

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

## ADVISORY COMMITTEE ON SMALL AND EMERGING COMPANIES

### CHARTER

- 1. Committee's Official Designation.** The official designation of the committee is "Securities and Exchange Commission Advisory Committee on Small and Emerging Companies" (the "Committee").
- 2. Authority.** The Committee is established under the authority of the Securities and Exchange Commission (the "Commission") in accordance with Section 9(c) of the Federal Advisory Committee Act, 5 U.S.C.–App. (the "Act").
- 3. Objective and Scope of Activities.** The Committee's objective is to provide the Commission with advice on its rules, regulations, and policies with regard to its mission of protecting investors, maintaining fair, orderly, and efficient markets, and facilitating capital formation, as they relate to the following:
  - (1) capital raising by emerging privately held small businesses ("emerging companies") and publicly traded companies with less than \$250 million in public market capitalization ("smaller public companies") through securities offerings, including private and limited offerings and initial and other public offerings;
  - (2) trading in the securities of emerging companies and smaller public companies; and
  - (3) public reporting and corporate governance requirements of emerging companies and smaller public companies.

The Committee's scope does not include, however, any policies, practices, actions or decisions concerning the Commission's enforcement program.

- 4. Description of Duties.** The Committee shall function solely as an advisory body. Its duties shall extend only to providing advice, including advice in the form of recommendations, to the Commission. The Commission shall retain full authority to determine actions to be taken and policies to be expressed with respect to matters within its jurisdiction upon which the Committee may provide advice.
- 5. Official to Whom the Committee Reports.** The Committee shall provide its advice to the Commission through the Chair of the Commission or a designee. The Committee need not reach consensus on every issue, and may choose to provide the Commission with differing views or a range of views.

**6. Support.** The Commission shall provide any necessary support services for the Committee, primarily through its Office of Small Business Policy in its Division of Corporation Finance, to the extent permitted by law and subject to the availability of resources.

**7. Estimated Annual Operating Costs and Staff Years.** The estimated annual operating costs of the Committee in dollars and staff-years are as follows:

(1) dollar cost: \$59,500 per year, for travel expenses of Committee members and Commission personnel and other miscellaneous expenses; and

(2) staff years: one staff year, per year, of Commission personnel time.

**8. Designated Federal Officer.** At least one full-time or permanent part-time Commission employee will be appointed to serve as Designated Federal Officer (“DFO”) of the Committee. The DFO, or an alternate DFO, will approve or call all meetings of the Committee and any of its subcommittees, approve all meeting agendas, attend all meetings, adjourn any meeting when the DFO or an alternate DFO determines adjournment to be in the public interest, and chair meetings when directed to do so by the Chair of the Commission or her designee.

**9. Estimated Number and Frequency of Meetings.** The Committee shall meet at such times as are necessary to carry out its duties, currently anticipated to be four times a year.

**10. Duration.** The Committee shall operate until the earlier of the termination date as set forth in Article 11 below or such earlier date the Commission determines.

**11. Termination Date.** Unless renewed by appropriate action, the Committee shall terminate two years from the date this charter is filed as set forth in Article 15 below.

**12. Membership and Designation.** The Committee shall be composed of 13 to 20 members representing a cross-section of those directly affected by, interested in, and/or qualified to provide advice to the Commission on its rules, regulations, and policies as set forth in Article 3. This membership may include officers and directors of emerging companies and smaller public companies, and professional advisors to and investors in such companies, as well as other participants in the markets for the securities of such companies. The Committee’s representative membership will be balanced fairly in terms of points of view represented and functions to be performed. In addition, non-voting members of the Committee from the North American Securities Administrators Association and/or the U.S. Small Business Administration may also be named. No special government employees, within the meaning of 18 U.S.C. §202(a), shall be named to the Committee. Members of the Committee are appointed by and serve at the pleasure of the Commission.

**13. Subcommittees.** The Committee may form subcommittees or subgroups as it deems appropriate with the approval of the DFO. Any such subcommittees and subgroups shall

report any recommendations and advice to the Committee for full deliberations and discussion. Subcommittees or subgroups shall have no authority to make decisions on behalf of the Committee, nor may they report directly to the Commission or to any federal officer or employee. It is expected that subgroups or subcommittees will not meet more than four times each year, but may meet more frequently, as necessary.

**14. Recordkeeping.** The official records generated by or for the Committee shall be handled in accordance with General Records Schedule 6.2, or another approved agency records disposition schedule. These records shall be available for public inspection and copying, subject to the Freedom of Information Act, 5 U.S.C. §552.

**15. Filing Date of Charter.** The Committee is authorized to meet and take action as of the date of the filing of this Charter on September 24, 2015 with the Chair of the Commission, the Committee on Banking, Housing, and Urban Affairs of the U.S. Senate, the Committee on Financial Services of the U.S. House of Representatives, the Committee Management Secretariat of the General Services Administration, and the Library of Congress.

Date: September 24, 2015