

The Arch Foundation for the University of Georgia
FINANCE AND COMPENSATION COMMITTEE CHARTER

The Finance and Compensation Committee was established pursuant to Section 7.4 of the Foundation's Bylaws. The purpose of this Charter is to set forth the precise functions of the Committee. The Committee will obtain the Board of Trustees' approval of this Charter and will review and reassess this Charter annually.

I. Purpose of Committee

The Finance and Compensation Committee (the "Committee") is appointed by the Board of Trustees (the "Board") to discharge the duty of the Board in fulfilling the Board's oversight responsibilities for ensuring the fiscal stability and long-term economic health of the Foundation and determining the adequacy and reasonableness of the compensation and benefits paid to the Executive Director and the other employees or individuals associated with the Foundation that the Committee determines to be or have been at anytime during the five years preceding in a position to exercise a substantial influence over the affairs of the Foundation within the meaning of Section 4958 of the Internal Revenue Code and the regulations promulgated thereunder ("Disqualified Persons").

II. Committee Membership

Members are appointed for one-year terms, commencing July 1. The Chair of the Finance and Compensation Committee may not serve longer than four (4) consecutive one-years terms. Only independent members of the Board, as defined below, shall vote on compensation and benefits paid to Disqualified Persons. Independent Directors shall be those board members who receive no compensation, fees or other benefits from the Foundation and who are not employees of the University System of Georgia. Furthermore, they should not be either: (1) a proprietor, (2) a member, partner or shareholder owning more than 10% equity interest, or (3) an executive officer of any entity to which the Foundation made payments, or from which the Foundation received payments, that exceeded two percent (2%) of the Foundation's or the other company's annual revenues, or Fifty Thousand Dollars (\$50,000), whichever is less, in any of the past three years; and shall not have any other position with another entity or any other relationship that would reasonably cause the appearance of a conflict of interest. Members of the Board who are not independent shall recuse themselves from all votes on the payment of compensation and benefits to Disqualified Persons. Any disputed question regarding independence should be referred to the Board of Trustees for final resolution.

III. Committee Authority and Responsibility

The Committee shall:

1. Review the budget, financial affairs and financial condition of the Foundation and make recommendations to the Board regarding the budget of the Foundation and programs for the acceptance of gifts and the collection of revenue.

2. The Foundation administration is responsible for development of a budget for Committee approval and managing the budget throughout the year. Foundation administration is responsible for insuring that expenditures are made in compliance with the budget approved by the Trustees.
3. The Committee shall establish expenditure priorities to support the fund raising goals consistent with the strategic plan of the University.
4. Establish performance criteria for and evaluate the performance of the Executive Director. The Committee sets the terms of employment for the Executive Director and establishes his/her total compensation package including incentives, perquisites and fringe benefits.
5. Review and approve recommendations of the Executive Director for the terms of employment and total compensation of all Disqualified Persons. Specifically, the Committee shall review and approve base salary ranges and participation and benefit levels associated with all forms of compensation. The Executive Director is empowered to set the compensation within the salary ranges determined and the fiscal constraints imposed by the Committee.
6. The Committee shall consider all benefits provided by the Foundation to the Executive Director and other Disqualified Persons when determining the reasonableness of the Compensation.
7. Identify the Foundation's other Disqualified Persons and annually report the identity of those persons to the Board.
8. At least annually report its activities and findings to the Board.
9. Document in a written report within 30 days of making its determination of reasonableness with respect to the compensation of Disqualified Persons: (a) the terms of the transaction that were approved and the date it was approved; (b) the members of the Committee who were present during debate on the transaction that was approved and those who voted on it; (c) the comparability data obtained and relied upon by the Committee and how the data was obtained; and (d) any actions taken with respect to consideration of the transaction by anyone who is otherwise a member of the Committee but who had a conflict of interest with respect to the transaction. The report must be approved by the Committee as reasonably accurate and complete within a reasonable time thereafter and forwarded to the Board of Trustees.

IV. Committee Meetings

The Committee will meet as often as it deems necessary or appropriate, either in person or telephonically and at such times and places as the Committee determines. The Committee Chair shall prepare or approve an agenda in advance of each meeting. The Committee should meet in separate executive sessions at least annually with management, and any attorney, accountants

or compensation consultants it employs and as a committee to discuss any matters that the Committee or any of these persons believes should be discussed.

V. Resources and Authority of the Committee

The Committee shall have the resources and authority it deems appropriate to discharge its duties and responsibilities, including the sole authority to select, retain, terminate and approve the fees and other retention terms of special or independent counsel, or other experts or consultants relating to compensation, benefits or other matters, without seeking approval of the Board or management. In carrying out its responsibilities, the Committee may rely upon reasoned written opinions legal counsel and of qualified legal, accounting, compensation and valuation experts.