

HAMILTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

GOVERNANCE COMMITTEE CHARTER

This Governance Committee Charter was adopted by the Board of Directors of the Hamilton County Industrial Development Agency (HCIDA), a public benefit corporation established under the laws of the State of New York, on this 7th day of June, 2007.

Purpose

Pursuant to Article VI, Section 3 of the HCIDA 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 HCIDA;
- Updating the HCIDA 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 HCIDA staff.
- Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the committee deems necessary.
- Solicit, at the HCIDA 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 VI, section 3 of the HCIDA bylaws. The governance committee shall be comprised of the full board.

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

material business relationships with the HCIDA.

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 HCIDA Board; (b) evaluation of the HCIDA policies; and (c) other miscellaneous issues.

Relationship to the HCIDA 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 HCIDA 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 HCIDA governance process.

Evaluation of the HCIDA's Policies

The governance committee shall:

- Develop, review on a regular basis, and update as necessary the HCIDA 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 HCIDA written policies regarding the protection of whistleblowers from retaliation.
- Develop and recommend to the Board any required revisions to the HCIDA equal opportunity and affirmative action policies.
- Develop and recommend to the Board any required updates on the HCIDA written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the HCIDA procurement process.
- Develop and recommend to the Board any required updates on the HCIDA 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 HCIDA, including rules and procedures for conducting the business of the HCIDA Board, such as the HCIDA 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 Executive Director, Secretary and other senior HCIDA officials.
- Annually review, assess and make necessary changes to the governance committee charter and provide a self-evaluation of the governance committee.