STAFF

JOHN J. PISECK, JR.
Chief Executive Officer

VICTORIA L. ADAMS
Operations Manager

JENNIFER L. YOUNG
Administrative Office Assistant

ERIN E. SPINA
Marketing & Communications Specialist

ALAINA VALERIANO
Community & Business Development Specialist

BOARD OF DIRECTORS

VINCENT J. BONO
Chairman

CORY ALBRECHT
Vice Chairman

JOHN SCARANO
Secretary

MICHAEL WERENCZAK
Treasurer

ANN GAWORECKI
Director

TIM DAY
Director

ALANA BASLOE
Director

COUNSEL

SPECIAL:
CHARLES MALCOLM, Esq.
SHANNON WAGNER, Esq.
Hodgson Russ, LLP:

MINUTES

March 21, 2024

Herkimer Local Development Corporation

The Herkimer Local Development Corporation held a regular meeting of the Board of Directors on Thursday, March 21, 2024 immediately following the Herkimer County Industrial Development Agency board meeting. The meeting was held electronically via zoom conference as well as a public meeting open for the public to attend in person. Members of the public were invited to join the meeting virtually by going to www.zoom.com or by dialing (929) 205-6099 and entering meeting ID: 875-6466-4800 and passcode: 402411. Members of the public were invited to attend the meeting in person in the Herkimer County Chamber of Commerce conference room at 420 E. German Street, Herkimer, NY 13350.

After the Pledge of Allegiance, Chairman Bono called the meeting to order at 9:51 am.

The following members were present in person and answered the roll call: Vincent (Jim) Bono, Ann Gaworecki, Tim Day, Michael Werenczak, and John Scarano. **Quorum Present (5)**

Members Absent: Michael Werenczak and Tim Day

Agency Staff Present: John Piseck, Victoria Adams, Jennifer Young, Erin Spina, and Alaina Valeriano

Also Present in Person: None

Also Present Virtually: Shannon Wagner; HLDC counsel.

Minutes: The meeting minutes of the board meeting on February 29th, 2024 were offered for review. **Ann Gaworecki moved, seconded by Alana Basloe to approve the minutes as presented. The motion carried with 5 ayes and 0 nayes.**

Resolution Approving Amendments to Corporation Policies: The board was presented with a resolution to accept all amendments to the Herkimer Local Development Corporation policies. Following review, **Ann Gaworecki made the following motion;**

RESOLUTION APPROVING AMENDMENTS TO VARIOUS POLICIES OF THE HERKIMER LOCAL DEVELOPMENT CORPORATION.

Seconded by Alana Basloe, the motion carried with 5 ayes and 0 nayes. The official resolution is attached to the final minutes.
Resolution: HLDC 24-07

Alana Basloe moved, seconded by Ann Gaworecki to enter into executive session at 9:53 AM to discuss matters of contracts and properties. The motion carried with 5 ayes and 0 nayes

Being no other business, Cory Albrecht moved, seconded by John Scarano end executive session at 9:54 AM. The motion carried with 5 ayes and 0 nayes.

Charlestown Mall - Memorandum of Understanding: The Agency received a Memorandum of Understanding (MOU) between the Herkimer County Industrial Development Agency, the Herkimer Local Development Corporation, and the New York State Energy Research and Development Authority (NYSERDA) for the former Charlestown Mall property, located in the Town of Frankfort, County of Herkimer, with additional property located in the adjacent City of Utica, and County of Oneida, to conduct a feasibility assessment for the development of a utility-scale solar photovoltaic renewable energy project with the potential for energy storage on or around the property. Following discussion, **Alana Basloe moved, seconded by Cory Albrecht to authorize the Memorandum of Understanding between the Herkimer County Industrial Development Agency, the Herkimer Local Development Agency, and the New York State Energy Research and Development Authority, to conduct a feasibility assessment for the Charlestown Mall property. The motion carried with 5 ayes and 0 nayes.**
Resolution: HLDC 24-08

Being no other business, Ann Gaworecki moved, seconded by Alana Basloe to adjourn at 9:55 AM. The motion carried with 5 ayes and 0 nayes.

Respectfully Submitted,

Jennifer Young

Jennifer Young
Administrative Assistant

HERKIMER LOCAL DEVELOPMENT CORPORATION
RESOLUTION APPROVING AMENDMENTS TO CORPORATION POLICIES

A regular meeting of Herkimer Local Development Corporation (the "Corporation") was convened in public session at the Herkimer County Chamber of Commerce Conference Room located at 420 E. German Street, Suite 101A in the Village and Town of Herkimer, Herkimer County, New York, on March 21, 2024 at 9:51 o'clock a.m., local time.

The meeting was called to order by the Chairman of the Corporation and, upon roll being called, the following members of the Corporation were:

PRESENT:

Vincent J. Bono	Chairman
Cory Albrecht	Vice Chairman
John Scarano	Secretary
Ann Gaworecki	Director
Alana Basloe	Director

ABSENT:

Michael Werenczak	Treasurer
Tim Day	Director

ADDITIONAL INDIVIDUALS PRESENT INCLUDED THE FOLLOWING:

John J. Piseck, Jr.	Chief Executive Officer
Victoria Adams	Agency Operations Manager
Jennifer Young	Agency Office Administration
Erin E. Spina	Agency Marketing & Communications Specialist
Alaina Valeriano	Agency Community & Business Development Specialist
Shannon E. Wagner, Esq.	Special Corporation Counsel

The following resolution was offered by Ann Gaworecki, seconded by Alana Basloe to wit:

Resolution No. 24-07

RESOLUTION APPROVING AMENDMENTS TO VARIOUS POLICIES OF THE HERKIMER LOCAL DEVELOPMENT CORPORATION.

