

# **Governance Committee Charter**

This Governance Committee Charter was adopted by the New York City Water Board (the “Board”) on October 30, 2009.

## **I. Purpose**

The purpose of the Governance Committee (the “Committee”) of the Board is to review current corporate governance best practices and to oversee the implementation of such practices.

## **II. Committee Membership and Organization**

- a. The Committee shall be comprised of three independent members of the Board appointed by the Chair of the Board. In the event of the unavailability or absence of any of the Committee members from a meeting, any other Board member may serve as an alternate Committee member at that meeting. The Committee members shall serve until their resignation, retirement or until their successor(s) shall be appointed.
- b. The Chair of the Board may designate one member of the Committee as its chair. The Chair of the Committee shall report on the Committee’s proceedings, and any recommendations made. In the absence of the Chair during any Committee meeting or if the Chair of the Board has not designated a Chair of the Committee, the Committee may designate a temporary Chair for that meeting.

## **III. Committee Powers and Responsibilities**

The Committee, to the extent it deems necessary or appropriate, shall:

- a. Periodically review the following Board documents, and if appropriate, recommend to the Board any changes the Committee believes to be desirable:
  - i. By-Laws
  - ii. Governance and Audit Committee Charters
  - iii. Code of Ethics for Directors and Officers
  - iv. Policy on Reimbursements to Members, Officers and Administrative Staff Persons for Out-of-Pocket Expenses
  - v. Policy on Travel Allowance
  - vi. Policy on Protection for Whistleblowers

- vii. Policy on the Acquisition and Disposition of Real Property
  - viii. Policy on the Disposition of Personal Property
  - ix. Policy on the Procurement of Goods and Services
  - x. Policy on Indemnification and Defense of Directors
  - xi. Policy on Extension of Credit
- b. Recommend to the Board the adoption of any additional policies the Committee believes to be desirable.
- c. Develop and recommend to the Board the number and structure of committees to be created by the Board.
- d. Develop and provide recommendations to the Board regarding Board member education, including new member orientation and State-mandated training within one year of the Board member's appointment regarding their legal, fiduciary, financial and ethical responsibilities as Board members and any appropriate continuing Board member training as may be required to remain informed of best practices.
- e. Meet with and obtain any information it may require from Board staff.
- f. Upon the affirmative vote of a majority of the Committee members, enter into contracts with legal counsel or consultants having expertise in the area of corporate governance, subject to the Board's procurement guidelines and approval of the Board.
- g. Oversee the Board's governance practices, including transparency, independence, accountability, fiduciary responsibilities and management oversight.
- h. Develop the competencies and personal attributes required of Board members to assist those authorized to appoint members to the Board in identifying qualified individuals.
- i. If applicable, review on an annual fiscal year basis the compensation and benefits for the Officers of the Board who are employed full-time and paid directly by the Board or paid by specific and direct reimbursement on an individual basis to another entity by the Board.
- j. Conduct an annual self-evaluation of the Committee's performance, including its effectiveness and compliance with this charter and include such evaluation in its annual report to the Board.

- k. At least annually report its activities and findings to the Board, including an annual report detailing the activities and decisions of the Committee for the prior fiscal year by the following November 30<sup>th</sup> or as soon as practical thereafter.

#### **IV. Committee Meetings**

The Committee will meet as often as it deems necessary or appropriate, but no less than twice a fiscal year. Meetings may be called at any time by the Chair of the Committee and shall be called by the Chair at the request of two members of the Committee. Notices of meetings shall be given in the same manner as notices of Board meetings, as provided in the Board's By-Laws. The presence of a majority of the members of the Committee shall constitute a quorum for the transaction of business. The Committee shall act only on the affirmative vote of a majority of the members at a meeting. Minutes of Committee meetings shall be recorded and kept with the minutes of the Board; provided, however that no minutes shall be recorded for portions of meetings held in executive session unless actions are taken in such executive session.