Independent Auditor and management the plan and scope of the Independent Auditor's proposed annual financial audit and quarterly reviews, including the procedures to be utilized and the Independent Auditor's compensation. The Committee or subcommittee thereof shall also pre-approve audit, non-audit, and any other services to be provided by the Independent Auditor in accordance with such policies as may, from time to time, be adopted by the Committee.

Audit Reports and Reviews. The Committee shall, in consultation with management and the Independent Auditor, review the results of the annual financial audit and limited quarterly reviews of the Corporation's financial statements, significant findings thereof, and any other matters required to be communicated by the independent auditors under Generally Accepted Auditing Standards, including, if applicable, the Independent Auditor's summary of any significant accounting, auditing and internal control issues, along with questions, comments and recommendations and management's corrective action plans, if applicable (*i.e.*, the management or internal control letter).

In conjunction with its annual audit and its limited quarterly reviews of the Corporation's financial statements, the Independent Auditor will review with the Committee any problems or difficulties the Independent Auditor encountered in the course of its work, including any restrictions on the scope of the firm's activities, its access to information, or any significant disagreements with management and management's responses to such matters. Management shall notify the Committee when it seeks a second opinion on a significant accounting issue. The Committee shall be responsible for the resolution of any disagreements between management and the Independent Auditor regarding financial reporting.

Internal Audit

Internal Auditor. The Company's internal audit function shall be managed by an Internal Auditor who shall report directly to the Committee. The role of the internal audit function shall include, but not be limited to, operational, financial, information technology, and compliance audits. The Committee shall have the sole authority to hire and terminate the employment of the Internal Auditor. The Internal Auditor shall otherwise report for administrative purposes to the Chief Financial Officer.

Internal Audit Charter, Plan, and Reports. The Committee shall review and approve, at least annually, an Internal Audit Charter and an Internal Audit Plan. The Committee shall also receive regular reports from the Internal Auditor regarding the results of the internal audits. The Committee shall also discuss with the Internal Auditor, at least annually, the responsibilities, budget, and staffing of the Company's internal audit function as well as the planned allocation of internal audit resources among its various areas of audit responsibilities.

Financial Statements

Form 10-K. The Committee shall meet to review, in consultation with management and the Independent Auditor, the Corporation's annual financial statements, the Independent Auditor's report, Management's Report on Internal Control over Financial Reporting, and the Corporation's disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") to be contained in the annual report on Form 10-K (or the annual report to shareholders if distributed prior to the filing of the Form 10-K) prior to the filing of the Form 10-K with the SEC. The Committee shall be responsible for providing the Board with a recommendation as to the inclusion of the Corporation's financial statements in the Form 10-K.

Form 10-Q. The Committee shall meet to review, in consultation with management and the Independent Auditor, the Corporation's interim financial statements (including disclosures under MD&A), prior to filing each of the Corporation's Quarterly Reports on Form 10-Q with the SEC.

Scope of Review. In reviewing the Corporation's Forms 10-Q and 10-K, the Committee shall meet to review with management and the Independent Auditor:

- the certifications required to be made by management in relation to the filings, including regarding any significant deficiencies or weaknesses in the design or operation of the Company's internal control over financial reporting and any fraud, whether or not material, involving management or other employees who have a significant role in the Company's system of internal control;
- major issues regarding the presentation of, and the clarity of the disclosure in, the Corporation's financial statements;
- major issues regarding the Corporation's accounting principles, including (i) significant changes in the Corporation's selection or application of its accounting principles, (ii) material questions of choice with respect to the appropriate accounting principles and practices used

and to be used in the preparation of the Corporation's financial statements, including judgments about the quality, not just acceptability, of accounting principles, and (iii) the reasonableness of those significant judgments;

- significant regulatory and accounting initiatives, including material changes in, or adoptions of, accounting principles and disclosure practices and standards;
- the effect of off-balance sheet structures on the Corporation's financial statements;
- any analyses prepared by management or the Independent Auditor regarding the foregoing matters; and
- other communications regarding the results of the Independent Auditor's audit or review, including any other matters required to be communicated to the Committee by the Independent Auditor under Generally Accepted Auditing Standards.

