

GRIFFISS UTILITY SERVICES CORPORATION

FINANCE COMMITTEE CHARTER

Adopted as of 3/29/13

I. Purpose of the Finance Committee

The purpose of the Finance Committee is to oversee the debt and debt practices of Griffiss Utilities Services Corporation (“GUSC”) and to recommend policies concerning GUSC’s issuance and management of debt.

II. Duties of the Finance Committee

It shall be the responsibility of the Finance Committee to:

- Review proposals for the issuance of debt by GUSC and its subsidiaries and to make recommendations concerning those proposals to the Board of Directors (the “Board”).
- Make recommendations to the Board concerning the level of debt and nature of debt issued by GUSC.
- Make recommendations concerning the appointment and compensation of any bond counsel, investment advisors and underwriting firms used by GUSC, and to oversee the work performed by these individuals and firms on behalf of GUSC.
- Meet with and request information from GUSC staff, independent auditors and advisors or outside counsel, as necessary to perform the duties of the Finance Committee.
- Retain, at GUSC’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 GUSC and its subsidiaries.
- Annually review GUSC’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 or other 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 the charter and request the Board approval for proposed changes.

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

The Finance Committee shall consist of three (3) “independent members” of the Board within the meaning of Section 2825 subdivision 2, of the Public Authorities Law. The Board shall appoint the Finance Committee members and the Finance Committee Chair. Members shall serve on the Finance Committee at the pleasure of the Board. Members appointed to the Finance Committee shall have the necessary skills to understand the duties and functions of the Finance Committee.

IV. Meetings

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

Members of the Finance Committee are expected to attend each Finance Committee meeting, either in person or via telephone or videoconference. 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 Finance Committee members present or participating through telephone or videoconference shall constitute a quorum.

Meeting agendas shall be prepared prior to every meeting and provided to Finance Committee members along with briefing materials five (5) days before the scheduled Finance Committee meeting. The Finance Committee may act only on the affirmative vote of a majority of the members or by unanimous written consent. Minutes of all Finance Committee meetings shall be taken.

A report of each meeting of the Finance Committee shall be prepared and presented to the Board at its next scheduled meeting following such meeting of the Finance Committee.

V. Review of GUSC's Annual Budget

The Finance Committee shall:

- Review GUSC's proposed annual operating budget as presented by GUSC management for the upcoming fiscal year.
- Recommend the annual budget to the Board for approval after incorporating any necessary amendments.
- Monitor and report to the Board on GUSC's compliance with its adopted budget during the fiscal year (actual verses estimated budget) on a monthly/quarterly basis.

VI. Oversee GUSC's Investments

The Finance Committee shall:

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

VII. Assess GUSC's Capital Requirements and Capital Plan

The Finance Committee shall:

- Assess the financial requirements of GUSC'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.

VIII. Review Financial and Procurement Thresholds

The Finance Committee shall:

- Review and make recommendations to the Board regarding any proposed procurements submitted to the Finance Committee by GUSC's procurement officer.
- Review and recommend changes to GUSC's thresholds for procuring goods and services and procurement policy.
- Review and recommend changes to GUSC's fee schedules (if any).
- Review the scope and terms of GUSC's insurance policies and liability coverage on an annual basis.