

AUDIT COMMITTEE CHARTER

Purpose

Pursuant to Section 2824(4) of the Public Authorities Accountability Act (the “PAAA”), the Town of Guilderland Industrial Development Agency (the “Agency”) has established an audit committee of the Agency (the “Audit Committee”). The purpose of the Audit Committee shall be to (1) assure that the Agency’s board (the “Board”) fulfills its responsibilities for the Agency’s internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; and (2) provide an avenue of communication between management, the independent auditors, the internal auditors, and the Board.

Powers of the Audit Committee

It shall be the responsibility of the Audit Committee to:

- Appoint, compensate, and oversee the work of any public accounting firm employed by the Agency.
- Conduct or authorize investigations into any matters within its scope of responsibility.
- Seek any information it requires from Agency employees, all of whom should be directed by the Board to cooperate with committee requests.
- Meet with Agency staff, independent auditors or outside counsel, as necessary.
- Retain, at the Agency’s expense, such outside counsel, experts and other advisors as the Audit Committee may deem appropriate.
- The Board will ensure that the Audit Committee has sufficient resources to carry out its duties.

Composition of Committee and Selection of Members

The Audit Committee shall be established as set forth in and pursuant to the PAAA. The Audit Committee shall consist of at least three (3) members of the Board who are independent of Agency operations. The Board will appoint the Audit Committee members and the Audit Committee chairperson. Members shall serve on the committee at the discretion of the Board. Members appointed to the committee shall have the background necessary to perform its duties.

Audit committee members shall be prohibited from being an employee of the Agency or an immediate family member of an employee of the Agency. In addition, Audit Committee members shall not engage in any private business transactions with the Agency or receive compensation from any private entity that has material business relationships with the Agency, or

be an immediate family member of an individual that engages in private business transactions with the Agency or receives compensation from an entity that has material business relationships with the Agency.

Ideally, all members on the Audit Committee shall possess or obtain a basic understanding of governmental financial reporting and auditing.

The Audit Committee shall have access to the services of at least *one financial expert* whose name shall be disclosed in the annual report of the Agency.

The Audit Committee's financial expert should have (1) an understanding of generally accepted accounting principles and financial statements; (2) experience in preparing or auditing financial statements of comparable entities; (3) experience in applying such principles in connection with the accounting for estimates, accruals and reserves; (4) experience with internal accounting controls and (5) an understanding of Audit Committee functions.

Meetings

The Audit 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 this charter.

Members of the Audit Committee are expected to attend each committee meeting, in person. The Audit Committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary. A majority of the committee members present shall constitute a quorum.

Meeting agendas will be prepared for every meeting and provided to the Audit Committee members along with briefing materials seven (7) calendar days before the scheduled Audit Committee meeting. The Audit Committee will act only on the affirmative vote of a majority of the members at a meeting. Minutes of these meetings will be recorded.

The Audit Committee will meet with the Agency's independent auditor at least annually to discuss the financial statements of the Agency.

Minutes of the Audit Committee's meeting shall be prepared and filed in the records of the Agency and posted to the Agency's webpage.

Meetings of the Audit Committee are open to the public, and the committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, the conduct of executive session and the live-streaming of Audit Committee meetings.

Responsibilities

The Audit Committee shall have responsibilities related to: (a) the independent auditor and annual financial statements; (b) the Agency's internal auditors; (c) oversight of management's

internal controls, compliance and risk assessment practices; (d) special investigations and whistleblower policies; and (e) miscellaneous issues related to the financial practices of the Agency.

A. Independent Auditors and Financial Statements

The Audit Committee shall:

- Appoint, compensate and oversee independent auditors retained by the Agency and pre-approve all audit services provided by the independent auditor.
- Establish procedures for the engagement of the independent auditor to provide permitted audit services. The Agency’s independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the Audit Committee. Non-audit services include tasks that directly support the Agency’s operations, such as bookkeeping or other services related to the accounting records or financial statements of the Agency, financial information systems design and implementation, appraisal or valuation services, actuarial services, investment banking services, and other tasks that may involve performing management functions or making management decisions.
- Review and approve the Agency’s audited financial statements, associated management letter, report on internal controls and all other auditor communications.
- Review significant accounting and reporting issues, including complex or unusual transactions and management decisions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Meet with the independent audit firm on a regular basis to discuss any significant issues that may have surfaced during the course of the audit.
- Review and discuss any significant risks reported in the independent audit findings and recommendations and assess the responsiveness and timeliness of management’s follow-up activities pertaining to the same.