Earnings Releases and Guidance

Review of Releases. The Committee (or Committee chairman) shall discuss with management and the Independent Auditor each of the Corporation's earnings releases prior to its issuance.

Periodic Review. In addition, the Committee shall periodically review and discuss with management and the Independent Auditor the type of presentation and information to be included in the Corporation's earnings press releases (including, but not limited to, the use of "pro forma" and "non-GAAP" financial information), and earnings guidance provided to analysts and rating agencies.

Finance Matters

Review of Financial Structure. The Committee shall assist the Board in its oversight of the Company's financial structure (including sources and uses of capital), financial condition (including matters such as liquidity, debt levels, financial capacity, credit ratings, and interest rate risk exposure), and capital strategy. In fulfilling this responsibility, the Committee shall:

- annually review the Company's financial condition, structure, and strategy in connection with the Board's consideration of the Company's business plan and budget;
- periodically review reports from management on the Company's financial condition, structure, and the implementation of its financial strategy;
- periodically review and make recommendations to the Board with respect to guidelines governing the transactions that require approval or review by the Board of Directors or the Committee;
- review and make recommendations to the Board with respect to sources of capital, including borrowings, in accordance with Board-approved transaction guidelines;
- review and make recommendations to the Board with respect to uses of capital, including, among other things, dividends and stock repurchase programs;
- periodically review the performance and funding of the Company's retirement programs;
- periodically review the Company's tax status and strategy; and
- periodically review the performance of the Company's acquisitions and other investments of capital.

Approval of Other Matters. The Committee shall also have the authority to approve certain transactions and other matters that are consistent with guidelines that may be established from time to time by the Board.

Compliance, Internal Controls & Risk Management

Compliance Program. The Committee shall be responsible for reviewing and recommending the Corporation's Standards of Business Conduct for approval by the Board of Directors. The Committee shall oversee the Company's compliance program and receive regular reports from the Chief Compliance Officer on any significant compliance findings and recommendations. The Committee shall also 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 the Company's employees of concerns regarding questionable accounting or auditing matters.

Regulatory Action and Investigations. Unless otherwise determined by the Board, the Committee (i) shall have the authority to oversee the Corporation's response to regulatory actions, including investigations, involving financial, accounting, and internal control matters, and (ii) may investigate any matter within the scope of its responsibilities that it determines appropriate.

Internal Control. The Committee shall review major issues as to the adequacy of the Company's internal controls and any audit steps taken in light of material control deficiencies.

Risk Assessment. The Committee shall discuss the Company's major financial and other risk exposures and the steps that management has taken to monitor and control such exposures, including the Company's risk assessment and risk management policies. In fulfilling this responsibility, the Committee shall, no less than annually, receive a report from management regarding the manner in which the Company is assessing and managing the Company's exposure to financial and other risks.

Qualified Legal Compliance Committee. The Board has designated the Committee as a qualified legal compliance committee. As such, it is the Committee's responsibility to conduct or direct appropriate investigations of potential material violations reported to it of securities laws, material breaches of fiduciary duties, and similar violations by the Company, to retain appropriate experts as it deems advisable, and to report and make recommendations to the Company's chief legal officer, chief executive officer and the full Board regarding such reported violations, in accord with SEC rules. In performing its functions, the Committee will endeavor to facilitate free and open communication between the directors, the Independent Auditor, the Internal Auditor and the management of the Company, and to encourage attorneys and others aware of these potential violations to report them. The Committee's policies and procedures should remain flexible in order to best assist the Board in fulfilling its oversight responsibilities. (A further description of the Committee's role, authority, and processes as the qualified legal compliance committee is set forth at Annex A hereto.)

Committee Operations

Meeting Schedule. The Committee shall approve its schedule of meetings and shall meet at least six times per year. The Committee may also hold additional meetings at the direction of the Committee Chairman or at the request of any other Committee member. The Committee may meet in person or by telephone conference call, and may act by unanimous written consent.

Agenda and Materials. The Committee Chairman shall approve the agenda for the Committee's meetings, and any member may suggest items for the Committee's consideration. Briefing materials shall be provided to the Committee as far in advance of a meeting as practicable.

