

Audit Committee Charter

Purpose

The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities of the Bureau's audit and financial report process. The principal responsibilities of the Audit committee include:

- Overseeing the integrity of the Bureau's financial accounting process and systems of internal controls regarding finance, accounting and use of assets.
- Overseeing the performance and independence of the independent auditors.

The Audit Committee is a standing committee of the Board of Directors.

Audit Committee Membership

The Audit Committee shall be composed of at least three members of the SFCVB Board, one of whom shall be the Chair-Elect, who will serve as chair of the committee. No member of the Audit Committee may be a staff member, president/chief executive officer or chief financial officer of the Bureau. In addition, no member of the Audit Committee may have a material financial interest in any entity doing business with the Bureau. The Board shall appoint the members of the Audit Committee annually.

A majority of the members of the Audit Committee may not concurrently serve as members of the Finance Committee, and the chair of the Audit Committee may not serve on the Finance Committee.

Audit Committee Meetings

The Audit Committee shall meet at least once a year to:

- Approve the selection or reappointment of independent auditors and review the annual audit plan.
- Review the annual audit report and the results of the audit.

At the meeting, the Audit Committee will meet with the independent auditors and relevant members of management. At its discretion, the Audit Committee may meet with each in separate, private sessions. Additional meetings may be called by the Chair of the Audit Committee or any two Audit Committee members.

Authority

The Audit Committee's role is one of oversight. The Bureau's management is responsible for preparing the Bureau's financial statements and the independent auditors are responsible for auditing those financial statements. In carrying out its

oversight responsibilities, the Audit Committee is not providing any expert or special assurance as to the Bureau's financial statements or any professional certification as to the independent auditors' work.

The Audit Committee shall have the power to conduct or authorize investigations into any matters within the Audit Committee's scope of responsibilities, with access to all books, records, facilities and personnel of the Bureau. The Audit Committee shall have the power to retain special legal, accounting or other consultants to assist in the conduct of such investigations or to advise the Audit Committee at the Bureau's expense without further Board approval.

The Audit Committee may request any person including any officer or employee of the Bureau or the independent auditors, to attend Audit Committee meetings or to meet with any members of, or advisors to, the Audit Committee. The independent auditors shall report directly to the Audit Committee.

Key Responsibilities

The Audit Committee shall undertake the following responsibilities which are set forth as a guide. The Audit Committee is authorized to carry out these activities and any other actions reasonably related to the Audit Committee's purposes or assigned by the Board from time to time:

- Recommend to the Board the selection or reappointment or, as appropriate, the termination of the Bureau's independent auditors.
- Negotiate the independent auditors' compensation and engagement on behalf of the Board.
- Inquire as to the independence of the independent auditors and obtain from the independent auditors, at least annually, a written statement delineating all relationships between the independent auditors and the Bureau.
- Confer with the Bureau's independent auditors to satisfy the Audit Committee that the financial affairs of the Bureau are in order.
- Review and approve the annual audit plan.
- Review with management and the independent auditors the annual financial statements, the annual audit report and the result of the audit and decide whether to accept the audit.
- Review significant findings and recommendations made by the independent auditors with management and the Board on a timely basis.

- Approve any non-audit services to be performed by the independent auditors to ensure that any non-audit services performed conform to standards for the independent auditors' independence.
- Review and update the Audit Committee's charter as needed.
- Keep written minutes of meetings and periodically report Audit Committee actions to the Board and make such recommendations to the Board, as the Audit Committee deems appropriate.