

Sample Committee Responsibilities

Audit Committee Responsibilities

1. Recommend and review selection of outside auditors.
2. Assure the efficient completion of internal and external audits.
3. Review and approve annual internal and external audit procedures, including the methodology and areas of audit and revisions to the annual report.
4. Review and approve accounting, legal, and financial policies.
5. Ensure methods are in place for identifying and investigating potential fraud.
6. Review financial statements before they are presented to the full board.
7. Ensure shareholders receive adequate financial information from the Company.

Compensation Committee Responsibilities

1. Supervise the design and implementation of policies related to compensation, performance evaluation, employee development, and retirement.
2. Approve the personal development plans for senior-level executives.
3. Approve annual salary increases for senior-level executives.
4. Conduct a formal performance evaluation of the CEO.
5. Review performance evaluations of senior-level executives.
6. Oversee the development of succession plans for senior-level management.
7. Propose programs for professional development for shareholders.

Governance Committee Responsibilities

1. Identify and recommend independent director candidates.
2. Recommend candidates for board officer positions and board committee membership.
3. Develop a succession plan for the board chair.
4. Make recommendations to the shareholder assembly of appropriate compensation levels for board members.
5. Coordinate the annual board-evaluation process.
6. Develop and recommend long-term board goals for approval by the full board.
7. Ensure that all committees have established objectives and charters.
8. Oversee the board orientation process for new board members.
9. Assure that a code of ethics guides business and director conduct.

Audit Committee of the Board of Directors Charter

Committee Structure

The Audit Committee shall be composed of directors who are independent of the management of the corporation and are free of any relationship that, in the opinion of the board of directors, would interfere with their exercise of independent judgment as a committee member. Ex-officio members of the Audit Committee may also be appointed by the board of directors.

Mission

The Audit Committee shall provide assistance to the board of directors in fulfilling its responsibility to the shareholders with regard to corporate accounting, reporting practices of the company, and the quality and integrity of financial reports of the company. In so doing, it is the responsibility of the Audit Committee to maintain free and open means of communication between the board of directors, the independent auditors, the internal auditors, and the financial management of the company.

Responsibilities

In carrying out its responsibilities, the Audit Committee believes its policies and procedures should remain flexible, in order to best respond to changing conditions and to ensure that the company accounting and reporting practices are in accordance with all the requirements of accepted standards.

In carrying out its responsibilities, the Audit Committee shall:

- Review management's selection of the independent auditor.
- Meet with the independent auditors and financial management of the company to review both the scope of the proposed audit for the coming year and the audit procedures to be utilized. At the conclusion of the audit, the Audit Committee shall review the audit findings, comments, and recommendations with the board of directors.
- Review with the independent auditors, the company's internal auditor, and financial and accounting personnel, the adequacy and effectiveness of the accounting and financial controls of the company, and elicit any recommendations for the improvement of such internal-control procedures or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis should be given to the adequacy of such internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper
- Periodically review company policy statements related to financial reporting, controls, and risk management to assure their appropriateness and consistency with company philosophy.
- Review with management and the independent auditors the financial statements contained in the annual report to shareholders to determine that the independent auditors are satisfied with the disclosure and content of the financial statements to be presented to the shareholders. Any changes in accounting principles should be reviewed.

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- Review the competency of accounting and financial personnel as well as succession plans within this group.
- Submit the minutes of all meetings of the audit committee to the board of directors and formally report to the board at least semiannually on pre- and post-audit matters.
- Investigate any matter brought to the Audit Committee's attention within the scope of its duties, with the power to retain outside counsel for this purpose if, in its judgment, such action is appropriate.

Compensation Committee of the Board of Directors Charter

Committee Structure

The Compensation Committee shall be appointed by the chairman of the board and shall consist of two outside directors and a chairperson selected by the chairman.

Mission

The Compensation Committee shall establish and administer executive compensation policies that are aligned with the company's strategic business objectives. In their deliberations, the committee will consider guiding principles for executive compensation as provided by ownership as well as other appropriate standards of professional compensation and performance management.

Responsibilities

- The Compensation Committee shall meet at least annually and shall be responsible for the following:
- Review and approve the company's compensation philosophy and guidelines as they apply to executive officers.
- Conduct an annual performance evaluation of the CEO and review the CEO's performance evaluations of his direct reports
- Make recommendations to the board of directors regarding the compensation of the company's key executive officers.
- Periodically review and recommend appropriate changes to the company's overall compensation and performance-management policies.
- Periodically review the content and performance of the company's pension and profit sharing plans.
- Monitor the company's adherence to shareholder guidelines on compensation.
- Formulate and monitor succession plans for the key executive officers of the company.
- Submit the minutes of all meetings of the Compensation Committee to the board of directors.

Excerpt from: Jennifer M. Pendergast, John L. Ward, and Stephanie Brun De Pontet. "Appendix 2" *Building a Successful Family Business Board: A Guide for Leaders, Directors, and Families*. New York: Palgrave Macmillan, 2011. 222-26.

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