



Regional Greenhouse Gas Initiative, Inc.
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Audit Committee Charter of Regional Greenhouse Gas Initiative, Inc.

I. Mission.

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Regional Greenhouse Gas Initiative, Inc. (the “Corporation”) shall oversee the quality and integrity of the Corporation’s accounting, auditing and reporting practices, with the goal of ensuring (a) reliable and trustworthy policies and practices for accounting, financial reporting and disclosure, (b) an adequate system of internal financial controls, and (c) compliance with applicable law and the Corporation’s own policies concerning conflicts of interest. The Audit Committee shall also coordinate with other Board committees and maintain a strong working relationship with management, external and internal auditors, counsel, and other committee advisors.

II. Membership.

The Committee is a standing committee of the Board consisting of independent Board members.

A director is “independent” if, in the opinion of the Board, he or she is free from any relationship that would interfere with the exercise of his or her independent judgment as a member of the Committee. A director is deemed not to be independent if the director or any member of his or her family (as defined in Section 4946(d) of the Internal Revenue Code) receives compensation from the Corporation other than compensation in connection with service on the Board or the Committee; or serves as a partner, member, or principal of an entity that provides accounting, consulting, legal, investment banking, financial or other advisory services or any similar services to the Corporation.

All Committee members shall have knowledge of the primary activities of the Corporation and a working knowledge of finance and accounting practices. At least one

member of the Committee shall possess expertise in nonprofit financial reporting and control; an understanding of financial statements; the ability to assess accounting principles; experience preparing, auditing, analyzing or evaluating financial statements; an understanding of internal controls and procedures for financial reporting, including tax and regulatory requirements; and an understanding of audit committee functions.

III. Meetings.

The Committee shall meet at least twice a year. The members of the Committee shall select one member to serve as Chair. The Board, the Committee or the Chair may schedule additional meetings as considered necessary. The Chair shall be responsible for Committee meeting agendas.

The Committee shall request members of management, counsel, and internal and external auditors, as applicable, to participate in Committee meetings from time to time, as necessary to carry out the Committee's responsibilities. The Committee shall further keep minutes of its meetings and report on its meetings and other activities to the Board's Executive Committee within 14 business days after each meeting and, if requested, to the Board.

IV. Committee responsibilities and powers.

The Committee shall be directly responsible for the appointment, compensation and oversight of the work of the Corporation's independent auditor. The independent auditor shall report directly to the Committee.

The Committee shall:

- review the Corporation's annual audited financial statement and any federal, state or local tax filings with the independent auditor prior to filing;
- approve reasonable compensation for the independent auditor;
- receive reports directly from the independent auditor;
- resolve any disagreements between management and the independent auditor regarding financial reporting;

- review the integrity of the Corporation's internal and external financial reporting processes, and the Corporation's internal financial controls;
- review major changes in the Corporation's auditing and accounting principles and practices as suggested by the independent auditor or management;
- ratify all nonaudit services performed by the independent auditor; and
- establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential, anonymous submission by Corporation employees of concerns regarding questionable accounting, auditing or other financial matters.

The Committee may engage independent legal counsel and other advisors as it deems necessary to carry out its duties. The costs of such counsel and advisors shall be borne by the Corporation.

The Committee shall assess its performance on a regular basis by retaining counsel, the independent auditor or other consultants to review its performance.

The Committee may take any other action permitted by applicable laws, rules and regulations necessary to accomplish any action authorized by this charter or to further the goals of the Committee as set forth in this charter.