

GRIFFISS UTILITY SERVICES CORPORATION

GOVERNANCE COMMITTEE CHARTER

Adopted as of 3/29/13

I. Purpose of the Governance Committee

The purpose of the Governance Committee is to assist the Board of Directors (the "Board") by:

- Keeping the Board informed of current best practices in corporate governance;
- Reviewing corporate governance trends for their applicability to GUSC;
- Recommending updates to GUSC'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.
- Examining ethical and conflict of interest issues.
- Performing Board self-evaluations.
- Recommending Bylaws which include rules and procedures for conduct of Board business.

II. 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 GUSC staff or GUSC's staff services provider.
- Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the Governance Committee deems necessary.
- Solicit, at GUSC's expense, persons having special competencies, including legal, accounting or other consultants as the Governance Committee deems necessary to fulfill its responsibilities.

III. Composition of the Governance Committee and Selection of its Members

The Governance Committee shall be comprised of three (3) “independent members” of the Board within the meaning of Section 2825, subdivision 2, of the Public Authorities Law. The Governance Committee members shall be appointed by, and will serve at the pleasure of the Board. The Board shall designate one (1) member of the Governance Committee to serve as its Chair. 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 (1) year to ensure an orderly transition.

As noted above, all members of the Governance Committee shall be “independent members” of the Board within the meaning of Section 2825, subdivision 2, of the Public Authorities Law. Without limiting the generality of the foregoing, GUSC’s employees and members of their immediate families shall be prohibited from being members of the Governance Committee. In addition, Governance Committee members and members of their immediate families shall not engage in any private business transactions with GUSC or receive compensation from any private entity that has material business relationships with GUSC.

Governance Committee members shall possess the necessary skills to understand the duties and functions of the Governance Committee.

IV. Governance Committee Structure and Meetings

The Governance Committee shall 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 Governance Committee Charter. All Governance Committee members are expected to attend each meeting, either in person or via telephone or videoconference.

Meeting agendas shall be prepared for every meeting and provided to the Governance Committee members at least five (5) days in advance of each scheduled Governance Committee 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 written consent. Minutes of all Governance Committee meetings are to be taken.

V. Governance Committee 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 Committee Charter or the governance guidelines.

- Provide a self-evaluation of the Governance Committee's functions on an annual basis.

VI. Governance Committee Responsibilities

To accomplish the objectives of good governance and accountability, the Governance Committee has responsibilities related to: (a) the Board; (b) evaluation of GUSC's policies, and (c) other miscellaneous issues.

VII. Relationship of the Governance Committee 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 GUSC's 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 GUSC's governance process.

VIII. Evaluation of GUSC's Policies by Governance Committee

The Governance Committee shall:

- Develop, review on a regular basis, and update as necessary GUSC's Code of Ethics and written policies regarding conflicts of interest. Such Code of Ethics shall, at a minimum, include the applicable standards established in Section 74 of the Public Officers Law.
- Develop and recommend to the Board any required revisions to GUSC's written policies regarding the protection of whistleblowers from retaliation.
- Develop and recommend to the Board any required revisions to GUSC's equal opportunity and affirmative action policies.

- Develop and recommend to the Board any required updates on GUSC's written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence GUSC's procurement process.
- Develop and recommend to the Board any required updates on GUSC'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 GUSC, including rules and procedures for conducting the business of the Board, such as GUSC'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.

IX. Other Responsibilities of the Governance Committee

The Governance Committee shall:

- Review on an annual basis the compensation and benefits for senior GUSC officials who receive compensation and benefits, if any.
- Annually review, assess and make necessary changes to this Governance Committee Charter and provide a self-evaluation of the Governance Committee.