



HERKIMER LOCAL DEVELOPMENT CORPORATION

GOVERNANCE COMMITTEE CHARTER

This Governance Committee Charter was adopted by the Board of Directors (the “Board”) of the Herkimer Local Development Corporation (“Corporation”), a not-for-profit local development corporation duly organized and existing pursuant to Section 1411 of the Not For Profit Corporation Law of the State of New York (the “Act”), on this 27th day of February, 2024.

Purpose

Pursuant to Article II, Section 11 of the Corporation’s bylaws, the purpose of the governance committee of the Corporation (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 Corporation;
- Updating the Corporation’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 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 Corporation staff.
- Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the Governance Committee deems necessary.
- Solicit, at the Corporation’s expense, persons having special competencies, including legal, accounting or other consultants as the Governance 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 pursuant to Public Authorities Law Section 2879, and to present such contracts to the Board for its approval.

Composition and Selection

The membership of the Governance Committee shall be as set forth in accordance with and pursuant to Article II, Section 11 of the Corporation's bylaws. The Governance Committee shall be comprised of **three (3)** independent members. The Governance Committee members shall be appointed by, and will serve at the discretion of the Board. The Board shall designate one member of the Governance Committee as its Chairman. 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 Governance Committee for at least one year to ensure an orderly transition.

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

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 the charter.

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

Meeting agendas will be prepared for every meeting and provided to the Governance Committee members at least five (5) calendar 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 and filed in the records of the Corporation, and posted to the Corporation's website.

Meetings of the Governance 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 and the conduct of executive session.

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

Relationship to the Corporation's 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 Corporation'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 Corporation's governance process.

Evaluation of the Corporation's Policies. The Governance Committee shall:

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