

**Wisconsin Economic Development Corporation
Resolution of the Board of Directors**

July 23, 2013

Re: Resolutions on Creation of Committees and Appointment of Committee Members

The following resolutions of the Board of Directors of the Wisconsin Economic Development Corporation (WEDC), a public body corporate and politic, is adopted at a meeting of the Board of Directors held on the date set forth above, following the required notice and with quorum of the Board of Directors present pursuant to Chapter 238 of the Wisconsin Statutes:

WHEREAS, Article III, Section 14(a) of the Amended and Restated Bylaws, as revised on today's date, provides that the Board of Directors may authorize the creation of standing or temporary committees, and the Board of Directors or Chairperson of the Board of Directors may appoint members to those committees;

WHEREAS, the Board of Directors has reviewed the charters creating a Policy Committee, a Contracts Committee, and an Awards Risk Committee, and charters for the existing Audit Committee and Compensation & Benefits Committee, all of which are attached as Exhibit A; and

WHEREAS, the Chairperson of the Board of Directors has nominated the individuals identified in the respective charters to serve on the three newly created committees.

RESOLVED, the Board of Directors authorizes the creation of the Policy Committee, Contracts Committee, and Awards Risk Committee as committees of the Board of Directors with the powers and duties outlines in the respective charters.

RESOLVED, the Board of Directors approves the charters attached as Exhibit A for the Policy Committee, Contracts Committee, Awards Risk Committee, Audit Committee and Compensation & Benefits Committee.

RESOLVED, the Board of Directors appoints the individuals identified in the respective, attached charters to serve on the Policy Committee, Contracts Committee, and Awards Risk Committee.

RESOLVED, the Board of Directors of WEDC authorizes and approves the CEO or his designee, to do or cause to be done all other actions, and to execute all documents necessary or convenient in order to accomplish the intent and objectives of the foregoing resolutions.

This Resolution shall take effect immediately upon its adoption on July 23, 2013.

Wisconsin Economic Development Corporation

Audit Committee Charter

The Wisconsin Economic Development Corporation (WEDC) is managed by its Board of Directors as set forth in Chapter 238 of the Wisconsin Statutes (Authorizing Statute) and the Bylaws of the Board of Directors (Bylaws). Article III, Section 14(c) of the Bylaws creates the Audit Committee and states that it “shall advise the Board of Directors on compliance with any audit requirements as set forth in the Authorizing Statute, by the Board of Directors, or in other laws.” This Charter will assist the Audit Committee fulfill its duties to the Board of Directors.

1. The Audit Committee is governed by and shall maintain compliance with the Authorizing Statute, the applicable State’s Ethics Code codified in Chapter 13 and 19 of the Wisconsin Statutes, and any Bylaws or Resolutions put forth by the Board of Directors.

2. As set forth in the Bylaws, the Audit Committee shall be comprised of three members of the Board of Directors, including at least one Director who is not an elected official.

a. Steps to Accomplish Objective (Checklist)

- ☐ Any independent auditors contracted by WEDC will not serve on the Audit Committee or on the Board of Directors.

b. Deliverable

Indicate in the Audit Committee minutes whenever a new committee member is appointed.

c. When to Achieve (Frequency/Due Date)

Affirm annually or whenever a change in status by any Audit Committee member occurs.

2. Review the Committee’s Charter annually, reassess the adequacy of this Charter, and recommend any proposed changes.

a. Steps to Accomplish Objective (Checklist)

- ☐ Review the Charter each year. Assess the appropriateness of each point in the Charter in light of the previous years’ experience.
- ☐ Assess the completeness of the Charter in light of new best practices and new legal or regulatory requirements.



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- b. Deliverable**

Report to the Board of Directors on the appropriateness of the Audit Committee Charter and any revisions recommended.
 - c. When to Achieve (Frequency/Due Date)**

Review annually, unless changes are needed during the course of the year.
- 3. The Audit Committee will meet as needed to address matters on its agenda, but not less frequently than twice each year. The Audit Committee may ask members of management or others to attend the meeting and provide pertinent information as necessary.**
 - a. Steps to Accomplish Objective (Checklist)**
 - ☐ In-person meetings should be held at least once each year. All members are expected to attend each meeting in person, via telephone conference, or videoconference.
 - b. Deliverable**

Meeting minutes should be filed with the Board of Directors.
 - c. When to Achieve (Frequency/Due Date)**

Minutes should be distributed as soon as possible but no later than before the next meeting.
- 4. The Audit Committee, with the approval of the Board of Directors, will hire independent auditors or other consultants as necessary. (This may take place any time during the year.)**
 - a. Steps to Accomplish Objective (Checklist)**
 - ☐ Establish a policy for the Audit Committee to approve engaging independent auditors and other experts.
 - ☐ Requests for proposals should be used if time permits.
 - b. Deliverable**

Prepare an engagement letter for each engagement.

