

# NIAGARA COUNTY DEVELOPMENT CORPORATION (“NCDC”)

## FINANCE & AUDIT COMMITTEE CHARTER

This Charter shall also serve as the charter for the Financial & Audit Committee of the Niagara County Development Corporation (“NCDC”), upon approval by the Board of the corporation.

### ARTICLE I Core Functions

The core functions of the Financial & Audit Committee are set forth include: (i) providing assistance to members of the NCDC in fulfilling their fiduciary responsibilities relating to accounting, reporting and regulatory compliance practices; (ii) maintaining, by way of regularly scheduled meetings, a direct line of communication between the members of the NCDC and the NCDC’s independent accountants and auditors to provide for exchanges of views and information; (iii) maintaining, as appropriate, a direct line of communication between the members of the NCDC and the governmental authorities having audit authority or fiscal oversight of the NCDC; (iv) approving the budget of the NCDC for submission to the Board; (v) approving and/or directing the transfers of moneys under the budget; and (vi) recommending to the Board the level of cash reserves and the level of fund balances of the NCDC.

### ARTICLE II Composition

Members of the Financial & Audit Committee shall be appointed in accordance with the Bylaws. The Board shall designate one member of the Financial & Audit Committee to serve as chair of the Financial & Audit Committee. Each member of the Financial & Audit Committee shall serve for a term of one (1) year and until his or her successor shall be appointed and qualified.

At least three members of the Financial & Audit Committee must be an “independent member” within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time. Financial & Audit Committee members shall be prohibited from being an employee of the NCDC or an immediate family member of an employee of the NCDC. Members of the Financial & Audit Committee shall not engage in any private business transactions with the NCDC or receive compensation from any private entity that has material business relationships with the NCDC, or be an immediate family member or an individual that engages in private business transactions with the NCDC or receives compensation from an entity that has material business relationships with the NCDC. In addition, Financial & Audit Committee members who are members of the NCDC shall comply with the conflict of interest provisions applicable to public officers under Article 18 of the New York General Municipal Law.

ARTICLE III  
Committee Meetings

The Financial & Audit Committee will meet a minimum of twice each calendar year (at least once prior to the commencement of the annual audit process and once after completion of the annual audit process). Additional meetings may be necessary or appropriate to adequately fulfill the obligations and duties outlined in this Charter. All committee members are expected to attend each meeting, in person or via videoconference. The Financial & Audit Committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary.

Meeting notices and agendas will be prepared for each meeting and provided to Financial & Audit Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting. A quorum of the Finance & Audit Committee shall consist of a majority of the members then serving on the Finance & Audit Committee. The affirmative vote of a majority of the members then serving on the Finance & Audit Committee shall constitute an act of the Financial & Audit Committee. Minutes of all meetings shall be recorded by the Secretary or any Assistant Secretary of the NCDC. All meetings shall comply with the requirements of the Open Meetings Law.

ARTICLE IV  
Committee Responsibilities

The Finance & Audit Committee shall have responsibilities related: (a) the independent auditor and annual financial statements; (b) oversight of management's internal controls, compliance and risk assessment practices; (c) special investigations and whistleblower policies; (d) miscellaneous issues related to the financial practices of the NCDC; and (e) shall review proposals for the issuance of debt by the NCDC and make recommendations regarding such proposed debt issuance.

A. Independent Auditors and Financial Statements

The Finance & Audit Committee shall:

- (i) Recommend to the Board the hiring of independent auditors, establish the compensation to be paid to the auditors retained by the NCDC and provide oversight of the audit services provided by the independent auditor.
- (ii) Establish procedures for the engagement of the independent auditor to provide permitted audit services. The NCDC's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the Finance & Audit Committee. Non-audit services include tasks that directly support the NCDC's operations, such as (a) bookkeeping or other services related to the accounting records or financial statements of the NCDC; (b) financial information systems

design and implementation; (c) appraisal or valuation services, fairness opinions, or contribution-in-kind reports; (d) actuarial services; (e) internal audit outsourcing services; (f) management functions or human resource services; (g) broker or dealer, investment advisor, or investment banking services; and (h) legal services and expert services unrelated to the audit function.

- (iii) Review and approval the NCDC's audited financial statements, associated management letter and all other auditor communications.
- (iv) Review significant accounting and reporting issues, including complex or unusual transactions and management decisions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements of the NCDC.
- (v) Meeting with the NCDC's independent auditor at least annually to discuss the financial statements of the NCDC, and on an as-needed basis to discuss any significant issues that may have surfaced during the course of the audit.
- (vi) Review and discuss any significant risks reported in the independent audit findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to the same.

#### B. Internal Controls, Compliance and Risk Assessment

The Finance & Audit Committee shall review management's assessment of the effectiveness of the NCDC's internal controls and review the actions taken by management on the independent accountants' and auditors' suggestions for correcting weaknesses, if any, in the NCDC's internal controls, regulatory compliance, organizational structure and operations, and if applicable, any weaknesses noted.

#### C. Special Investigations

The Finance & Audit Committee shall:

- (i) Ensure that the NCDC has an appropriate confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest or abuse by the directors, officers or employees of the NCDC or any persons having business dealings with the NCDC or breaches of internal control.
- (ii) Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing.
- (iii) Request and oversee special investigations as needed and/or refer specific issues to the Board or appropriate committee of the Board for further investigation.

#### D. Other Responsibilities

The Finance & Audit Committee shall obtain information and training needed to enhance the committee members' understanding of the role of the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.

#### E. Debt Issuance

The Finance & Audit Committee shall review proposals for the issuance of debt and make recommendations regarding such proposed debt issuance.

### ARTICLE V Committee Reports

The Finance & Audit Committee shall:

- A. Report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Finance & Audit Committee and when otherwise requested by the Board;
- B. Report to the Board, at least annually, regarding any proposed changes to this Charter;
- C. Provide a self-evaluation of the Finance & Audit Committee's functions to the Board on an annual basis; and
- D. Report to the Board on a periodic basis, at least annually, the findings of its independent auditors. These reports shall include careful consideration of the actions taken by management on the independent auditors' suggestions for correcting weaknesses, if any, in the NCDC's internal controls, regulatory compliance, organizational structure and operations. These reports may include the adequacy of the audit effort by the NCDC's independent auditors, the financial and regulatory compliance reporting decisions of management, the adequacy of disclosure of information essential to a fair presentation of the financial affairs and regulatory compliance efforts of the NCDC, and the organization and quality of the NCDC's system of management and internal accounting controls.

### ARTICLE VI Amendments

This Charter may be amended upon affirmative vote of a majority of the Board of the NCDC.