B. Internal Auditors

The Agency may, in its absolute discretion and by resolution of the members, create and establish an internal audit procedure. In the event such an internal audit procedure is created, the Audit Committee shall:

- Review with management and the internal audit director this charter, activities, staffing and organizational structure of the internal audit function. The Audit Committee shall have authority over the appointment, dismissal, compensation and performance reviews of the internal audit director.

- Ensure that the internal audit function is organizationally independent from Agency operations.
- Review the reports of internal auditors, and have authority to review and approve the annual internal audit plan.
- Review the results of internal audits and approve procedures for implementing accepted recommendations of the internal auditor.

C. Internal Controls, Compliance and Risk Assessment

The Audit Committee shall review management's assessment of the effectiveness of the Agency's internal controls and review the report on internal controls by the independent auditor as a part of the financial audit engagement.

D. Special Investigations

The Audit Committee shall:

- Ensure that the Agency has an appropriate confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest or abuse by the directors, officers, or employees of the Agency or any persons having business dealings with the Agency or breaches of internal control.
- Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing to the appropriate body.
- Request and oversee special investigations as needed and/or refer specific issues to the appropriate body for further investigation (for example, issues may be referred to the State Inspector General or, other investigatory organization.)
- Review all reports delivered to it by the Inspector General and serve as a point of contact with the Inspector General.

E. Other Responsibilities of the Audit Committee

The Audit Committee shall:

- Present annually to the Board a report of how it has discharged its duties and met its responsibilities as outlined in this charter.
- Obtain any information and training needed to enhance the committee members' understanding of the role of internal audits and the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.

- Review this charter annually, reassess its adequacy, and recommend any proposed changes to the Board. The Audit Committee charter will be updated as applicable laws, regulations, accounting and auditing standards change.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with this charter and request the Board approval for proposed changes.

FINANCE COMMITTEE CHARTER

Purpose

Pursuant to Section 2824(8) of the Public Authorities Accountability Act (the “PAAA”), the Town of Guilderland Industrial Development Agency (the “Agency”) has established a finance committee of the Agency (the “Finance Committee”). The purpose of the Finance Committee is to oversee the Agency’s debt and debt practices and to recommend policies concerning the Agency’s issuance and management of debt.

Duties of the Finance Committee

It shall be the responsibility of the Finance Committee to:

- Review proposals for the issuance of debt by the Agency and its subsidiaries and to make recommendations concerning those proposals to the board of the Agency (the “Board”).
- Make recommendations to the Board concerning the level of debt and nature of debt issued by the Agency.
- Review and file the annual budget of the Agency.
- Make recommendations concerning the appointment and compensation of bond counsel, investment advisors and underwriting firms used by the Agency, and to oversee the work performed by these individuals and firms on behalf of the Agency.
- Meet with and request information from Agency staff, independent auditors and advisors or outside counsel, as necessary to perform the duties of the committee.
- Retain, at the Agency’s expense, such outside counsel, experts and other advisors as the Finance Committee may deem appropriate. The Board will ensure that the Finance Committee has the sufficient resources to carry out its duties.
- Review proposals relating to the repayment of debt or other long-term financing arrangements by the Agency and its subsidiaries.
- Annually review the Agency’s financing guidelines, if any, and make recommendations to the Board concerning criteria that should govern its financings. These should include security provisions required for a bond financing undertaking, specific requirements of credit enhancements or additional guarantees used, such as a pledge of revenues, financial covenants or debt service reserves.
- Report annually to the Board how it has discharged its duties and met its responsibilities as outlined in this charter.

- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with this charter and request the Board approval for proposed changes.

Composition of Committee and Selection of Members

The Finance Committee shall consist of not less than three (3) independent members of the Board, who shall constitute a majority on the committee. If the Board has less than three (3) independent members, non-independent members may be appointed to the committee provided that the independent members constitute a majority of the Finance Committee. The Board shall appoint the Finance Committee members and the Finance Committee chairperson. Members shall serve on the Finance Committee at the discretion of the Board. Members appointed to the Finance Committee shall have the background necessary to perform its duties.

Meetings

The Finance Committee shall meet at such times as deemed advisable by the chair, but not less than twice a year. The committee must meet prior to any debt issuance planned to be undertaken by the Agency.

Members of the Finance Committee are expected to attend each committee meeting, in person. The Finance Committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary. A majority of the committee members present shall constitute a quorum.

Meeting agendas shall be prepared prior to every meeting and provided to Finance Committee members along with briefing materials seven (7) calendar days before the scheduled Finance Committee meeting. The Finance Committee may act only on the affirmative vote of a majority of the members. Minutes of these meetings shall be recorded.

