

## FINANCE AND AUDIT COMMITTEE CHARTER

The USA Gymnastics Finance and Audit Committee (the “Committee”), a standing committee reporting to the Board of Directors of USA Gymnastics (the “Board” or “Board of Directors”), is established by USA Gymnastics’ Bylaws. The purpose of the Committee is to assist the Board in its oversight of the independent auditors, USA Gymnastics’ internal audit function, annual budgeting process, review of periodic interim financial statements, risk management, and, as needed, USA Gymnastics’ monitoring of whistle-blower (commonly referred to as the Speak Up Policy) processes.

- 1.0 COMPOSITION.** The Board shall appoint the members of the Committee with the exception of the athlete representatives who shall be appointed by the USA Gymnastics Athletes’ Council according to Section 6.2 of USA Gymnastics’ Bylaws. The Chair of the Committee will be the Treasurer of the Board.

The Committee members should include persons having general financial acumen, as defined by the Board, which may include the ability to read and understand fundamental financial statements, including USA Gymnastics’ balance sheet, income statement, and cash flow statement. At least one member of the Committee shall have accounting or related financial management expertise, as may be defined by the Board.

The Committee members also must qualify as “independent,” determined by the Board as an individual having no material relationship with USA Gymnastics; no relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a committee member; and not be an “affiliated person” of USA Gymnastics or any affiliate organization. The Committee shall not exceed five members.

- 2.0 MEETINGS AND MINUTES.** The Committee shall periodically meet separately in executive session with management, USA Gymnastics’ finance staff, and USA Gymnastics’ outside auditor. In addition, the Committee, or a designated representative of the Committee, shall consult with the outside auditor before the release of USA Gymnastics’ annual audited financial statements and tax filings, to review such materials before presenting them to the Board for approval.

The Committee shall meet quarterly and as needed, and minutes will be taken for each meeting. Committee members are expected to attend in person, or participate by telephone or videoconference in, all regularly scheduled Committee meetings. Committee members must attend in person, or participate by telephone or videoconference in, at least one half (1/2) of all regularly scheduled Committee meetings.

- 3.0 TERM OF SERVICE.** All Committee members will serve a four-year term. Committee members’ terms will be staggered so that no more than two Committee members’ terms end in any calendar year. No individual will serve more than two (2) consecutive terms on the Committee.

- 4.0 COMMITTEE SPECIFIC DUTIES.** The duties of the Committee include but not limited to the following:

- 4.1** Be responsible, in cooperation with the Treasurer and President, for recommending to the Board for approval the annual budget for operations of USA Gymnastics, reviewing financial statements as appropriate, reviewing internal financial policies and procedures, and for making investment recommendations for excess operating funds.

- 4.2 Provide no fewer than two (2) financial reports to the Board annually.
- 4.3 Exercise oversight responsibility and satisfy itself that management has established an appropriate system of internal control over financial reporting and disclosure controls and procedures.
- 4.4 Recommend the appointment, retention, evaluation and compensation of independent auditors of USA Gymnastics for Board approval.
- 4.5 Set clear expectations for external and internal auditors, review the report of the independent auditors and management letter, and recommend action to the Board as needed.
- 4.6 Oversee financial controls and disclosure and such other matters as directed by the Board.
- 4.7 Perform such other duties as assigned by the Board.
- 4.8 Report to the Board as may be requested by the Board or Board Chair from time to time.

**5.0 REMOVAL AND VACANCIES.** A member's position on the Committee becomes vacant upon the member's resignation, removal, incapacity, disability, or death, or upon the expiration of the member's term. Any member may resign at any time by giving written notice to the Chair of the Committee, except the Chair's resignation shall be given to the Board. The resignation takes effect at the time specified in the written notice. The acceptance of the resignation by the Committee is not necessary to make it effective. Committee members will be removed by the Committee if they fail to attend in person, or participate by telephone or videoconference in, at least one half (1/2) of the regular meetings of the Committee during any twelve (12) month period, unless they are able to demonstrate to the other members of the Committee that the presence of exigent circumstances caused and excused the absences. In such circumstances, the absent member shall be removed by the affirmative vote of a majority of the voting power of the Committee (not including the voting power of the absent member). A member may also be removed for cause at any duly noticed meeting of the Committee, and after being provided an opportunity for the member to be heard by the Committee, upon the affirmative vote of at least two-thirds (2/3) of the total voting power of the Committee (excluding the voting power of the member in question). Any vacancy occurring in the Committee shall be filled in the manner specified in this charter or the USA Gymnastics Bylaws for filling the position. A Committee member elected to fill a vacancy shall be elected for the unexpired term of such member's predecessor in office.

**6.0 COMPENSATION.** No salary or other compensation shall be paid for serving as a member of the Committee.

**7.0 CONFLICT OF INTEREST.** All members of the Committee will adhere to the USA Gymnastics' Conflicts of Interest Policy.

**8.0 DISCLOSURE OF CHARTER.** This charter shall be made available on the USA Gymnastics website.

**9.0 EFFECTIVENESS AND AMENDMENT.** This charter must be approved by the Board. Any amendment or other modifications of this charter shall be made a majority vote of the voting members of the Committee, subject to approval by the Board.