Report submitted by external accountant, counsel, or consultant.
- 5. Appoint the independent auditors to be engaged by WEDC, establish the audit fees of the independent auditors, and preapprove any non-audit services provided by the independent auditors.**
 - a. Steps to Accomplish Objective (Checklist)**
 - ☐ Review and evaluate the professional relationship with the auditors, including continuity of partner, manager, and staff; and level of service provided by auditors.
 - b. Deliverable**

Document these discussions in the Audit Committee meeting minutes. Report on findings and provide recommendations to the Board of Directors as considered necessary.

c. When to Achieve (Frequency/Due Date)

Review soon after the audit has been approved, so the recommendation for the appointment of the outside auditor in the next fiscal year can be documented in the minutes.

6. Review with the independent auditors and the Chief Financial Officer (CFO):

The adequacy of WEDC's internal controls, including computerized information system controls and security.

Any related significant findings and recommendations of the independent auditors and internal audit services, together with management's responses thereto.

a. Steps to Accomplish Objective (Checklist)

- ☐ Review these plans with the independent auditor to understand their scope with respect to key controls.

b. Deliverable

Report to the Board of Directors on issues relating to internal controls, with emphasis on management's ability to override controls and the monitoring and testing relating to this capacity.

c. When to Achieve (Frequency/Due Date)

Submit a comprehensive report to the Board of Directors each year.

7. Review with each accounting firm that performs an audit:

All critical accounting policies and practices used by WEDC.

All alternative treatments of financial information within generally accepted accounting principles, the ramifications of each alternative, and the treatment preferred by WEDC.

a. Steps to Accomplish Objective (Checklist)

- ☐ Discuss each matter, and related matters that may come to the attention of the Audit Committee and/or the independent auditor through this process.

b. Deliverable

Submit reports and documentation of discussions.

c. When to Achieve (Frequency/Due Date)

Review annually.

8. Review with management and the independent auditors:

WEDC annual financial statements and related footnotes.

The independent auditors' audit of the financial statements and their report thereon.

The independent auditors' judgments about the quality, not just the acceptability, of WEDC's accounting principles as applied in its financial reporting.

a. Steps to Accomplish Objective (Checklist)

- ☐ Discuss each matter, and others that may come to the attention of the Audit Committee through this process, with management (including the CFO) and the independent auditors.

b. Deliverable

Submit reports and documentation of discussions, resolution of disagreements, or action plan for any item requiring follow-up.

c. When to Achieve (Frequency/Due Date)

Review at the completion of the annual external audit.

9. Review procedures for the confidential, anonymous submission by WEDC employees of concerns regarding questionable accounting or auditing matters.

a. Steps to Accomplish Objective (Checklist)

- ☐ Review procedures with the CFO.
- ☐ Ensure that proper steps are taken to investigate complaints and resolve timely.

b. Deliverable

Review an original of each complaint received no matter the media used to submit.

Review a cumulative list of complaints submitted to date to review for patterns or other observations.

c. When to Achieve (Frequency/Due Date)

Review at least annually.

10. The Audit Committee will evaluate the independent auditors and internal audit functions, if applicable.

a. Steps to Accomplish Objective (Checklist)

- ☐ Use information from executive sessions conducted throughout the year.

b. Deliverable

Submit recommendations for change in the process and procedures.

c. When to Achieve (Frequency/Due Date)

Review after completion of the annual audit.

11. Create an agenda for the ensuing year or review and approve the agenda submitted by the CFO.

a. When to Achieve (Frequency/Due Date)

- ☐ Review before the upcoming year.

