



**NY Power
Authority**

**Canal
Corporation**

March 22, 2023

GOVERNANCE COMMITTEE CHARTER

A. PURPOSE

The purpose of the Governance Committee (“Committee”) is to: keep the New York Power Authority (“Authority”) Board of Trustees (“Trustees”) and the New York State Canal Corporation (“Canal Corporation”) Board of Directors (“Board of Directors”) informed of current best governance practices; review corporate governance trends; recommend updates to the corporate governance principles; advise appointing authorities on the skills and experiences required of potential Trustees/Board of Directors; examine ethical and conflict of interest issues; perform self-evaluations; review and recommend by-laws which include rules and procedures for conduct of business; and perform such other responsibilities as the Trustees/Board of Directors shall assign to it.

B. MEMBERSHIP AND ORGANIZATION

(1) Committee Composition

The Committee shall be comprised of not less than three independent members of the Trustees/Board of Directors. All members shall possess the necessary skills to understand the duties and functions of the Committee. Committee members and the Committee Chair shall be selected by a vote of the Trustees/Board of Directors.

(2) Term

Committee members shall serve for a period of five years subject to their term of office under Public Authorities Law § 1003. Committee members may be reelected to serve for additional periods of five years subject to their term of office. A Committee member may resign his or her position on the Committee while continuing to serve as a Trustee/Board of Director. In the event of a vacancy on the Committee due to death, resignation or otherwise, a successor will be selected to serve in the manner and for the term described above.

(3) Removal

A Committee member may be removed if he or she is removed as a Trustee/Board of Director for cause, subject to Public Authorities Law § 2827, or is no longer eligible to serve as a Committee member.

(4) Meetings and Quorum

The Committee shall hold regularly scheduled meetings at least twice per year. A Committee member may call a special meeting of the Committee individually, or upon the request of the Chair, President and Chief Executive Officer, Vice President and Chief Ethics and Compliance Officer, Executive Vice President and Chief Operating Officer, Executive Vice President and General Counsel.

In addition, the Committee shall meet at least twice per year with the Vice President and Chief Ethics and Compliance Officer to discuss the effectiveness of the organization's overall ethics and compliance program and reported instances of Code of Conduct violations. These meetings may be held as part of a regular or special meeting at the Committee's discretion.

An agenda shall be prepared and distributed to each Committee member prior to each meeting and minutes shall be prepared in accordance with the New York Open Meetings Law. A majority of the total Committee composition established pursuant to section B(1) of this Charter shall constitute a quorum for the purposes of conducting the business of the Committee and receiving reports.

Any meeting of the Committee may be conducted by video conferencing. To the extent permitted by law, the Committee may hold meetings or portions of meetings in executive session.

C. FUNCTIONS AND POWERS

(1) Code of Conduct, Ethics, Compliance and Governance Practices

The Committee shall seek to: (1) ensure the effectiveness of management's monitoring of the Authority's/Canal Corporation's compliance with the Code of Conduct and programs and Authority's/Canal Corporation's policies designed to ensure compliance with legal and regulatory matters; and (2) promote honest and ethical conduct by the Trustees/Board of Directors, officers and employees to enhance public confidence in the Authority/Canal Corporation. To accomplish these objectives the Committee shall:

- a. Review at least annually the Code of Conduct and require the Corporate Secretary to coordinate revisions to the Code for consideration and approval by the Trustees/Board of Directors.
- b. Provide oversight and guidance to the Vice President and Chief Ethics and Compliance Officer relating to the programs and policies designed to ensure compliance with applicable laws and regulations.
- d. Periodically review and as necessary recommend changes to the By-laws.

e. Periodically review and as necessary recommend changes to the written corporate policies, including policies relating to conflicts of interest, corporate governance principles, equal opportunity employment, procurement of goods and services, acquisition and disposition of real and personal property or interests therein, record keeping and reporting of contacts by persons who attempt to influence the procurement process, regulations and rate proceedings, and the protection of whistleblowers.

f. Report at least annually to the Trustees/Board of Directors on matters relating to compliance with the Code of Conduct and applicable legal and regulatory matters and make such recommendations as the Committee deems appropriate.

(2) Trustee Performance

The Committee shall advise appointing authorities on the skills and experiences required of Trustees/Board of Directors and perform self-evaluations.

(3) Investigations and Meetings

The Committee shall have the authority to authorize investigations into any matter within the Committee's purview. The Committee may retain independent counsel, accountants, or other professionals pursuant to the procurement and expenditure policies and procedures to assist it in the conduct of any such investigations. The Committee shall have the authority to meet with staff on compliance issues.

(4) Hiring

The Committee shall review and make recommendations to the Trustees/Board of Directors concerning the election and compensation of all officers, consistent with the By-laws, the needs of the Authority/Canal Corporation, good organizational management practices and such other criteria the Committee deems appropriate.

(5) Reports

The Vice President and Chief Ethics and Compliance Officer, and the Vice President Strategic Supply Management shall report to the Committee at all regularly scheduled meetings.

The Committee shall have the authority to require Ethics, Strategic Supply Management, Real Estate and Human Resources staff to prepare additional reports and to produce documents for Committee review.