

WAYNE COUNTY WATER AND SEWER AUTHORITY
GOVERNANCE COMMITTEE CHARTER

(Adopted November 23, 2010)

(Last Revised May 28, 2019)

Purposes

The purposes of the Governance Committee (the “Committee”) of the board (“Board”) of the Wayne County Water And Sewer Authority (the “Authority”) are to assist the Board in fulfilling its oversight responsibilities as set forth in the Public Authorities Accountability Act of 2005 and the Public Authorities Reform Act of 2009, as the same may be amended from time to time, (together the “Act”) by advising the Board on (i) best corporate governance practices and trends; (ii) reviewing corporate governance trends for their applicability to the Authority; (iii) updating the Authority’s corporate governance principles and governance practices and (iv) the skills, qualities and professional or educational experiences required of qualified residents of Wayne County to serve as effective members of the Authority.

Composition and Procedure

1. Membership and Appointment. The Committee shall be composed of not less than three independent members as defined in Section 2 below who shall be appointed by the Board in accordance with the bylaws (“Bylaws”) of the Authority and shall constitute a majority on the Committee; provided, however, that in the event that the Board has fewer than three independent members, the Board may appoint non-independent members, provided that the independent members must constitute a majority of the members of the Committee. The members of the Committee shall serve at the pleasure of the Board for such term or terms as the Board may determine. The Board shall designate one of the members as Chairperson of the Committee.

2. Independence and other Qualifications. At least a majority of the Committee members must meet the definition of an “independent member” as defined in § 2825 of the

Public Authorities Law, as amended. Members of the Committee shall possess the necessary skills to understand the duties and functions of the Committee. Collectively, to the extent practicable, the Committee members familiarize themselves with evolving trends in best governance practices.

3. Committee Meetings. The Committee shall meet at least twice annually or more frequently as necessary to carry out its responsibilities under this Charter, and no notice to members of the Committee shall be required for any regular meeting. Special meetings may be called with notice provided as required under the Bylaws. Meetings of the Committee shall be open to the general public, except for executive sessions, in accordance with applicable law and the Bylaws. The Committee Chairperson will, in consultation with the other members of the Committee and the appropriate officers of the Authority, call, establish the agenda for, and supervise the conduct of each Committee meeting. A copy of the agenda, together with appropriate briefing materials to be discussed at the meeting, will to the extent practicable be distributed to members of the Committee in advance of each meeting. A majority of the number of Committee members selected by the Board will constitute a quorum for conducting business at a Committee meeting. The act of the majority of Committee members present at a Committee meeting at which a quorum is in attendance will be the act of the Committee, unless a greater number is required by law or the Authority's enabling legislation or Bylaws

4. Minutes Required. The Committee shall keep accurate minutes of its meetings and shall present such minutes to the Board. Minutes shall consist of a record or summary of all motions, proposals, resolutions and any other matter formally voted upon and the vote thereon, and shall include, as appropriate, copies of the agenda and other materials discussed or presented at the Committee meeting. Such minutes shall be available to the public in accordance with the provisions of the Freedom of Information Law and the Bylaws.

5. Report to the Board. The Committee shall report to the Board on its activities; any significant trends in corporate governance; best practices; and, emerging regulatory developments and trends as promulgated by the New York Authorities Budget Office, Comptroller's Office, Commission on Public Authority Reform, or otherwise.

6. Authorization. The Committee is empowered by the Board to take all appropriate action within the scope of its responsibilities as set forth in this Charter and the Bylaws. The Committee shall have full and unrestricted access to all personnel, records, operations, properties and other informational sources of the Authority as required to properly discharge its responsibilities. The Committee may obtain advice from outside counsel, accounting and other advisors as the Committee deems necessary and may solicit, at Authority expense, persons having special competencies as the Committee deems necessary to fulfill its responsibilities. The Committee has the authority to negotiate the terms and conditions of any contractual arrangements, subject to the Authority's procurement guidelines, and to recommend such contracts to the Board for its approval.

7. Meetings with Management and Advisors. The Committee may request any officer or employee of the Authority, or any representative of the Authority's outside legal counsel to attend a meeting or to meet with any members of, or advisors to, the Committee.