AWARDS ADMINISTRATION COMMITTEE CHARTER

Mission

WEDC's Board Awards Administration Committee is charged with evaluating recommendations for and approving certain economic development awards. The committee will approve loans amounting to over \$1 million up to \$10 million, grants amounting to over \$500,000 and up to \$2 million, and tax credits (except enterprise zones) amounting to over \$5 million and up to \$10 million. The Board Awards Administration Committee will also serve in an advisory capacity to WEDC to ensure the Awards Administration Policy remains up to date and is in compliance with current industry standards.

Authority and Responsibilities

Award Approvals

This committee will have final approval on all award requests and award amendments that fall within its approval authority. Any award or amendment that exceeds this limit will first be presented to this committee, and then will be routed to the full Board for final approval.

Inform the Board

Inform the full Board of Directors of actions taken by the Board Awards Administration Committee and of issues arising at committee meetings.

Organization

Membership, Structure, Quorum

The Board Awards Administration Committee shall consist of at least eight members: two Board members, WEDC's Chief Executive Officer, WEDC's Chief Operating Officer, WEDC's Chief Financial Officer, WEDC's Vice President of Credit & Risk, and two individuals with extensive banking experience who are no longer employed at a financial institution (nonvoting members¹). The committee chair shall be appointed by the Board chair or elected by the committee. A quorum of any meeting of the Board Awards Administration Committee shall consist of one WEDC Board member, one committee member that is a former banker, and one WEDC staff member of the committee.. Committee members may participate by teleconference.

As of the date of the 2013 Annual Meeting of the Board (July 23, 2013), the members of the Board Awards Administration Committee are WEDC Board members Paul Radspinner and Ray Dreger; Retired Banking Representatives Richard Hansen and Ronald Slater; Reed Hall (WEDC CEO); Ryan Murray (WEDC COO); Stephanie Walker (WEDC CFO); and Jake Kuester (WEDC VP of Credit & Risk).

Staff Designee

WEDC legal counsel and administrative support will be provided at the committee meetings.

Agenda, Minutes, and Reports

The chair, in collaboration with WEDC staff, shall be responsible for establishing the agendas for meetings. An agenda, together with the relevant materials, shall be sent to committee members in advance of the meeting. Minutes for all meetings shall be drafted by WEDC staff, reviewed by the committee chair, and approved by the committee members at the following meeting. Committee meetings are subject to the open meetings laws.

¹ Wisconsin Statutes § 238.02(4) vests the Board with all the powers and duties of WEDC, except, as delegated to an employee of WEDC. "All powers and duties assigned to the corporation under this chapter shall be exercised or carried out by the board, unless the board delegates the power or duty to an employee of the corporation."

COMPENSATION & BENEFITS COMMITTEE CHARTER

Mission

The Compensation & Benefits Committee of the Board maintains the sole authority to determine all elements of the CEO's compensation package. The committee also reviews and advises the Board of Directors on benefits for all employees of WEDC, reviews human resources related matters such as WEDC's compensation strategy, and reports and makes recommendations to the full Board as appropriate.

Authority and Responsibilities

CEO Salary

Determine the CEO's compensation package.

Advisory Functions

Advise Board on matters related to WEDC's benefits, compensation strategy, and other human resources related matters.

Inform the Board

Inform Board of actions taken by the Compensation & Benefits Committee and of issues arising from committee meetings.

Organization

Membership, Structure, Quorum

According to WEDC's Bylaws, the Chair of the Board nominates, and with the Board's approval, designates a Compensation & Benefits Committee consisting of three directors who are not directly employed by a governmental agency or authority. The committee chair shall be elected by the other Committee members or appointed by the Board chair. A quorum of any meeting of the Compensation & Benefits Committee shall consist of a majority of its voting members. Committee members may participate by teleconference.

As of the date of the 2013 Annual Meeting of the Board (July 23, 2013), the members of the Compensation & Benefits Committee are Lisa Mauer, Tom Sylke, and Scott Klug.

Staff Designee

WEDC's COO and Human Resources Manager will participate in Compensation & Benefits Committee meetings. In addition, WEDC legal counsel and administrative support will be provided at these meetings.

Agenda, Minutes, and Reports

The chair, in collaboration with WEDC staff, shall be responsible for establishing the agendas for meetings. An agenda, together with the relevant materials, shall be sent to committee members in advance of the meeting. Minutes for all meetings shall be drafted by WEDC staff, reviewed by the committee chair, and approved by the committee members at the following meeting. Committee meetings are subject to the open meetings laws.

