

AUDIT COMMITTEE

Type: Standing Committee

Reports to: Board of Directors

Closed/Open: Closed

Purpose: The purpose of the Audit Committee is to oversee the integrity of C.A.R.'s financial accounting process and systems of internal control regarding finance, accounting and use of assets. The Audit Committee should take an active role in the prevention and deterrence of fraud, as well as an effective ethics and compliance program. Further, the Chairman shall perform an annual audit of Payroll, Employee Loans and Employee Credit Cards and report any variances from approved policy to the C.E.O., Executive Vice-President and the Executive Committee.

Composition: The Committee shall be composed of five to nine members, appointed by the President with the consent of the Board of Directors. It shall include at least one non-Director and one past President. Officers may not serve during their term of office. No member may be related to any other member of the Audit Committee or the Finance Committee. No two members of the Audit Committee shall be affiliated with the same firm. This applies to members within the same firm but in different office/branch locations. An exception is for those members affiliated with a franchise and, at the time of appointment, are in separate independently owned and operated franchise-affiliated firms. If during course of an existing term two or more members become affiliated with the same firm, the member(s) will be allowed to finish their existing term.

Term: Staggered, two-year terms. Each member is eligible for one additional consecutive 2 year-term (total of four years).

Chair: The Chairperson is to be selected annually by the Audit Committee members and must have at least one year of service on the Audit Committee. There is no Vice Chairperson of the Audit Committee.

Qualifications:

1. REALTOR® member in good standing;
2. The members shall have no financial, direct or other relationship to C.A.R. that may interfere with the exercise of their independence from management and C.A.R.;
3. In carrying out their duties, Audit Committee members may receive, review and possess sensitive and confidential information regarding various financial aspects of C.A.R. and its' affiliated entities. Each Audit Committee member shall have a duty not to disclose confidential information and shall memorialize these confidentiality obligations by executing a confidentiality agreement before commencing service as an Audit Committee member; and
4. Must attend a finance training session prior to beginning the term of office.

Primary Support: The C.E.O. or the C.E.O.'s designees.