

FINANCE COMMITTEE CHARTER

This Finance Committee Charter was adopted by the Board of Directors of the Essex County Industrial Development Agency, a public benefit corporation established under the laws of the State of New York.

Purpose

The purpose of the finance committee is to assist the Board by:

- Review proposals for the issuance of debt by the Authority and its subsidiaries and to make recommendations concerning those proposals to the board.
- Make recommendations to the board concerning the level of debt and nature of debt issued by the Authority.
- Make recommendations concerning the appointment and compensation of bond counsel, investment advisors and underwriting firms used by the Authority, and to oversee the work performed by these individuals and firms on behalf of the Authority.
- Meet with and request information from Authority staff, independent auditors and advisors or outside counsel, as necessary to perform the duties of the committee.
- Retain, at the Authority's expense, such outside counsel, experts and other advisors as the finance committee may deem appropriate.
- Review proposals relating to the repayment of debt or other long-term financing arrangements by the Authority and its subsidiaries.
- Annually review the Authority's financing guidelines 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 Authority's board how it has discharged its duties and met its responsibilities as outlined in the charter.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the board approval for proposed changes.

Committee Structure and Meetings

The finance committee will meet a minimum of once 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 video conference. 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.

The committee must meet prior to any debt issuance planned to be undertaken by the Authority. 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.

Meetings of the 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 and the conduct of executive session.

Reports

The finance 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 finance committee has responsibilities related to: (a) the Authority's Board; (b) evaluation of the Authority's finances; and (c) other miscellaneous issues.

A. Review the Authority's Annual Budget

The finance committee shall:

- Review the Authority's proposed annual operating budget as presented by Authority 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 Authority's compliance with its adopted budget during the fiscal year (actual versus estimated budget) on a monthly/quarterly basis.

B. Oversee the Authority's Investments

The finance committee shall:

- Annually review the Authority's investment policy and evaluate allocation of assets.
- Review and recommend to the board approval of the Authority's annual investment report.
- Annually review the Authority's audit of investments as provided by independent auditors.
- Recommend to the board the selection of investment advisors.
- Monitor the economic performance of the Authority's pension plans.

C. Assess the Authority's Capital Requirements and Capital Plan

The finance committee shall:

- Assess the financial requirements of the Authority'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 payas-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.

D. 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 Authority's procurement officer.
- Review and recommend changes to the Authority's thresholds for procuring goods and services and procurement policy.
- Review and recommend changes to the Authority's uniform tax exemption policy that includes general provisions for entering into payment-in-lieu-of taxes (PILOT) agreements and allowing tax exemptions.
- Review and recommend changes to the Authority's fee schedules.
- Review the scope and terms of the Authority's insurance policies and liability coverage on an annual basis.