CONTRACTS COMMITTEE CHARTER

Mission

The purpose of the Contracts Committee is to fulfill the Board of Directors' obligation to verify the accuracy of information required to be reported by recipients of WEDC financial assistance and to review and approve contracts for goods and services over \$250,000.

Authority and Responsibilities

Reporting Verification

Annually and independently verify, from a sample of grants and loans, the accuracy of the information required to be reported by recipients of financial assistance to WEDC, as is required by Wis. Stat. § 238.03(2)(e). This will include reviewing contracts to ensure required language is incorporated in the contracts sampled, and that the information submitted by the recipients is accurate.

Contract Approval

Review and approve proposed contracts for goods and services in amounts over \$250,000.

Inform the Board

Inform the full Board of Directors of actions taken by the Contracts Committee and of issues arising regarding contract and reporting verification and contracts for goods and services.

Organization

Membership, Structure, Quorum

The Contracts Committee shall consist of at least two members from the Board of Directors, and at least one representative from the private or academic sector (nonvoting member¹). The committee chair shall be appointed by the Board chair or elected by the committee. A quorum of any meeting of the Contracts Committee shall consist of a majority of its voting members. Committee members may participate by teleconference. Nonvoting members may vote on recommendations to the full Board.

As of the date of the 2013 Annual Meeting of the Board (July 23, 2013), the members of the Contracts Committee are WEDC Board members Corey Hoze and Tom Sylke; Stephanie Walker (WEDC CFO); UW Law School professor Jason Yackee (nonvoting); and R.D. Nair Accounting professor UW School of Business (non-voting).

Staff Designee

WEDC legal counsel and administrative support will be provided at the Committee meetings.

Agenda, Minutes, and Reports

The chair, in collaboration with WEDC staff, shall be responsible for establishing the agendas for meetings. An agenda, together with the relevant materials, shall be sent to committee members in advance of the meeting. Minutes for all meetings shall be drafted by WEDC staff, reviewed by the committee chair, and approved by the committee members at the following meeting. Committee meetings are subject to the open meetings laws.

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POLICY COMMITTEE CHARTER

Mission

The Policy Committee of the Board is charged with reviewing all of WEDC's internal systems policies. The Policy Committee will have the authority to approve policies, direct any systems policies to be amended, or refer any systems policies for review and approval by the full Board.

Authority and Responsibilities

Operational Policy Review

The Policy Committee will review WEDC's internal systems policies. After its review, the committee may approve the policy, direct WEDC to amend the policy, or take the policy to the full Board for its review and approval. Systems policies approved by the CEO after July 23, 2013 will not be effective until approved by the Policy Committee and, if applicable, the Board. Systems policies approved by the CEO before this date are approved on an interim basis subject to review and approval by the Policy Committee and, if applicable, the Board.

The Policy Committee will also regularly review WEDC's existing systems policies.

Inform the Board

Inform the full Board of Directors of actions taken by the Policy Committee and any issues arising from committee meetings.

Organization

Membership, Structure, Quorum

The Policy Committee shall consist of at least two members from the Board of Directors and at least one representative from the private or academic sector (nonvoting member¹). The committee chair shall be appointed by the Board chair or elected by the committee. A quorum of any meeting of the Policy Committee shall consist of a majority of its voting members. Committee members may participate by teleconference. Nonvoting members may vote on recommendations to the full Board.

As of the date of the 2013 Annual Meeting of the Board (July 23, 2013), the members of the Policy Committee are WEDC Board members Tom Sylke and Senator Julie Lassa, UW Law Clinical Instructor Anne Smith (nonvoting), and UW School of Business Director and Professor Jim Johannes (nonvoting).

Staff Designee

WEDC's COO will participate in the Policy Committee meetings. In addition, WEDC legal counsel and administrative support will be provided at the meetings.

Agenda, Minutes, and Reports

The chair, in collaboration with WEDC staff, shall be responsible for establishing the agendas for meetings. An agenda, together with the relevant materials, shall be sent to committee members in advance of the meeting. Minutes for all meetings shall be drafted by WEDC staff, reviewed by the committee chair, and approved by the committee members at the following meeting. Committee meetings are subject to the open meetings laws.

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