

## CHARTER OF THE AUDIT AND FINANCE COMMITTEE OF LUMINA FOUNDATION FOR EDUCATION, INC.

*(As approved by the Board on July 31, 2003. Amended by the Executive Committee on April 5, 2007 and May 16, 2013. Amended by the Board on April 5, 2016.)*

### **Purpose**

The Committee has been created by the Board to assist in carrying out oversight and other functions of the Board.

### **Powers and Authority**

A Board resolution adopted on July 31, 2003 (the "Enabling Resolution") provides that the Committee shall have and may exercise all the powers and authority of the Board in the management and direction of the business and affairs of the Foundation in respect of: auditing, accounting, financial statements, and auditors and accountants, whether internal or external; borrowing and other financing matters; and oversight of the scope and effectiveness of the operational, financial and information systems and controls, as well as the policies and procedures for assessment and management of risk and for compliance with law and Foundation codes and policies; and the Committee may authorize the seal of the Foundation to be affixed to all papers which may require it; provided, however, that the Committee shall not have power or authority to take action which the Delaware General Corporation Law, the Certificate of Incorporation or the Bylaws of the Foundation, or the Board by resolution shall expressly prohibit any committee of the Board or the Committee from taking.

### **Functions**

The Committee shall oversee all matters relating to auditing, accounting, financial statements, and auditors and accountants, whether internal or external; borrowing and other financing matters; and the scope and effectiveness of the operational, financial and information systems and controls, as well as the policies and procedures for assessment and management of risk and for compliance with law and Foundation codes and policies; and shall take such actions in connection therewith or otherwise pursuant to the Enabling Resolution as the Committee may from time to time deem desirable. Among other things, the Committee shall do the following:

- select, appoint and, where appropriate, replace the independent accountants and establish that they will report directly to the Committee;
- receive assurance from the independent accountants as to their independence;
- approve in advance all audit and non-audit services to be performed by the independent accountants;
- review the scope, plans and results of the audit of the independent accountants and the internal auditors, if any;
- monitor the performance of the independent accountants and internal auditors, if any;

- review and, if deemed appropriate in amount, approve the fees for audit and non-audit services performed by the independent accountants;
- review with management, the internal audit staff, if any, and the independent accountants the objectivity, effectiveness and adequacy of the Foundation's internal business, financial and information system controls, and recommendations for establishing new or enhanced controls and procedures;
- confer separately with the internal auditors, if any, and the independent accountants, with and without management's presence, to discuss the results of their examination;
- review the audited financial statements as well as management's presentation of relevant matters pertaining to Form 990 PF before their release, and a report from the independent accountants as to all critical accounting policies and practices used and all material alternative accounting treatments of financial information within generally accepted accounting principles that have been discussed with management, and resolve any differences between management and such accountants in such regard;
- review with management, the internal auditors, if any, the independent accountants and the Foundation's counsel that the Foundation is operating in a manner consistent with its charitable purposes and objectives and does not engage in activities that could jeopardize its tax-exempt status;
- review with management and the Foundation's counsel at least annually the policies and procedures for assessment and management of financial risk and for compliance with law and Foundation codes and policies;
- establish or review procedures for the receipt, retention and handling of any complaints regarding accounting, internal control or auditing;
- review and recommend to the Board the annual budget of the Foundation; and
- at least annually, review the Committee's performance and this Charter, and recommend to the Board such changes in this Charter as the Committee may deem desirable.

### **Resources**

The Committee may engage such inside or outside resources as it may deem desirable in connection with the exercise of its powers and authority under the Enabling Resolution and the performance of its functions under this Charter.

## **Membership**

*Number; Qualifications.* The Committee shall consist of not fewer than three members of the Board to be designated from time to time by action of the Board. The Board Chair shall serve as an ex-officio member of the Committee. The Committee shall be comprised of only independent Directors. A Director shall not be considered independent for this purpose if he or she is an officer or other employee of the Foundation (other than the Chair or Vice Chair of the Board who is not otherwise an officer), receives fees for consulting or other services to the Foundation (other than fees for services as a Director, as Chair or Vice Chair of the Board or as a member of or Chair of a committee of the Board), or has any other direct or indirect relationship with the Foundation or any of its officers or other employees that could impair the exercise of independent judgment on matters before the Committee.

*Resignation; Removal.* Any member of the Committee may resign from the Committee upon notice to the Foundation given in writing or by electronic transmission. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein, no acceptance of such resignation shall be necessary to make it effective. Resignation from the Board shall also constitute resignation from the Committee. Any member of the Committee or the entire Committee may be removed, with or without cause, by the Board.

## **Procedures**

*Meetings.* The Committee shall meet at least three times per year and as often as the Committee shall determine to be necessary. Meetings may be called by the Chair of the Committee, any two members of the Committee, the Chair of the Board or the Chief Executive Officer of the Foundation. Unless waived, notice of a meeting of the Committee shall be given by the person or persons calling the meeting not less than five days in advance of such meeting, if the notice is given by mail or courier, telegraph or cable, and not less than 24 hours in advance of such meeting if the notice is given in person, by telephone, or facsimile or other electronic communication receipt of which is confirmed.

*Quorum; Presence.* A majority of the whole Committee shall constitute a quorum. Members of the Committee may participate in a meeting of the Committee through the use of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.

*Waiver of Notice.* Whenever notice is required to be given, a written waiver thereof, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated in the notice, shall be deemed equivalent to notice. Attendance of a member at a meeting of the Committee shall constitute waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Committee need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the Certificate of Incorporation, the Bylaws or the Committee.

*Voting.* The vote of a majority of the members present at a meeting at the time of the vote, if a quorum is present, shall be the act of the Committee. No member entitled to vote at a meeting of the Committee, or to express consent or dissent to corporate action without a meeting, may authorize another person or persons to act for such member by proxy.

*Consent in Lieu of Meeting.* Any action required or permitted to be taken at any meeting of the Committee may be taken without a meeting, without prior notice and without a vote, if all of the members of the Committee consent (which consent shall set forth the action taken) thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of the Committee.

*Chair.* The Chair of the Committee shall be designated by the Board. Meetings of the Committee shall be presided over by the Chair of the Committee, or in such person's absence, by a chair designated by the Chair of the Committee, or in the absence of the foregoing persons, by a chair chosen by the Committee at the meeting.

### **Committee Rules**

The Committee may adopt, amend and repeal rules, policy statements or other provisions for the conduct of its business.

### **Reports**

The proceedings of the Committee at any time shall be reported to the Board, in the form of minutes or otherwise, at the next following Board meeting.