Minutes of the Finance Committee’s meeting shall be prepared and filed in the records of the Agency and posted to the Agency’s webpage.

Meetings of the Finance Committee are open to the public, and the committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, the conduct of executive session and the live-streaming of Finance Committee meetings.

Review the Agency’s Annual Budget

The Finance Committee shall:

- Review the Agency’s proposed annual operating budget as presented by Agency management for the upcoming fiscal year.
- Recommend the annual budget to the Board for approval after incorporating necessary amendments.

- Monitor and report to the Board on the Agency's compliance with its adopted budget during the fiscal year (actual versus estimated budget) on a monthly/quarterly basis.

Oversee the Agency's Investments

The Finance Committee shall:

- Annually review the Agency's investment policy and evaluate allocation of assets.
- Review and recommend to the Board approval of the Agency's annual investment report.
- Annually review the Agency's audit of investments as provided by independent auditors.
- Recommend to the Board the selection of investment advisors.

Assess the Agency's Capital Requirements and Capital Plan

The Finance Committee shall:

- Assess the financial requirements of the Agency's capital plans. The assessment is to include current and future capital needs, a justification of why such capital expenditure is required and an explanation of funding sources for capital projects such as grants, issuance of debt or specified pay-as-you-go resources.
- Review the financial aspects of major proposed transactions, significant expenditures, new programs and services, as well as proposals to discontinue programs or services and making action recommendations to the Board.

Review Financial and Procurement Thresholds

The Finance Committee shall:

- Review and make recommendations to the Board regarding any proposed procurements submitted to the committee by the Agency's procurement officer.
- Review and recommend changes to the thresholds for procuring goods and services in the Agency's procurement policy.
- Review and recommend changes to the Agency's uniform tax exemption policy.
- Review and recommend changes to the Agency's fee schedules.

- Review the scope and terms of the Agency's insurance policies and liability coverage on an annual basis.

GOVERNANCE COMMITTEE CHARTER

Purpose

Pursuant to Section 2824(7) of the Public Authorities Accountability Act (the “PAAA”), the Town of Guilderland Industrial Development Agency (the “Agency”) has established a governance committee of the Agency (the “Governance Committee”). Pursuant to the Agency’s by-laws, the purpose of the Governance Committee is to assist the board of the Agency (the “Board”) by:

- Keep the Board informed of current best practices in corporate governance.
- Review corporate governance trends for their applicability to the Agency.
- Update the Agency’s corporate governance principles and governance practices.
- Advise 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 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 Agency staff.
- Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the committee deems necessary.
- Retain, at the Agency’s expense, such outside counsel, experts and other advisors as the Governance Committee may deem appropriate.
- The Board will ensure that the Governance Committee has the sufficient resources to carry out its duties.

Composition and Selection of Members

The Governance Committee shall consist of not less than three (3) independent members of the Board, who shall constitute a majority on the committee. If the Board has less than three independent members, non-independent members may be appointed to the Governance Committee provided that the independent members constitute a majority of the committee. The Board shall appoint the Governance Committee members and the Governance Committee chairperson. Members shall serve on the committee at the discretion of the Board. Members appointed to the Governance Committee shall have the background necessary to perform its duties.

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

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

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 this charter.

Members of the Governance Committee are expected to attend each committee meeting, in person or via videoconference. The Governance Committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary. A majority of the committee members present or participating through videoconference shall constitute a quorum.

Meeting agendas shall be prepared prior to every meeting and provided to Governance Committee members along with briefing materials five (5) calendar days before the scheduled Governance Committee meeting. The Governance Committee may act only on the affirmative vote of a majority of the members. Minutes of these meetings shall be recorded.

Minutes of the committee's meeting shall be prepared and filed in the records of the Agency and posted to the Agency's webpage.

Meetings of the committee are open to the public, and the Governance Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, the conduct of executive session and the live-streaming of Governance Committee meetings.

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 Board; (b) evaluation of the Agency's policies; and (c) other miscellaneous issues.

Relationship to the Board

The Board 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 Agency's governance practices. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight.
- Develop the competencies and personal attributes required of members of the Board 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 Agency's governance process.

Evaluation of the Agency's Policies

The Governance Committee shall:

- Develop, review on a regular basis, and update as necessary the Agency'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 Agency's written policies regarding the protection of whistleblowers from retaliation.

- Develop and recommend to the Board any required revisions to the Agency's equal opportunity and affirmative action policies.
- Develop and recommend to the Board any required updates on the Agency's written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Agency'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 Agency, including rules and procedures for conducting the business of the Board, such as the Agency'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 annually review, assess and make necessary changes to the Governance Committee charter and provide a self-evaluation of the Governance Committee.