

**USA Climbing Audit & Compensation Committee
Charter for Committee's Organization and Operation
Effective October 7, 2023**

Article 1. Name. The name of this committee is the USA Climbing Audit & Compensation Committee (the "Committee").

Article 2. Purpose. The Committee is a Board Committee of USA Climbing as provided under Section 9.1 of the USA Climbing Bylaws (the "Bylaws"), with the purpose of the Committee described in Section 9.14 of the Bylaws (Audit & Compensation Committee). The Committee is a Designated Committee under Section 9.4 of the Bylaws, and therefore additional standards for athlete eligibility apply as described in Section 11.8 of the Bylaws. Capitalized terms not defined herein have the meanings ascribed to them in the Bylaws.

Article 3. Committee Duties and Responsibilities. The Committee shall have the following duties and responsibilities:

- A. The Committee shall have such responsibilities as are set forth in Section 9.14 of the Bylaws:
 - 1. Recommend the independent auditors of USA Climbing and the USA Climbing Foundation, as applicable, review the report and management letter of the independent auditors, and recommend action as needed;
 - 2. Periodically meet separately in executive session individually with USA Climbing's financial staff and USA Climbing's outside auditor;
 - 3. Meet with the independent auditor prior to the release and filing of USA Climbing's annual financial reports to review such materials. The Board will review and approve IRS-required financial reports for publication;
 - 4. Investigate matters of financial controls and disclosure with respect to USA Climbing and the Foundation and such other matters as directed by the Board;
 - 5. Make recommendations to the Board on President & CEO compensation and annual performance review process; and
 - 6. Advise the Board on matters pertaining to the compensation and benefits for USA Climbing staff; review staff pay ranges and benchmarking to ensure adequate compensation levels are being followed.
- B. The Committee shall perform such duties as are assigned to the Committee under USA Climbing's Fiscal Policies & Procedures which are approved by the Board from time to time, which as of the date of this Charter include matters in the following areas, which duties shall be performed in accordance with such then-current Fiscal Policies & Procedures:
 - 1. Lines of Authority;
 - 2. Segregation of Duties;
 - 3. Budgeting Process;
 - 4. Interim Financial Reports;
 - 5. Audit & Tax Compliance;
 - 6. Credit Cards;
 - 7. Approval Guidelines for Expense Reports for Expense Reimbursement;
 - 8. Cash Management and Investments; and

9. Operating Account.
- C. The Committee shall perform such other duties as are described in or contemplated by the Bylaws, to the extent requested by the Board or the President & CEO.
 - D. The Committee shall deliver to the Board at least once annually an oral or written report, outlining the Committee's accomplishments and plans.

Article 4. Committee Meetings and Actions

- A. The Committee shall hold such meetings as are necessary to conduct the Committee's business, with a requirement to meet at least annually. Meetings may be in person, via teleconference, or by other electronic means, with the Chair or the Chair's delegate circulating any necessary materials for review.
- B. Voting on Committee business, including with regard to Committee recommendations, may be made via email, teleconference, or other electronic means.
- C. The quorum for transaction of business is more than half of the Committee members. Effort should be made for all Committee members to be present for the transaction of any business.
- D. The Committee shall follow basic rules of parliamentary procedure in conducting meetings when practicable. The Chair, or the Chair's delegate, shall generally call to order each meeting, review past meeting's minutes, discuss unfinished business, followed by new business, endeavoring to welcome all members' voices and opinions.
- E. The Committee shall endeavor to reach decisions using a consensus-driven approach, where consensus is represented by all members of the Committee expressing support for the proposed decision. Notwithstanding, a majority vote of those Committee members present or participating is necessary to formally transact any business brought before the Committee.
- F. Each Committee member must disclose to the full Committee the existence and nature of any conflicts of interest with respect to a matter being considered by the Committee ("Interested Member"), and Interested Members shall not participate in any consideration of, or vote regarding, such matter, and such matter shall be decided upon a majority vote, subject to a quorum, of those members present and participating who are not Interested Members. Notwithstanding the foregoing, the Committee may request the participation of the Interested Member in discussions in order to obtain additional information from the Interested Member.
- G. Minutes of Committee meetings documenting business discussed and any official Committee votes shall be submitted to the President & CEO or their designee, who shall maintain them at USA Climbing. Votes taken electronically without a meeting should be memorialized in the same manner at USA Climbing, and should be ratified at the next Committee meeting and documented in the meeting minutes. The minutes will be shared with the full Board. Minutes will not be published on USA Climbing's website unless the full Board decides to do so.