Duties and Responsibilities

The following shall be the common recurring duties and responsibilities of the Committee in carrying out its responsibilities. These duties and responsibilities are set forth below as a guide to the Committee with the understanding that the Committee may recommend to the Board that they be altered or supplemented as appropriate under the circumstances to the extent permitted by the Act or other applicable law.

8. Oversight of Current Best Practices.

The Committee shall monitor and keep the Board informed of current best governance practices in corporate governance, including but not limited to the following:

(a) *Compensation.* The Committee shall annually advise with respect to policies regarding the payment of salary, compensation and reimbursements to, and establish

rules for the time and attendance of, the executive director and other senior management of the Authority.

(b) *Code of Ethics.* The Committee shall review on a regular basis the Code of Ethics and written policies applicable to conflicts of interest. Such Code of Ethics shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees.

(c) *Defense and Indemnification Policy.*

(d) *Whistleblower Policy.* The Committee shall advise with respect to written policies and procedures on personnel including policies protecting employees from retaliation for disclosing information concerning acts of wrongdoing, misconduct, malfeasance, or other improper behavior by a Member, officer or employee of the Authority.

(e) *Bylaws.* The Committee shall develop and recommend to the Board any other policies or documents relating to the governance of the Authority, including rules and procedures for conducting the business of the Board, such as the Authority's Bylaws. The Governance Committee shall oversee the implementation and effectiveness of the Bylaws and other governance documents and recommend modifications as needed.

(f) *Other.* The Committee shall advise with respect to written policies concerning investments, travel, the acquisition and disposition of real and personal property and the procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Authority's procurement process. In addition, the Committee shall develop and recommend to the Board any required revisions to the Authority's equal opportunity and affirmative action policies.

9. Review Governance Trends

The Committee shall review and keep the Board informed of corporate governance trends as well as emerging regulatory developments and trends as promulgated by the New York Authority Budget Office, Comptroller's Office, Commission on Public Authority Reform, or otherwise for their application to the Authority.

10. Update Governance Principles

The Committee shall develop and recommend to the Board a set of corporate governance principles and governance practices for the Authority consistent with the Act and other applicable law. In addition, the Committee shall periodically reassess the Authority's corporate governance principles and governance practices and recommend to the Board updates and revisions to such principles and practices, as appropriate.

11. Make Recommendations on New Directors

The Committee shall advise the Board and the Chairman of the Wayne County Board of Supervisors on the skills, qualities and professional or educational experiences required of potential Board members.

12. Other Powers and Responsibilities

- (a) *Examine Ethical/Conflict Issues.* The Committee shall, in conjunction with the Authority's Audit Committee and Ethics Officer, examine ethical and conflict of interest issues and, to the extent requested by the Board, assist with the administration and oversight of the Authority's Code of Ethics and similar compliance programs.

- (b) *Assist with Board/Committee Self Evaluations.* The Committee shall perform Board self-evaluation of the Board's structure and effectiveness. In addition, the Committee provide a self-evaluation of the Committee's functions on an annual basis and develop and provide recommendations to the Board on performance evaluations, including coordination and oversight of senior management.
- (c) *Investigate Term Limits/Reappointments.* The Committee shall monitor evolving corporate governance trends with respect to the appropriateness of term limits/reappointments of Board members, as well as for the retirement, resignation and retention of Board members. In addition, the Committee shall coordinate management succession planning with the executive director and review and evaluate succession plans for the executive director and other executive officer positions, as appropriate.
- (d) *Review Board/Committee Responsibilities.* The Committee shall periodically review Board and committee responsibilities and provide recommendations to the Board for any suggested changes to the Bylaws including rules and procedures for number and structure of committees to be created by the Board and the conduct of Board meetings, as appropriate.
- (e) *Board Training.* Develop and provide recommendations to the Board regarding Board education, including new member orientation and regularly scheduled Board member training to be obtained from state-approved trainers.
- (f) *Other Activities.* The Committee shall perform such other activities consistent with this Charter, the Bylaws and the Act as the Board deems necessary or appropriate.
- (g) *Future Amendments to Charter.* The Committee shall review and reassess this Charter annually and submit any recommended changes to the Board for its

consideration. This Charter and any provision contained herein may be amended or repealed by the Board.