

GOVERNANCE COMMITTEE CHARTER

SECTION 1. PURPOSE. (A) Pursuant to the By-Laws of County of Chautauqua Industrial Development Agency (the "Agency"), the Agency approved the creation of a Governance Committee for the purpose of complying with the Public Authorities Accountability Act of 2005 and the Public Authority Reform Act of 2009 (collectively, the "PAAA").

(B) This Governance Committee Charter was adopted pursuant to a resolution adopted by the members of the Agency on March 27, 2012.

(C) The purpose of the Governance Committee is to assist the members of Agency (the "Members") as the governing body of the Agency (the "Board") by (1) keeping the Board informed of current best practices in corporate governance; (2) reviewing corporate governance trends for their applicability to the Agency; (3) updating the Agency's corporate governance principles and governance practices; and (4) advising those responsible for appointing Members to the Board on the skills, qualities and professional or educational experiences necessary to be effective Members of the Board.

SECTION 2. DUTIES OF THE GOVERNANCE COMMITTEE. (A) General Duties. It shall be the responsibility of the GOVERNANCE Committee to:

(1) Meet with and obtain any information it may require from Agency staff.

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

(3) Solicit, at the Agency'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 pursuant to Public Authorities Law Section 2879, and to present such contracts to the Board for its approval.

(4) Report to the Board, at least annually, regarding any proposed changes to this Governance Committee Charter or the governance policies and guidelines of the Agency.

(5) 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.

(B) Assistance to the Board. The Governance Committee shall:

(1) Develop the Agency's governance practices. These practices should address transparency, independence, accountability, fiduciary responsibilities and management oversight.

(2) Develop and recommend to the Board the number and structure of committees to be created by the Board.

(3) 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.

(C) Evaluation of the Agency's Policies. The Governance Committee shall:

(1) 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 local officers and employees.

(2) Develop and recommend to the Board any required revisions to the Agency's written policies regarding the protection of whistleblowers from retaliation.

(3) Develop and recommend to the Board any required revisions to the Agency's equal opportunity and affirmative action policies.

(4) 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.

(5) Develop and recommend to the Board any required updates on the Agency's written policies regarding the disposition of real and personal property.

(6) 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 Agency's Board, such as the Agency's by-laws.

(7) Oversee the implementation and effectiveness of the by-laws and other governance documents and recommend modifications as needed.

SECTION 3. COMPOSITION OF COMMITTEE AND SELECTION OF MEMBERS. (A) The Governance Committee shall consist of not less than three "independent members" (as defined in the PAAA) of the Board of the Agency, who shall constitute a majority on the Governance Committee. If the Board of the Agency 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 Governance Committee.

(B) The Agency's Board will appoint the Governance Committee members and the Governance Committee chair. Governance Committee members shall serve on the Governance Committee at the discretion of the Board of the Agency.

(C) 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 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.

(D) Ideally, all members on the Governance Committee shall possess or obtain a basic understanding of matters pertaining to governance.

SECTION 4. MEETINGS. (A) 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.

(B) Members of the Governance Committee are expected to attend each committee meeting, in person or via videoconference in accordance with the provisions of the Open Meetings Law. 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.

(C) Meeting agendas will be prepared for every meeting and provided to the Governance Committee members along with briefing materials whenever possible at least five (5) business days before the scheduled Governance Committee meeting. The Governance Committee may act only on the affirmative vote of a majority of the members or by unanimous consent. Minutes of these meetings shall be recorded.

(D) A report of the Governance Committee's meeting shall be prepared and presented to the Board at its next scheduled meeting following the meeting of the Governance Committee.

(E) 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 sessions.