

Missouri Technology Corporation

Audit Committee

Charter

Purpose

There shall be a standing committee of the Board of Directors (“Board”) of Missouri Technology Corporation (“MTC”) known as the Audit Committee (“Committee”). The Committee will assist the Board in fulfilling its responsibilities for, among other things, oversight of the quality and integrity of MTC’s financial management, including its accounting, auditing, internal control, and financial reporting practices. The Committee may also have such other duties as may from time to time be assigned to it by the Board. The Committee will maintain free and open communications with the Office of the State Auditor (the “Auditors”) and staff of MTC (the “Staff”). In discharging its oversight role, the Committee is empowered to investigate any matter relating to MTC’s financial management brought to its attention. The Committee has the authority to retain outside counsel, auditors, or other advisors in its sole discretion and at MTC’s expense, including engaging public accountants to perform specified procedures requested by the Committee such as verification of cash balances and compliance with internal controls.

Structure and Membership

Pursuant to the terms of MTC’s Bylaws, the Committee will be comprised of five members of the Board: the Chairperson of the Board, the Secretary/Treasurer, and three Board Members elected by the Board. No member of the Committee may receive, directly or indirectly, other than as a member of the Committee or the Board, any consulting, advisory or other compensatory fees from MTC. Indirect fees include, but are not limited to, payments by MTC to the Committee member’s family members and payments to law firms, accounting firms, consulting firms, investment and other banks, or financial advisory firms in which the committee member or a family member is an owner, partner, member, executive officer or holder of a similar position. All members of the Committee should have a working familiarity with basic financial and accounting practices. In addition, to the extent possible, at least one member of the Committee should possess the following attributes:

- An understanding of generally accepted accounting principles (“GAAP”) and financial statements;
- Experience in the preparation or auditing of financial statements of entities comparable to MTC and in the application of GAAP in connection with the accounting for estimates, accruals, and reserves that are generally comparable to the estimates, accruals and reserves, if any, used in MTC’s financial statements;
- Experience with internal accounting and financial controls and procedures; and
- An understanding of audit committee functions.

Such person will be deemed to have such attributes if such person has acquired them through any one or more of the following:

- Education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions;
- Experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions; or
- Experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements.

Each Committee member will be appointed for a one-year term, and will hold office until a successor is elected and qualified or until such director's earlier death, resignation or removal. A Committee member will be deemed to have been removed from the Committee concurrently with and upon such member's removal or resignation from his or her position as a director on the Board. Vacancies resulting from death, resignation or removal of a member or a newly created Committee membership resulting from any increase in the authorized number of members will be filled by the Chairperson of the Board, and any member so chosen will hold office until the next annual appointment of members by the Chairperson of the Board at which such member's successor is duly appointed, or until such member's earlier death, resignation or removal.

Procedures

The Committee will have a Chairperson and a Vice-Chairperson as designated by the Chairperson of the Board from the Committee's membership. The Committee Chairperson is responsible for the leadership of the Committee, including scheduling and presiding over meetings, setting agendas, and making regular reports to the Board. The Committee Vice-Chairperson, in the absence or disability of the Committee Chairperson, is to perform all of the duties of the Committee Chairperson. A majority of the members of the Committee will constitute a quorum and an action by a majority of the members at a meeting at which there is a quorum will constitute an action of the Committee.

The Committee will meet at least quarterly and more frequently if circumstances warrant and as the Committee considers necessary. The Committee Chairperson or a majority of the Committee's members may call a Committee meeting whenever he, she or they believe there is a need. Unless waived by a Committee member, notice of all meetings of the Committee shall be given to each member in writing and delivered to him or her either personally, by mail, or by electronic mail ten days prior to the date called for such meeting. A member's attendance at or participation in a meeting waives any required notice of any meeting unless the member upon arriving at the meeting objects to lack of notice and does not vote for or assent to the objected action. Except as required by the Missouri Open Records Act, neither the business to be transacted at, nor the purpose of, any meeting of the Committee need be specified in any notice of such meeting. The Committee may ask members of the Staff, the Auditors and others who are involved in MTC financial management matters to attend and make reports at Committee meetings. The Committee will meet with the Auditors and the Staff in separate sessions, as necessary or appropriate, to discuss matters the Committee believes should be confidential.

The Committee will comply with the record keeping and reporting obligations set forth in MTC's Record Retention Policy. The Committee may make appropriate recommendations to the Board within the scope of its responsibilities.

Responsibilities

The Committee's job is one of oversight. Staff is responsible for the preparation of MTC's financial statements and the Auditors are responsible for auditing those financial statements. It is recognized that the Staff and the Auditors have more detailed knowledge and information regarding MTC's financial management practices than do Committee members; accordingly, the Committee's oversight role is not expected to provide expert or special assurance as to the financial statements, or other financial information produced by MTC.

The Committee is responsible to assist the Board in performing its fiduciary duties relative to the accounting and financial reporting practices and the integrity of the financial reports of MTC. In this respect, it is the responsibility of the Committee to provide a medium for open communication between the Board, the Auditors and Staff.

In fulfilling its responsibilities, the Committee's policies and procedures should remain flexible in order that the Committee can best react to developments and assure the Board that MTC's accounting and reporting practices are of the highest quality.

Although the Committee may wish to consider other duties from time to time, the general recurring activities of the Committee in carrying out its oversight role are described below. The Committee is responsible for the following:

1. Reviewing and approving transactions involving conflicts of interest between MTC and any of MTC's Board members, officers and employees pursuant to the procedures set forth in MTC's Conflict of Interest Policy;
2. Overseeing internal investigations, including whistleblower reports;
3. Overseeing the short-term investment of MTC cash, in accordance with MTC's short-term investment policy, as from time to time in effect (the "S-T Investment Policy"), including engagement of an investment manager (the "S-T Manager");
4. Meeting periodically with the S-T Manager, if any, to review S-T Investment Policy, investments, investment performance and MTC's cash flow needs;
5. Assisting the Treasurer in preparing any reports to be presented to the Board;
6. Assisting the Auditors in connection with audits of MTC's financial statements;
7. Reviewing accounting policies and principles applied in MTC's financial statements;
8. Reviewing MTC's audited financial statements, including financial disclosures and the Auditor's report, and discussing them with the Staff and the Auditors prior to the release of the financial statements to non-management personnel and the Board;
9. Overseeing the relationship with the Auditors, including discussing with the Auditors the nature and rigor of the audit process, receiving and reviewing audit reports, and providing the Auditors full access to the Committee to report on any and all appropriate matters;
10. Discussing with the Staff and the Auditors the quality and adequacy of and compliance with MTC's internal controls. Based on such discussions, the Committee will make recommendations to the Board in this regard as the Committee deems appropriate;
11. Ensuring, through discussions with the Auditors, that no restrictions were placed by the Staff on the Auditors or their examination;
12. Reviewing with the Auditors and the financial management of MTC any proposed or implemented change in accounting principles and its potential affect on the financial statements;
13. Requiring the Staff to inform the Committee when it seeks a second opinion on any significant accounting issue;
14. Discussing with the Staff and/or MTC's or Committee's legal counsel any legal matters (including the status of pending litigation) that may have a material impact on MTC's financial statements or operations and any material reports or inquiries from regulatory or governmental agencies;
15. Developing and recommending to the Board policies with respect to matters within the purview and jurisdiction of the Committee and periodically reviewing such policies and recommending changes;
16. Reviewing the Conflict of Interest Policy from time to time and making recommendations to the Board in its regard; and

17. Reviewing the Committee's Charter from time to time and making recommendations to the Board with respect to the same.

Adopted: October 25, 2010