

BUFFALO URBAN DEVELOPMENT CORPORATION

GOVERNANCE COMMITTEE CHARTER

The Board of Directors of Buffalo Urban Development Corporation ("BUDC" or the "Corporation") hereby adopts this charter as the Governance Committee Charter (the "Charter") of the Corporation as of the Effective Date set forth herein.

ARTICLE I

Establishment of Governance Committee; Core Responsibilities

The Board of Directors of the Corporation authorized the establishment of the Governance Committee by resolution of the Board effective as of February 23, 2006.

The core responsibilities of the Governance Committee, as set forth in Section 2824(7) of the New York Public Authorities Law include: (i) keeping the Board informed of current best governance practices; (ii) reviewing corporate governance trends; (iii) recommending updates to the Corporation's corporate governance principles; (iv) advising those responsible for appointing members to the Board on the skills and experiences necessary required of potential Board members; (v) examining ethical and conflict of interest issues; (vi) performing Board self-evaluations; and (vii) recommending bylaws which include rules and procedures for the conduct of Board business.

ARTICLE II

Composition of the Governance Committee

The Governance Committee shall be appointed by the Board and shall be comprised of not less than three (3) independent members, who shall constitute a majority of the Committee. In the event that the Board has less than three (3) independent members, the Board may appoint non-independent members to the Governance Committee so long as the independent members constitute a majority of the Governance Committee. The term "independent member" shall have the meaning set forth in Section 2825 of the Public Authorities Law, as the same may be amended from time to time.

Appointees to the Governance Committee are required to possess the necessary skills to understand the duties and functions of the Governance Committee. The Board shall designate one member of the Governance Committee to serve as Chair of the Governance Committee. Each member of the Governance Committee serves at the pleasure of the Board. Subject to the foregoing, each Committee member shall serve for a term of one (1) year and until his or her successor shall be appointed and qualified.

Governance Committee members shall be prohibited from being an employee of the Corporation or an immediate family member of an employee of the Corporation. Members of the Governance Committee shall not engage in any private business transactions with the Corporation or receive compensation from any private entity that has material business relationships with the Corporation, or be an immediate family member of an individual that engages in private business transactions with the Corporation or receives compensation from an entity that has material business relationships with the Corporation. In addition, Governance Committee members shall comply with the conflict of interest provisions set forth in the Corporation's Code of Ethics.

ARTICLE III **Committee Meetings**

The Governance Committee will meet at least annually and as frequently as may be necessary or appropriate in order to fulfill the functions outlined in this Charter.

Meeting notices will be prepared for each meeting and provided to Governance Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting. Meetings shall be held in compliance with the requirements of the Open Meetings Law. Agenda materials will be provided in advance of each meeting. A quorum of the Governance Committee shall consist of a majority of the members then serving on the Governance Committee. The affirmative vote of the members of the Governance Committee shall constitute an act of the Governance Committee. Minutes of all meetings shall be recorded by the Secretary, or in his or her absence, an Assistant Secretary or any other person designated as secretary of the meeting by the Chair of the Governance Committee.

ARTICLE IV **Committee Duties and Responsibilities**

To accomplish the objectives of good governance and accountability, the Governance Committee has the following responsibilities as set forth below:

A. The Board of Directors 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:

(i) Develop the Corporation's governance practices, which should address transparency, independence, accountability, fiduciary responsibilities and management oversight;

(ii) Develop a statement of the competencies and personal attributes required of Board members to assist those authorized to appoint members to the Board in identifying qualified individuals;

(iii) Develop and recommend to the Board any revisions to the number and/or structure of Board committees; and

(iv) 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 as required under Section 2824(2) of the New York Public Authorities Law.

B. The Governance Committee shall develop, review and recommend to the Board the adoption and/or revisions to the following:

- (i) the Corporation's Code of Ethics;
- (ii) written policies regarding conflicts of interest;
- (iii) written policies regarding the protection of whistleblowers from retaliation;
- (iv) equal opportunity and affirmative action policies;
- (v) written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Corporation's procurement process;
- (vi) written policies regarding the disposition of real and personal property and the acquisition of property;
- (vii) committee charters, including this Charter; and
- (viii) any other policies or documents relating to the governance of the Corporation, including the Bylaws of the Corporation with respect to the rules and procedures for the conduct of Board business. The Governance Committee will oversee the implementation and effectiveness of the Bylaws and other governance documents and recommend modifications to the Board as necessary or appropriate.

C. The Governance Committee shall review and make recommendations to the Board in connection with the submission to the Authorities Budget Office ("ABO") of a mission statement and a proposed list of measurements. As required by statute, the mission statement and proposed measurements shall include the following components:

- (i) A brief mission statement expressing the purposes and goals of the Corporation.
- (ii) A description of the stakeholders of the Corporation and their reasonable expectations from the Corporation.

(iii) A list of measurements by which performance of the Corporation and the achievement of its goals may be evaluated.

The Governance Committee shall re-examine the mission statement and measurements on an annual basis and make recommendations to the Board regarding a self-evaluation based on the stated measurements (which information is required to be included in the Corporation's annual report filed with the ABO). The Committee may also recommend that the Corporation seek a waiver from the ABO of the re-examination requirement.

ARTICLE V **Committee Reports**

The Governance Committee shall:

- A. report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Governance Committee and when otherwise requested by the Board;
- B. report to the Board, at least annually, regarding any proposed changes to this Charter; and
- C. provide a self-evaluation of the Governance Committee's functions to the Board on an annual basis.

ARTICLE VI **Effective Date; Amendments**

This Charter shall be effective upon the affirmative vote of the Board of Directors of the Corporation and may be amended upon affirmative vote of a majority of the Board of Directors.

ARTICLE VII **Governance Committees of Corporation Affiliates**

This Charter shall also serve as the charter for the Governance Committees of each subsidiary or affiliated corporation or entity of BUDC now existing or hereafter established.

Effective Date: June 2, 2009

Amended: March 2, 2010

Re-adopted: February 28, 2013

Re-adopted: February 29, 2014

Re-adopted: March 31, 2015

Re-adopted: March 29, 2016

Re-adopted: March 28, 2017

Reviewed: 3/5/18 (Governance Committee of the Board of Directors)

Reviewed: 3/13/19 (Governance Committee of the Board of Directors)