

Standing Committee Resolution

RESOLUTION #10-17

Subject: Standing Committees

Date of Submittal: August 17, 2017

WHEREAS the Board of Directors of the National Reining Horse Association may establish new Standing Committees as necessary and periodically modify Committee Charters, setting forth the committee composition, method of appointment of members of the committee and membership requirements; and

WHEREAS it is in the best interest of the National Reining Horse Association for Standing Committees to be formed to assist in the operation and management of the Association.

NOW THEREFORE BE IT RESOLVED that the committees enumerated in NRHA Bylaws, Article VI, operate in accordance with the bylaws of the Association and with this resolution.

NOMINATING/GOVERNANCE COMMITTEE

(1) The Nominating/Governance Committee shall be comprised of no less than three and no more than five members of the Board of Directors. The President, with approval of the Board of Directors, shall appoint the chair and members of this committee. No member of the Executive Committee may serve on or be an ex-officio member of this committee.

i. Duties of the Nominating Governance/Committee. The Nominating/Governance Committee shall:

- (a) Develop eligibility criteria for candidates and submit it to the Board for approval.
- (b) Seek nominations from the membership and seek input from current officers and committee chairs regarding members who have been particularly active, involved, responsible, and have demonstrated an interest and commitment to the association.
- (b) (c) Submit a list of eligible candidates for the annual election of Directors-at-Large, to be elected by the Members.
- (c) (d) Recommend guidelines for the elections and submit that recommendation to the Board of Directors for approval.
- (d) (e) Be guided by the American Bar Association's Guidebook for Directors of Nonprofit Corporations in executing their duties under this article.

FINANCE/AUDIT COMMITTEE

(1) The Finance/Audit Committee shall be comprised of no less than three and no more than six members. Three members shall be Board of Director members and up to three additional members, who possess financial or accounting background, may be appointed from within or outside the board, but shall be NRHA members in good standing. The President, with approval of the Board of Directors, shall appoint the chair and members of this committee.

i. General duties of the Finance/Audit Committee. The Finance/Audit Committee shall:

- (a) Assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, and audit process.
- (b) Keep the Board of Directors updated as to the progress of the annual audit. Conduct a post-audit review of the financial statements and audit findings, including any significant improvements provided to management by the independent auditor. Meet with the external auditors as needed to resolve any disagreements between

management and the auditor regarding financial reporting. Retain independent counsel, accountants, or others as needed to assist in the conduct of an investigation.

- (c) Choose services needed in financial management, reviewing financial performance and approve the annual budget prior to submission of the Association's annual budget to the Board of Directors for their approval.
- (d) Publish in the Members Only section of the NRHA website an interim financial report within 15 days after review by the Board of Directors and the annual audited financial statement within 15 days after the review by the Board of Directors.
- (e) Provide a financial report at to the general membership at the Annual General Membership Meeting.

ii. Investment duties of the Finance/Audit Committee. The Finance/Audit Committee shall:

- (a) Evaluate the Association's short-term, mid-term and long-term financial needs relative to the investment of the Association's cash assets and to present an investment policy for approval to the Board of Directors. The Finance/Audit Committee shall consult with professional investment counsel in this endeavor. Following approval of the investment policy by the Board of Directors, the Finance/Audit Committee shall proceed with the investment decisions made, monitor closely the performance of the investments and make necessary adjustments to achieve the overall investment goals of the Association.
- (b) Keep minutes of their meetings and provide reports of their activities to the Board of Directors.
- (c) Publish summaries of current Finance/Audit Committee activity on the Members Only section of the NRHA website.

COMPENSATION COMMITTEE

(1) The Compensation Committee shall be comprised of three (3) members of the Executive Committee of the Association. The President, with approval of the Board of Directors, shall appoint the chair and members of this committee.

i. Duties of the Compensation Committee. The Compensation Committee shall:

- (a) Have the responsibility to recommend salaries for the Commissioner, the Chief Financial Officer, and any other staff positions as determined by the Board of Directors.
- (b) Complete an annual performance evaluation on those positions determined in (a) above and make a report including necessary recommendations to the Board of Directors.