

Los Angeles County Museum of Art

Audit Committee of the Board of Trustees

Policy and Procedures for Review of Executive Compensation

Adopted October 6, 2009

Preamble

The Board of Trustees of Museum Associates, a California public benefit corporation doing business as the Los Angeles County Museum of Art (LACMA) has adopted bylaws that delegate to the Audit Committee of the Board of Trustees responsibility for reviewing the reasonableness of executive compensation. The goal of LACMA's executive compensation process is to provide total compensation, including salaries and benefits, that is commensurate with performance and competitive with comparable positions at organizations similar in activities and scope, while conforming LACMA's practices with federal and state law.

Policy

The review and approval of the reasonableness of executive compensation shall be made by the Audit Committee of the Board of Trustees, comprised of independent Trustees of Museum Associates. In reviewing the total compensation of the Director, President, Chief Financial Officer and other officers and key employees of LACMA ("Disqualified Persons"), the Audit Committee shall, upon initial employment of a Disqualified Person, at any time a Disqualified Person's compensation is renewed, extended, or modified, and at least annually, determine whether such proposed total compensation is reasonable, based upon a review of (a) the performance of such person and (b) appropriate data as to comparability from competent internal and/or external sources. In addition, the Audit Committee shall contemporaneously document its deliberations and decisions on executive compensation.

The General Counsel shall be available to attend all relevant meetings of the Audit Committee reviewing and approving executive compensation, and shall provide advice and assistance to such persons in carrying out their responsibilities under applicable law (including, but not limited to standards defining independence, Disqualified Persons, total compensation and appropriate comparability data), LACMA's bylaws, LACMA's Ethics Policy and other relevant policies and procedures.

Procedures

Review and Approval by Independent Persons

The compensation of each Disqualified Person shall be reviewed and approved by the Audit Committee of the Board of Trustees in the absence of such Disqualified Person. The members of the Audit Committee shall serve as independent persons as defined in applicable

law. Pursuant to Section 14(d) of LACMA's bylaws, no Trustee who is an employee of or contractor with LACMA, or who has a material financial interest or other interest in any transaction affecting, or a material financial interest in any entity doing business with, LACMA, may serve on the Audit Committee. The Chair of the Audit Committee may not be a member of the Finance Committee and members of the Finance Committee must constitute less than one half of the membership of the Audit Committee.

Comparability Data

The Audit Committee reviews and compares compensation levels for Disqualified Persons with those reported for functionally comparable and analogous positions at comparable organizations, both taxable and tax-exempt. The Audit Committee relies on appropriate data as to comparability from competent internal and/or external sources. The comparative information must be reasonably researched and selected for similar positions among organizations of comparable scope, scale and purpose. The nature of the comparative information (i.e., how it is compiled, by whom, etc.), shall be disclosed to the Audit Committee. The Audit Committee has the discretion to hire independent consultants to research and present comparative information as to compensation should the Committee so choose.

Contemporaneous Substantiation of the Deliberation and Decision

In administering the above procedures, the Audit Committee maintains minutes and such other documentation as is necessary and appropriate to document the review of executive compensation for Disqualified Persons. To the extent possible, such documentation shall note the terms of the compensation and the date it was considered and approved, the members of the Audit Committee present and those who voted on approval, the comparability data obtained and relied upon and how such data was obtained. The requirement for contemporaneous documentation shall be fulfilled by the approval of definitive minutes of the Audit Committee meeting at which the decision was made, not later than the meeting of the Audit Committee following such decision.