Authority Budget Office
Recommended Guidance

This model Governance Committee Charter reflects current best practices and incorporates the statutory requirements of the Public Authorities Accountability Act. This document is intended for use by public authorities as a guide for formulating and/or revising their own charters. No sample charter can encompass all activities that might be appropriate for a specific authority's governance committee. Given the differences in purpose and resources that exist among public authorities, all the activities identified in this model charter may not be relevant to every authority's governance committee. Therefore, this charter should be modified to address the needs and governing rules of each individual authority.

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MODEL GOVERNANCE COMMITTEE CHARTER

This Governance Committee Charter was adopted by the Board of Directors of the (Name of Authority), a public benefit corporation established under the laws of the State of New York, on this __ day of (Month, Year).

Purpose

Pursuant to Article __, Section __ of the Authority's bylaws, the purpose of the governance committee is to assist the Board by:

- Keeping the Board informed of current best practices in corporate governance;
- Reviewing corporate governance trends for their applicability to the (Name of Authority);
- Updating the (Name of Authority)'s corporate governance principles and governance practices; and
- Advising those responsible for appointing directors to the Board on the skills, qualities and professional or educational experiences necessary to be effective Board members.

Powers of the Governance Committee

The Board of Directors has delegated to the governance committee the power and authority necessary to discharge its duties, including the right to:

- Meet with and obtain any information it may require from authority staff.

- Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the committee deems necessary.

- Solicit, at the Authority's expense, persons having special competencies, including legal, accounting or other consultants as the committee deems necessary to fulfill its responsibilities. The governance committee shall have the authority to negotiate the terms and conditions of any contractual relationship subject to the Board's adopted procurement guidelines as per Public Authorities Law Section 2879, and to present such contracts to the Board for its approval.

Composition and Selection
The membership of the committee shall be as set forth in accordance with and pursuant to Article __, Section ___ of the Authority's bylaws. The governance committee shall be comprised of (X) independent members. (The size of the committee is determined by the Board of Directors.) The governance committee members shall be appointed by, and will serve at the discretion of the (Name of Authority)'s Board of Directors. The Board may designate one member of the governance committee as its Chair. The members shall serve until their resignation, retirement, removal by the Board or until their successors shall be appointed and qualified. When feasible, the immediate past governance committee Chair will continue serving as a member of the Committee for at least one year to ensure an orderly transition.

Governance committee members shall be prohibited from being an employee of the Authority or an immediate family member of an employee of the Authority. In addition, governance committee members shall not engage in any private business transactions with the Authority or receive compensation from any private entity that has material business relationships with the authority, or be an immediate family member of an individual that engages in private business transactions with the Authority or receives compensation from an entity that has material business relationships with the Authority.

The governance committee members should be knowledgeable or become knowledgeable in matters pertaining to governance.

Committee Structure and Meetings
The governance committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter. All committee members are expected to attend each meeting, in person or via telephone or videoconference.

Meeting agendas will be prepared for every meeting and provided to the governance committee members at least five days in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions. The governance committee shall act only on the affirmative vote of a

majority of the members at a meeting or by unanimous consent. Minutes of these meetings are to be recorded.

Reports
The governance committee shall:

- Report its actions and recommendations to the Board at the next regular meeting of the Board.

- Report to the Board, at least annually, regarding any proposed changes to the governance charter or the governance guidelines.

- Provide a self-evaluation of the governance committee's functions on an annual basis.

Responsibilities
To accomplish the objectives of good governance and accountability, the governance committee has responsibilities related to: (a) the Authority's Board; (b) evaluation of the Authority's policies; and (c) other miscellaneous issues.

Relationship to the Authority's Board

The Board of Directors has delegated to the governance committee the responsibility to review, develop, draft, revise or oversee policies and practices for which the governance committee has specific expertise, as follows:

- Develop the Authority's governance practices. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight.

- Develop the competencies and personal attributes required of Directors to assist those authorized to appoint members to the Board in identifying qualified individuals.

In addition, the governance committee shall:

- Develop and recommend to the Board the number and structure of committees to be created by the Board.

- Develop and provide recommendations to the Board regarding Board member education, including new member orientation and regularly scheduled board member training to be obtained from state-approved trainers.

- Develop and provide recommendations to the Board on performance evaluations, including coordination and oversight of such evaluations of

the board, its committees and senior management in the Authority's governance process.

Evaluation of the Authority's Policies
The governance committee shall:

- Develop, review on a regular basis, and update as necessary the Authority's code of ethics and written policies regarding conflicts of interest. Such code of ethics and policies shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees.

- Develop and recommend to the Board any required revisions to the Authority's written policies regarding the protection of whistleblowers from retaliation.

- Develop and recommend to the Board any required revisions to the Authority's equal opportunity and affirmative action policies.

- Develop and recommend to the Board any required updates on the Authority's written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Authority's procurement process.

- Develop and recommend to the Board any required updates on the authority's written policies regarding the disposition of real and personal property.

- Develop and recommend to the Board any other policies or documents relating to the governance of the Authority, including rules and procedures for conducting the business of the Authority's Board, such as the Authority's by-laws. The governance committee will oversee the implementation and effectiveness of the by-laws and other governance documents and recommend modifications as needed.

Other Responsibilities
The governance committee shall:

- Review on an annual basis the compensation and benefits for the Managing Director and other senior Authority officials.

- Annually review, assess and make necessary changes to the governance committee charter and provide a self-evaluation of the governance committee.