

GOVERNANCE COMMITTEE CHARTER

This Governance Committee Charter was adopted by the Board of Directors (the Board) of the Energy Improvement Corporation (EIC), a public benefit corporation established under the laws of the State of New York, on June 17, 2020.

Purpose

Pursuant to Article 3, Section 17 of EIC's by-laws, the purpose of the Governance Committee is to assist the Board by:

- Keeping the Board informed of current best practices in corporate governance.
- Reviewing corporate governance trends for their applicability to EIC.
- Recommending updates to EIC's corporate governance principles and governance practices.
- Advising those responsible for appointing Board members on the skills and experiences required of potential Board members.
- Examining ethical and conflict of interest issues.
- Performing Board self-evaluations
- Recommending by-laws.

Powers of the Governance Committee

The Board has delegated to the Governance Committee the power and authority necessary to discharge its duties, including the right to:

- Meet with and obtain any information it may require from EIC staff.
- Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the committee deems necessary.
- Solicit, at EIC's expense, persons having special competencies, including legal, accounting, or other consultants as the committee deems necessary to fulfill its responsibilities. The Governance Committee shall have the authority to negotiate the terms and conditions of any contractual relationship subject to the Board's adopted procurement guidelines as per Public Authorities Law Section 2879, and to present such contracts to the Board for its approval.

Composition and Selection

Pursuant to Article 3, Section 17 of EIC's by-laws, the Governance Committee shall be comprised of three independent directors. If the Board has less than three independent directors, non-independent directors may be appointed to the Committee provided that the independent directors constitute a majority of the Committee. The Governance Committee members and Chair shall be appointed by, and will serve at the discretion of, EIC's Board.

Governance Committee members shall be prohibited from being an employee of EIC or an

immediate family member of an employee of EIC. In addition, Governance Committee members shall not engage in any private business transactions with EIC or receive compensation from any private entity that has material business relationships with EIC, or be an immediate family member of an individual that engages in private business transactions with EIC or receives compensation from an entity that has material business relationships with EIC.

The Governance Committee members should possess the necessary skills to understand the duties and function of the Governance Committee.

Committee Structure and Meetings

The Governance Committee will meet a minimum of once a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in this charter. All Committee members are expected to attend each meeting, in person or via videoconference.

The Chair of the Governance Committee will set the agenda for, and preside over, all meetings of the Committee and is specifically authorized to lead, develop and establish the charter of the Committee. Meeting agendas will be prepared for every Governance Committee meeting and will be provided to the Committee members in advance of scheduled meetings, along with the appropriate materials needed to make informed decisions. The Governance Committee shall act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings shall be recorded.

Reports

The Governance Committee shall:

- Report its actions and recommendations to the Board at the next regular meeting of the Board.
- Report to the Board, at least annually, regarding any proposed changes to the Governance Committee charter, governance guidelines, or EIC's by-laws.
- Provide a self-evaluation of the Governance Committee's functions on an annual basis.

Responsibilities

To accomplish the objectives of good governance and accountability, the Governance Committee has responsibilities related to: (a) the Board; (b) evaluation of EIC's governance policies; and (c) other miscellaneous issues.

A. Relationship to EIC's Board

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:

- Develop EIC's governance practices. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight.
- Develop and recommend to the Board the number and structure of committees to be created

by the Board.

- 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.

Develop and provide recommendations to the Board on performance evaluations, including coordination and oversight of such evaluations of the board, its committees and senior management in EIC's governance process.

B. Evaluation of EIC's Policies

The Governance Committee shall:

- Develop, review on a regular basis, and update as necessary EIC's code of ethics and written policies regarding conflicts of interest. Such code of ethics and policies shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees.
- Develop and recommend to the Board any required revisions to EIC's written policies regarding the protection of whistleblowers from retaliation.
- Develop and recommend to the Board any required revisions to EIC's equal opportunity and affirmative action policies.
- Develop and recommend to the Board any required updates on EIC's written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence EIC's procurement process.
- Develop and recommend to the Board any other policies or documents relating to EIC's governance, including rules and procedures for conducting EIC's business, such as EIC's by-laws. The Governance Committee will oversee the implementation and effectiveness of the by-laws and other governance documents and recommend modifications as needed.

C. Other Responsibilities

The Governance Committee shall:

- Annually review the compensation and benefits for senior EIC officials.
- Annually review, assess and make necessary changes to the Governance Committee charter.