

AUDIT COMMITTEE CHARTER  
GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS

ORGANIZATION AND MEMBERSHIP

The Committee shall consist of not less than five (5) nor more than seven (7) members. Four to six (4 to 6) shall be non-GRF Board members, all nominated by the GRF Board President and approved by the GRF Board. The GRF Treasurer shall be the additional member with vote and also serve as the GRF liaison. Applicants for vacant positions on the Committee shall submit applications to the GRF Assistant Secretary and be interviewed by the GRF President, GRF Liaison and the Committee Chairperson. If the Chairperson or other officer is an applicant, a non-applicant Committee officer or member shall be the third interviewer.

The GRF President shall designate one of the Committee members as Chairperson, to serve a one-year term, effective July 1 of the appointment year.

The non-GRF Board Committee members shall be appointed to staggered three-year terms, as required to fit their number. Terms shall begin July 1 of their appointment year. Should a vacancy occur among the non-GRF Board Committee members, the replacement shall serve out the term of the vacating member. There is no specified limit to the number of terms served by members or officers.

The frequency, dates, times and location of the Committee meetings shall be established by the Committee Chairperson.

The Committee shall annually elect its own Vice-Chairman, and any other officers necessary. The Committee shall appoint subcommittees, as necessary.

The Committee shall follow Policy 201.4 Regarding Open Committee Meetings, and provide a Resident's Forum in which Residents may address concerns to the Committee.

Robert's Rules of Order shall govern all Committee proceedings.

PURPOSES AND RESPONSIBILITIES

The purpose of the Committee is to assist the GRF Board in monitoring the integrity of the Foundation's financial statements, the effectiveness of its internal controls, and the qualifications and performance of the Foundation's independent auditor. Through the Foundation's independent audit process, the Committee will also have oversight and reporting responsibility (to the GRF Board) on the operation of a document retention and destruction policy, anti-fraud program and

conflict of interest policies. The Committee will conduct sessions with the Chief Executive Officer, Chief Financial Officer, and General Counsel regarding the effectiveness of internal controls, document retention and destruction policy, anti-fraud program and conflict of interest policies.

Each year, the Committee will meet with the Chief Executive Officer and/or his designee to establish the scope of that year's audit and the tax services required and then to solicit a proposal from the independent auditor who has been serving as the Foundation's auditor. If it is deemed advisable to engage the services of a new independent auditor, the Committee will solicit and review proposals from at least three certified public accounting firms.

The Committee will recommend to the GRF Board of Directors the appointment of the independent auditor who will examine GRF's financial statements, accounts and internal controls, and to provide such other compliance services as are required by state and federal tax regulations and by the retirement plans. The Committee shall also pre-approve any other non-audit services to be requested of the independent auditor after determining whether these services would impair the auditor's independence.

At the conclusion of the annual audit, the Committee and the Chief Executive Officer and/or his designee will meet with the independent auditor to review the results of the audit and to discuss any critical policies and practices used by the Foundation and any problems encountered by the independent auditor. The Committee will also review with the Chief Executive Officer and/or his designee the reply to the independent auditor's management letter before its final presentation for approval by the Foundation's Board.

The Committee will develop key operating considerations which it believes necessary in the conduct of its responsibilities to assure year-to-year consistency in the work of the Committee. The Committee may meet for such additional purposes as it considers necessary.

ADOPTED BY THE GOLDEN RAIN FOUNDATION BOARD OF DIRECTORS,  
AS REVISED, ON DECEMBER 6, 2012.