Article 5. Committee Composition

- A. Per Section 9.3 of the Bylaws, the Committee shall be composed of no more than six (6) members.

- B. The members of the Committee shall be members of USA Climbing appointed by the Board of Directors and shall meet the following criteria as described in Section 9.13(a) of the Bylaws:
1. As provided in Section 8.4 of the Bylaws, the Treasurer of the Board shall be the Chair of the Audit Committee, except that where the Board determines it to best serve the purposes of the Audit Committee, the Board may appoint another member of the Audit Committee to serve as Chair of the Committee.
 2. At least thirty-three and one-third (33.3) percent of the members must be "Athletes" as defined under the Bylaws and must meet the higher standard for athlete eligibility for Designated Committees under Section 11.8 of the Bylaws.
 3. As required under Section 9.14 of the Bylaws, at least two of the Audit Committee members shall be directors of the Board, one of whom being the Treasurer of the Board (subject to Section 8.4(c) of the Bylaws), and one of whom being an independent director of the Board, as set forth in Section 7.7 of the Bylaws.
- C. The Committee may request from the President & CEO the assistance of USA Climbing staff to facilitate the Committee's work. In addition, the Chair of the Audit Committee may invite non-members of the Audit Committee to participate and contribute, at their discretion.

Article 6. Tenure

- A. The term for Director members of the Committee shall be aligned with the Director's term, subject to Section 8.4 of the Bylaws with respect to the Treasurer of the Board as Chair of the Audit Committee; in the case of outside members of the Committee, it shall be four (4) years commencing on January 1 of odd years.
- B. Per Section 9.6 of the Bylaws, no member of the Committee shall serve more than two (2) consecutive terms, subject to the Treasurer's service as Chair of the Committee for a period coterminous with the Treasurer's service on the Board, but may be re-appointed after a one-term absence. If an appointment is for less than two years, that appointment shall not constitute a term for term limit purposes. If an appointment is for two years or longer, it shall be considered a complete term for term limit purposes.
- C. A committee member shall remain on the committee until the committee member's successor is appointed, or until the committee member's earlier resignation, removal, incapacity, disability, or death.
- D. Committee members may be removed by the Board for cause at any duly noticed meeting of the Board, upon the affirmative vote of at least two-thirds (2/3) of the Board.

Article 7. Nomination and Recommendation of Committee Members

Nominations for consideration for the Committee shall be solicited by the Committee, the Nominating Committee, USA Climbing staff, or the Board approximately two (2) months prior to the conclusion of any member's term(s) if practicable.

Article 8. Amendments to Charter. Amendments to this Charter must conform to the Bylaws and may be made (1) by the Board or (2) by the Board upon the recommendation of

the Committee stating the proposed changes. A two-thirds majority vote of Committee members is required in order to propose any change(s) to the Board for approval.

Article 9. USAC Commitment to Diversity. USA Climbing encourages all to participate. Members of the Board, committees, working groups, and task forces are selected without regard to race, color, religion, national origin, gender, sexual orientation, or gender identity. USA Climbing is committed to providing equal opportunity to amateur athletes, coaches, trainers, managers, administrators, and officials to participate in climbing competitions without discrimination on the basis of race, color, religion, age, gender, sexual orientation or gender identity, or national origin. Diversity at all levels of USA Climbing is desirable, including among the membership of the Board, Committees, Task Forces and Working Groups, and among its athletes. Open discussion and the presentation of a diversity of views is encouraged.

Article 10. Conflicts. In the event of any conflict between this Charter and the Bylaws, the Bylaws shall control.