



COMMITTEE CHARTER FOR THE AUDIT COMMITTEE

Mission Statement

The Audit Committee shall assist the Board of Trustees in fulfilling its oversight responsibility with respect to the financial reporting process, the system of internal controls, the audit process (including appointing and managing the outside auditor), the foundation's process for monitoring compliance with laws and regulations, the Trustee and Officer Code of Ethics and Conflict of Interest Policy, and the Whistleblower Policy. The committee shall also set the officers' compensation and make recommendations to the board regarding the compensation of trustees, taking into account comparability data.

Organization

- a. All members of the committee shall be independent trustees (as defined under the foundation's Board of Trustees Standards of Independence).
- b. In addition, all members of the committee must: (i) not have been associated in the capacity of employee or of compensated officer or compensated trustee with an entity that received a grant from the foundation in the current calendar year or in the previous calendar year, other than payments under nondiscretionary charitable contribution matching programs; (ii) not have received more than \$10,000 in direct compensation from the foundation in any of the last three calendar years, other than reasonable compensation for services as a trustee and reimbursement for expenses reasonably incurred as a trustee; (iii) not be a current employee of, or have a material financial interest in, any entity that has made payments to, or received payments from, the foundation for property or services (excluding grants made by the foundation) in an amount that, in any of the last three calendar years, exceeds the lesser of \$25,000 or 2% of such entity's consolidated gross revenues; (iv) not have an immediate family member who is, or has been within the last three calendar years, an officer of the foundation or, to the knowledge of the trustee, has received more than \$10,000 in direct compensation from the foundation in any of the last three years; or (v) not have an immediate family member who, to the knowledge of the trustee, is

a current officer of, or has a material financial interest in, any entity that has made payments to, or received payments from, the foundation for property or services (excluding grants made by the foundation) in an amount which, in any of the last three calendar years, exceeds the lesser of \$25,000 or 2% of such entity's consolidated gross revenues. For purposes of the preceding sentence, an "immediate family member" of an individual shall mean his or her spouse or domestic partner, and his or her parents, siblings, children, grandchildren, great-grandchildren and their spouses and "material financial interest" shall mean a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%. Notwithstanding the foregoing, the committee may, in its discretion and without the participation of the affected trustee, determine that one or more of the factors outlined in this section (b) does not, under the circumstances, reasonably affect the independence of a particular trustee for purposes of serving on the committee.

- c. If the chair of the board is an independent trustee, he or she shall designate the chair of the committee. Otherwise the committee shall elect its chair from among its members.
- d. All members of the committee shall be financially literate. At least one member shall have accounting or related financial management experience.

Roles and Responsibilities

The committee shall:

- a. Oversee the foundation's system of internal controls and preparation of financial statements. In fulfilling this responsibility, the committee shall:
 - 1. be directly responsible for the appointment, compensation, retention and oversight of the work of the outside auditor preparing or issuing an audit, preparing the foundation's Form 990-PF or any related work (including resolution of disagreements between management and the outside auditor regarding financial reporting) and the outside auditor shall report directly to the committee;

2. review the outside auditor's qualifications, independence and performance, including obtaining the most recent quality control review report of the outside auditor;
 3. review the scope, approach and cost of the audit;
 4. pre-approve all audit services and non-audit services to be provided by the foundation's outside auditor. In fulfilling this responsibility, the committee may delegate to the chair of the committee the authority to grant pre-approval of such services, provided notice of such approval is then given to the entire committee at the next meeting;
 5. review significant accounting and reporting developments and issues and discuss the adequacy of the accounting and financial reporting processes with the outside auditor;
 6. review the annual financial statements audited by the outside auditors;
 7. review suggestions for improvements in internal controls from management and the outside auditors, including any material risks and weaknesses;
 8. at least annually and at other meetings as deemed necessary or desirable, meet separately with the general counsel and chief financial officer and with the outside auditors;
 9. have the authority to engage independent counsel and other advisors, as it determines necessary to carry out its duties;
 10. review and monitor the foundation's internal controls and exercise oversight of management's handling of the foundation's major financial and legal risk exposures;
 11. review with the outside auditor any audit problems or difficulties and management's response, including any restrictions on the scope of the auditor's activities or access to requested information and any significant disagreements between the outside auditor and management; and
 12. establish procedures for the receipt, retention and treatment of complaints or concerns received by the foundation regarding accounting, internal accounting controls or auditing matters, legal or regulatory requirements and foundation policies.
- b. Set the compensation of the foundation's officers, including any incentive compensation award for the chief investment officer, taking into account

comparability data provided by a compensation consulting firm. In this connection, the committee shall have sole authority to retain and terminate any compensation consulting firm with respect to setting the officers' compensation, including authority to approve fees and terms. The committee shall consult with and obtain input from the board before setting officer compensation and shall give a full report to the board covering all details of the compensation it sets for officers and the rationale for its decision. The excess benefit transaction rules of the Internal Revenue Code (that create a presumption of reasonableness for public charities) shall be followed in setting officer compensation (i.e., basing the decisions on comparability data readily available to the committee and recording the process and decisions in the minutes).

- c. Review and make recommendations to the board with respect to the compensation of trustees, taking into account comparability data.
- d. Exercise oversight of the foundation's process for monitoring compliance with legal and regulatory requirements. In fulfilling this responsibility, the committee shall review reports from management with respect to legislative, regulatory and legal matters that may affect the foundation, including current or pending litigation involving the foundation, and review the annual diversity report of the foundation.
- e. Review and make recommendations to the board with respect to the foundation's Trustee and Officer Code of Ethics and Conflict of Interest Policy.
- f. Establish procedures for prior review and approval by the committee of all Affiliated Transactions, as defined in the Trustee and Officer Code of Ethics and Conflict of Interest Policy, and report to the board at the annual meeting all such transactions approved during the prior fiscal year.
- g. Exercise oversight over the foundation's business continuity and risk management program, including reviewing and monitoring how management identifies, evaluates and manages major business risk exposures (such as operational, reputational and strategic risks) on an enterprise basis.

Approved as of June 19, 2019