

**BAY STATE COLLEGE, INC.**

**CHARTER OF THE FINANCE AND LONG RANGE PLANNING COMMITTEE  
OF THE BOARD OF TRUSTEES**

**A. PURPOSE AND SCOPE**

The primary function of the Finance & Long Range Planning Committee (the "Committee") is to assist the Board of Trustees in fulfilling its responsibilities with respect to: (i) the adequacy of the College's internal controls and financial reporting process and the reliability of the College's financial statements, (ii) the independence and performance of the College's external independent accounting firm, and (iii) the College's compliance with legal and regulatory requirements.

**B. COMPOSITION**

The Committee shall be comprised of a minimum of two trustees as appointed by the Board of Trustees, who shall be Independent Trustees as defined in the bylaws of the College. Independent Trustees as defined in the bylaws of the College shall be referred to hereafter as "Independent Trustees".

All members of the Committee shall be able to read and understand fundamental financial statements, including a balance sheet, cash flow statement and income statement.

The members of the Committee shall be appointed by the Independent Trustees and shall serve until their successors shall be duly elected and qualified or until their earlier resignation or removal. Unless a Chair is elected by the Independent Trustees, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

**C. RESPONSIBILITIES AND DUTIES**

**Committee Meetings**

1. The Committee shall hold meetings with management and the College's independent accounting firm at least annually each fiscal year, at the conclusion of the College's annual audit, and at any additional time as either the Board of Trustees or the Committee deems necessary.
2. The Committee shall provide sufficient opportunity for the College's Chief Executive Officer, Chief Financial Officer and the College's independent accounting firm to meet individually and privately with the Committee.
3. Minutes of each meeting will be kept and distributed to the entire Board of Trustees.

4. The presence of a majority of Committee members at any meeting shall constitute a quorum.
5. Members of the Committee may participate in meetings by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at the meeting. The Committee may also act as otherwise permitted by law or the Company's Bylaws.

#### Scope of Responsibilities

1. Review and reassess the adequacy of this Charter periodically as conditions dictate and recommend any proposed changes to the Board for approval.
2. Independent Accounting Firm. The Committee adopts the following principles with respect to the College's independent accounting firm:
  - (a) The Committee shall recommend to the Board of Trustees the appointment of the independent accounting firm, and approve the scope of the audit and the audit fees to be paid to the independent accounting firm, as well as any significant variations to the original scope of the audit and the associated fees. The Committee shall have the ultimate authority and responsibility to select, evaluate and, when warranted, replace such independent accounting firm. The independent accounting firm shall be ultimately accountable to the Committee.
  - (b) The Committee shall evaluate the performance of the independent accounting firm. The evaluation shall include the quality control procedures and the experience and qualifications of senior members of the independent accounting firm.
  - (c) If the College's independent accounting firm identifies a significant problem which is not being adequately addressed by management, it should be communicated immediately to the Committee by the independent accounting firm.
3. Independence of Independent Accounting Firm. The Committee shall actively engage in a dialogue with the independent accounting firm as to any disclosed relationships or services that may impact the objectivity and independence of the independent accounting firm. The Committee shall take, or recommend that the Board of Trustees take, appropriate action to oversee the independence of the independent accounting firm.
4. Review and approve CEO compensation. Acting with other Independent Trustees, the Committee will annually evaluate CEO compensation based partly on the Chairman's report on CEO performance, as well as College performance and institutional effectiveness, the value of similar compensation to CEOs at comparable colleges or companies, and the awards given to the College's CEO in past years.

### Financial Reporting Process

1. The Committee shall review and discuss with management the audited financial statements of the College and the results of the year-end audit by the College's independent accounting firm and make a recommendation to the Board to vote for approval of audit.
2. The Committee shall discuss with management compliance with respect to disclosures of insider and related party transactions. The Committee shall ask the independent accounting firm to comment on these matters as appropriate.
3. The Committee shall review with management and the independent accounting firm any non-routine correspondence with regulators or governmental agencies and any employee complaints or published reports that raise material issues regarding the College's financial statements or accounting policies.

### Internal Controls

1. In consultation with the independent accounting firm and management, review annually (i) the adequacy of the College's internal accounting controls and the financial reporting process, and (ii) the status of internal accounting control recommendations made by the independent accounting firm.
2. The Committee shall report to the Board any material instances of non-compliance with respect to ethical conduct, disclosures of insider and related party transactions, any significant issues that not being addressed by management including compliance with key regulatory requirements, and any relationships or services that may impact the objectivity and independence of the accounting firm.

### Compliance

To the extent deemed necessary by the Committee, in its sole discretion, it shall have the authority to engage outside legal counsel and/or independent accounting consultants, at the College's expense, to review any matter under its responsibility.

### General

1. The Board of Trustees shall have the right to modify or rescind any powers delegated to the Committee or to terminate the Committee in its entirety at any time or from time to time, provided that no such modification, rescission, or termination shall be deemed to cancel, limit, or otherwise adversely affect any action taken by the Committee within the scope of its authority prior to such modification, rescission, or termination.
2. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the College's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. This is the responsibility of management and the independent accounting firm. Nor is it the

duty of the Committee to conduct investigations, to resolve disagreements, if any, between management and the independent accounting firm or to assure compliance with laws and regulations.