

GOVERNANCE COMMITTEE CHARTER

A. PURPOSE

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

B. MEMBERSHIP AND ORGANIZATION

(1) Committee Composition

The Committee shall be comprised of not less than three nor more than five independent members of the Board of Trustees. At least three members of the Committee shall be independent members of the Board of Trustees. All members ~~who~~ 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 Board of Trustees.

(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. 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 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 three times per year. A Committee member may call a special meeting of the Committee individually, or upon the

request of the Authority's President and Chief Executive Officer, Vice President of Labor Relations and Chief Ethics and Compliance Officer, Chief Operating Officer, Executive Vice President and General Counsel, or ~~Senior~~-Vice President Enterprise Shared Services.

In addition, the Committee shall meet at least three times per year with the Authority's Vice President of Labor Relations and Chief Ethics and Compliance Officer to discuss the effectiveness of the organization's overall compliance program and reported instances of Code of Conduct violations. These meetings may be held as part of a regular or special meeting in 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 those present, but no less than two Committee members, at a regular or special meeting of the Committee 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 compliance with the Authority's Code of Conduct and programs and Authority policies designed to ensure the Authority's compliance with legal and regulatory matters; and (2) promote honest and ethical conduct by Authority Trustees, officers and employees to enhance public confidence in the Authority. To accomplish these objectives the Committee shall:

- a. Review at least annually the Authority's Code of Conduct, and require the Corporate Secretary to make revisions to the Code for consideration and approval by the Board of Trustees.
- b. Provide oversight and guidance to the Authority's Vice President of Labor Relations and Chief Ethics and Compliance Officer relating to the programs and policies of the Authority designed to ensure compliance with applicable laws and regulations.
- c. Advise the Board of Trustees on current best governance practices and trends.
- d. Periodically review and as necessary recommend changes to the Authority's by-laws.
- e. Periodically review and as necessary recommend changes to the Authority's 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 Authority's procurement process, regulations and rate proceedings, and the protection of whistleblowers.

- f. Report at least annually to the Board of Trustees on matters relating to the Authority's 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 Trustee appointing authorities on the skills and experiences required of Trustees, and perform Trustee 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 professions pursuant to the Authority's 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 Authority staff on compliance issues.

(4) Hiring

The Committee shall review and approve the hiring of the following non-statutory officers: President and Chief Executive Officer, Chief Operating Officer, Executive Vice President and General Counsel, Executive Vice President and Chief Financial Officer and Corporate Secretary.

(5) Reports

The Vice President of Labor Relations and Chief Ethics and Compliance Officer and the Vice President Procurement and **Director** Real Estate shall report to the Committee at all regularly scheduled meetings.

The Committee shall have the authority to require Ethics, Procurement and Real Estate staff to prepare additional reports and to produce documents for Committee review.

