

# Audit Committee Charter

## 1. Purpose

The Audit Committee (the “Committee”) will assist the Board of Directors (The “Board”) of the Humane Society of the United States (the “HSUS”) in discharging its oversight responsibility relating to: (a) the accounting and financial reporting processes of the HSUS, including the audits of the consolidated financial statements of the HSUS and its affiliates; (b) the outside auditor; (c) the HSUS’s compliance with legal and regulatory requirements; and (d) the HSUS’s system of internal controls and risk oversight.

## 2. Composition

The Committee will consist of at least three members appointed by the Board and will consist entirely of independent directors, as defined in the HSUS’s Governance Principles. Each member of the Committee must be financially literate, as determined by the Board. At least a majority of the members of the Committee must be directors who are not members of the Finance Committee. The Board will appoint one of the Committee members to serve as Chair after nomination by the Chair of the Board. The Board may remove a member from the Committee at any time, with or without cause.

## 3. Responsibilities

The Committee’s specific responsibilities include:

- a. Appointing and retaining the outside auditor, which will report directly to the Committee, and terminating the outside auditor where appropriate;
- b. At least annually, evaluating the outside auditor, considering the independence of the outside auditor, and discussing with the outside auditor any relationships that may bear on the auditor’s independence;
- c. Approving in advance all audit and permissible non-audit services to be provided by the outside auditor;
- d. Reviewing and discussing with management and the outside auditor the results of the annual audit of the consolidated financial statements of the HSUS and its affiliates, including significant accounting principles, estimates and judgments, and any disagreements with management, and determining whether to accept the audit;
- e. Reviewing with management and the outside auditor the HSUS’s Form 990 prior to its distribution to the Board and filing with the Internal Revenue Service;
- f. Receiving reports from the outside auditor regarding the HSUS’s internal controls and reviewing and discussing the adequacy and effectiveness of those controls, including any significant deficiencies in internal controls and significant changes in internal controls reported to the Committee by the outside auditor or management;

- g. Overseeing the rating agencies' assessment of the HSUS, coordinating as appropriate with the Finance Committee regarding such assessments, and designating the Chair of the Committee to fulfill the requirement from the Better Business Bureau Wise Giving Alliance that a Board director oversee the HSUS's finances and report to the Board;
- h. Overseeing the HSUS's enterprise risk management program by reviewing and discussing with management the HSUS's processes and practices for identifying, prioritizing, and managing the HSUS's major risk exposures, engaging with other Board committees that oversee areas of risk, and at the discretion of the Audit Committee Chair, elevating risk to the Executive Committee for further consideration and resolution as necessary;
- i. Reviewing and discussing with management the HSUS's major risks, including financial, legal, internal controls, insurance, compliance, and cybersecurity risks, unless otherwise overseen by another Board committee;
- j. Overseeing the HSUS's compliance program, including policies and procedures to promote ethical conduct and compliance with applicable laws and regulations and with HSUS policies, unless otherwise overseen by another Board committee;
- k. Overseeing matters involving the HSUS's affiliates that could have a material effect on the consolidated financial statements and matters that are relevant to the internal controls, enterprise risk management program, or compliance program of the HSUS as a whole and liaising with affiliate boards of directors as to those matters; and
- l. Performing such other duties and responsibilities as the Board may determine from time to time.

#### **4. Meetings and Operation of the Committee**

The Committee has the authority to retain, at the expense of the HSUS, the outside auditor and such outside counsel, experts, and other advisors as it determines appropriate to assist it in the performance of its functions, and to approve the fees and other retention terms of any such advisors.

The Treasurer and Chief Financial Officer is the Committee's principal point of contact with management for audit-related matters. The General Counsel and Chief Legal Officer is the Committee's principal point of contact with management for risk management-related matters. The Corporate Secretary will schedule meetings, prepare agendas, and take minutes for the Committee. The Committee may request that the President and Chief Executive Officer provide additional staff support.

The Committee will meet as often as may be deemed necessary or appropriate in its judgment, either in person or telephonically, and at such times and places as determined by the Chair of the Committee. The Committee will periodically meet in separate executive sessions with each of the following: management, the principal internal auditor, and the outside auditor.

The majority of the members of the Committee will constitute a quorum, and the vote of the majority of the members of the Committee present at a meeting at which a quorum is present will be the act of the Committee.

Minutes of Committee meetings will be prepared, furnished to Committee members for review, and approved by the Committee, all in a timely manner. The Committee will report regularly to the full Board with respect to its activities.

**5. Subcommittees**

The Committee may delegate its duties and responsibilities to one or more subcommittees, consisting of one or more members of the Committee, as it determines appropriate.

**6. Annual Self-Evaluation and Charter Review**

The Committee will annually evaluate its performance and the adequacy of this charter and recommend changes to the Board as appropriate.

*Adopted by the Board 10-14-19*

*Amended by the Board 3-30-23*