

**PLEASE NOTE THAT THIS CHARTER WAS SUPERSEDED
ON JULY 29, 2004 PURSUANT TO
RESOLUTION 04-20**

**THE PRESIDIO TRUST
FINANCE AND AUDIT COMMITTEE CHARTER**

The Finance and Audit Committee of the Board of Directors assists the Board in fulfilling its oversight responsibilities relating to the integrity of the financial statements, compliance with legal and regulatory requirements, the qualifications, independence, and performance of the independent auditor and of the internal audit function, and the performance of the independent auditor, and such other duties as directed by the Board.

While the Finance and Audit Committee has the responsibilities and power set forth in this Charter, management and the independent auditor are responsible to plan or conduct audits or to determine that the Trust's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations.

• **STRUCTURE AND ORGANIZATION**

1. The committee will be composed solely of Directors who have the necessary experience, are independent of the daily management of the Trust and are free of any relationship that may interfere with their exercise of independent judgment as a committee member.
2. The committee will consist of at least three members of the Board. Committee members and the committee chair serve at the pleasure of the Board. All members must be or become financially literate.
3. The committee is expected to maintain free and open communication with management, the chief internal auditor and the independent auditor.
4. The committee has the authority to investigate any matter brought to its attention and to retain independent legal, accounting or other advisors for this purpose if determined appropriate, in its sole judgment. The Trust will provide funding for that purpose as determined by the committee.
5. The committee will submit the minutes of all committee meetings and regularly report to the Board on committee matters.
6. The committee will review and assess annually the committee's performance and the adequacy of this Charter and propose to the Board any recommended changes.

- **GENERAL AUDIT RESPONSIBILITIES**

1. Meet with management, the chief internal auditor and the independent auditor in separate sessions to discuss any matters that the committee or these groups believe should be discussed privately with the committee. Provide sufficient opportunity for the independent auditor to meet with the chief internal auditor and others in the Trust as appropriate.
2. Provide for direct meetings of the auditors with the full Board as appropriate.
3. Review with management any legal and regulatory matters that may have a material impact on the Trust's financial statement, compliance policies or compliance programs.
4. Oversee the Trust's compliance with applicable policies and regulations and periodically review and suggest to management any necessary improvements. Establish a procedure for (a) the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, and (b) the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters and other matters.

- **RESPONSIBILITIES RELATED TO THE INDEPENDENT AUDITOR**

1. Retain and, when appropriate, terminate the services of the independent auditor. On an annual basis, approve the compensation to the independent auditor and evaluate the performance of the independent auditor. The independent auditor reports directly to the committee.
2. Review with management, the chief internal auditor and the independent auditor the audit plans, also evaluate the qualifications, performance and independence of the independent auditor and establish a policy to evaluate and approve the audit services and related fees.
3. Review with the independent auditor the matters relating to the conduct of the audit, including any problems or difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.

- **RESPONSIBILITIES RELATED TO THE CHIEF INTERNAL AUDITOR**

1. Review and approve the appointment, replacement, reassignment or dismissal of the Trust's chief internal auditor and the internal audit function.

2. Review at least annually the internal audit function of the Trust with management and the independent auditor, including a general review of the internal audit plan, the internal audit organization, staffing, budget, reporting structure, objectivity and sufficiency.
3. Review the results of internal audits.

- **RESPONSIBILITIES FOR OVERSIGHT OF THE QUALITY AND INTEGRITY OF ACCOUNTING, AUDITING AND REPORTING PRACTICES OF THE TRUST**

1. Discuss the annual financial statements, including disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” with management and the independent auditor prior to issuing. These discussions should cover the quality (not just the acceptability) of the financial reporting, and such other matters as the committee deems appropriate.
2. Review with management and the independent auditor critical accounting policies, significant financial reporting issues and judgments made in connection with the preparation of the Trust’s financial statements, including any significant changes in the Trust’s selection or application of accounting principles.
3. As necessary, discuss with management any significant financial risk exposure and the steps management has taken to monitor and control such exposures, including the Trust’s risk management policies, and legal and ethical compliance programs.
4. Review with management, the chief internal auditor and the independent auditor the adequacy and effectiveness of the Trust’s internal controls for financial reporting and computerized information systems controls.

Nothing in this Charter shall be construed in a manner that is inconsistent with the Presidio Trust Act.