Attendance at Meetings. The Committee, at the discretion of the Committee Chairman, may invite members of management to attend the Committee's meetings. All outside Directors who are not Committee members shall be invited to attend Committee meetings, provided that: (i) the Committee shall meet without such other Directors during executive sessions, (ii) the Committee Chairman may ask non-Committee members to leave the meeting at any time, and (iii) such non-Committee members may not vote on any actions considered by the Committee.

Executive Sessions. The Committee shall hold an executive session at each regularly scheduled meeting. During the executive sessions, no non-Committee member of the Board shall be present. As part of these executive sessions, the Committee shall meet separately and privately with each of the following (i) management, (ii) the Internal Auditor, and (iii) representatives of the Independent Auditor.

Voting. A majority of the Committee members shall constitute a quorum. Each Committee member shall have one vote and actions at meetings may be approved by a majority of the members present.

Delegation. Except as otherwise prohibited by law, the Corporation's Certificate of Incorporation or the Corporation's By-laws, the Committee may delegate its responsibilities to subcommittees or individuals.

Reporting to the Board. At the Board of Directors meeting following each Committee meeting, the Committee Chairman (or the Chairman's designee) shall report to the full Board on the Committee's actions and recommendations. Among other things, these reports shall address any issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's compliance with legal or regulatory requirements, the performance and independence of the Independent Auditor, and the performance of the internal audit function.

Committee Resources

To assist the Committee in fulfilling its responsibilities, (i) each Committee member shall have full access to any member of management, the Internal Auditor, and the Independent

Auditor and (ii) the Committee may retain independent consultants, counsel, and other advisors as it determines necessary to carry out its duties. The Committee will have sole authority and responsibility for hiring, approving the fees and retention terms for, and terminating the services of, such advisors.

The Corporation will provide appropriate funding, as determined by the Committee, for payment of the fees of the Independent Auditor, the administrative expenses of the Committee, and any advisors that the Committee may employ in carrying out its duties.

Performance Evaluation

The Committee shall conduct an evaluation of the Committee's performance at least annually. The evaluation shall address subjects including the Committee's composition, responsibilities, structure and processes, and effectiveness. As part of this evaluation, the Committee shall also review the Committee's charter. The Committee shall, as appropriate, make recommendations to management, the Nominating and Governance Committee, or the full Board as a result of its performance evaluation and review of its charter.

Qualified Legal Compliance Committee

- The Audit and Finance Committee shall serve as the qualified legal compliance committee (the “QLCC”) for the Company under Section 307 of the Sarbanes-Oxley Act of 2002 (the “Act”) and Part 205 of the Rules of Practice of the SEC. The Chairman of the Committee shall call a meeting of the QLCC whenever circumstances warrant. Terms used in this part of the Committee’s charter shall have the meaning ascribed in the Act and the SEC’s rules.
- In its capacity as the QLCC, the Committee shall operate by majority vote and shall have the authority and responsibility:
 - I. To adopt written procedures for the confidential receipt, retention and consideration of any report of a material violation of federal or state securities laws, material breach of fiduciary duty or similar material violations of any U.S. federal or State law by the Company or any officer, director, employee or agent of the Company;
 - II. To inform the Company’s chief legal officer and chief executive officer of any report of evidence of a material violation (except where the QLCC reasonably believes that it would be futile to do so);
 - III. To determine whether an investigation is necessary regarding any report of evidence of a material violation by the Company, its officers, directors, employees or agents and, if it determines an investigation is necessary or appropriate, to:
 - A. Notify the full Board of Directors;
 - B. Initiate an investigation, which may be conducted either by the chief legal officer or by outside attorneys, at the Company’s expense; and
 - C. Retain such additional expert personnel, at the Company’s expense, as the QLCC deems necessary; and
 - IV. At the conclusion of any such investigation, to:
 - A. Recommend that the Company implement an appropriate response to evidence of material violation;
 - B. Inform the chief legal officer and the chief executive officer and the Board of Directors of the results of any such investigation and the appropriate remedial measures that it recommends to be adopted; and

- C. Take all other appropriate action, including having the authority to notify the SEC in the event that the Company fails in any material respect to implement an appropriate response that the QLCC has recommended the Company to take.