WHEREAS, Herkimer Local Development Corporation (the "Corporation") is authorized and empowered by the provisions of 402 and Section 1411 of the Not-For-Profit Corporation Law of the State of New York (the "NFPCL") to promote community and economic development and the creation of jobs for the citizens of Herkimer County, New York (the "County") by, among other things, promoting the community and economic development of the County, and creating jobs for the citizens of the County; and

WHEREAS, to accomplish its stated purposes, the Corporation is authorized and empowered under the NFPCL and its certificate of incorporation (the "Certificate") to enter into contracts with any other economic development organizations to help achieve the purposes described in the NFPCL and the

Certificate; and to perform any and all acts and things, and exercise any and all powers which may or now hereafter be lawful for the Corporation to do or exercise under and pursuant to the laws of the State of New York for the purpose of accomplishing any of the purposes of the Corporation; and

WHEREAS, the NFPCL and the Certificate allow the Corporation to approve certain administrative matters; and

WHEREAS, the Corporation has previously adopted the bylaws of the Corporation, the charters of the various committees of the Corporation, and various administrative policies (collectively, the "Policies"); and

WHEREAS, the members and staff of the Corporation have reviewed and commented on the Policies and discussed various changes with special counsel to the Corporation; and

WHEREAS, the members of the Corporation desire to approve certain amendments to the Policies;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE HERKIMER LOCAL DEVELOPMENT CORPORATION, AS FOLLOWS:

Section 1. The Corporation hereby takes the following actions:

(A) Approves and confirms the amendments to the Policies, as shown in Schedule A attached.

Section 2. The Corporation hereby authorizes the Chairman, Vice Chairman, and/or Chief Executive Officer to take all steps necessary to implement the matters described in Section 1.

Section 3. This Resolution shall take effect immediately.

The question of the adoption of the foregoing resolution was duly put to a vote on roll call, which resulted as follows:

Vincent James Bono	VOTING	YES
Cory Albrecht	VOTING	YES
John Scarano	VOTING	YES
Michael Werenczak	VOTING	__ABSENT__
Alana Basloe	VOTING	YES
Tim Day	VOTING	ABSENT
Ann Gaworecki	VOTING	YES

The foregoing resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) SS.:
COUNTY OF HERKIMER)

I, the undersigned Assistant Secretary of Herkimer Local Development Corporation (the "Corporation"), DO HEREBY CERTIFY that I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Corporation, including the Resolution contained therein, held on March 21, 2024 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Corporation had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Corporation present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Corporation this 21st day of March, 2024.

Assistant Secretary

(SEAL)

SCHEDULE A

AMENDMENTS TO THE
CORPORATION POLICIES

- SEE ATTACHED -

DRAFT FOR DISCUSSION PURPOSES ONLY
DATED: ~~JANAURY 26~~MARCH 21, 2024

BY-LAWS

OF

HERKIMER LOCAL DEVELOPMENT CORPORATION

ARTICLE I

THE CORPORATION

Section 1. Name. The name of the Corporation is "Herkimer Local Development Corporation."

Section 2. Seal of Corporation. The seal of the Corporation will be in the form of a circle and will bear the name of the Corporation and the year of its organization.

Section 3. Office of Corporation. The office of the Corporation will be in Herkimer County, New York.

Section 4. Execution of Instruments. Except as otherwise provided in these by-laws, instruments and documents of the Corporation may be signed or countersigned, executed, verified or acknowledged by such officer or officers or other person or persons as the Corporation may designate by resolution.

ARTICLE II

MEMBERS, DIRECTORS, OFFICERS AND COMMITTEES

Section 1. Sole Member. Herkimer County Industrial Development Agency (the "Agency") is the sole member of the Corporation.

Section 2. Board of Directors. (A) The Corporation will consist of not less than three (3) nor more than seven (7) directors (~~"Directors"~~)each a "Director," and, collectively, the "Board"), provided, however, that there must be an odd number of members at any given time. The Directors will be appointed by the governing body of the Agency from among the members of the Agency and will include (a) the Chairman of the Agency, (b) the Vice-Chairman of the Agency, (c) the Treasurer of the Agency, and (d) any additional members of the Agency so appointed by the Agency as a Director of the Corporation. It is acknowledged that the members of the Agency are appointed by and serve at the pleasure of the County Legislature of Herkimer County, New York (the "Legislature").

(B) For purposes of these by-laws, the term "Independent Director" means a Director one who: (1) is not, and in the past two years has not been, employed by the Corporation (or an "Affiliate" of the Corporation) in an executive capacity; (2) is not, and in the past two years has not been, employed by an entity that received remuneration valued at more than $15,000 for goods and services provided to the Corporation or received any other form of financial assistance valued at more than $15,000 from the Corporation; (3) is not a relative of an executive officer or employee in an executive position of the Corporation (or an "Affiliate" of the Corporation); and (4) is not,

and in the past two years has not been, a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the Corporation (or an "Affiliate" of the Corporation).

(C) For purposes of these by-laws, the term "Affiliate" means a corporate body having substantially the same ownership or control as the Corporation.

(D) For purposes of these by-laws, the term "Relative" means an individual's spouse, child, stepchild, stepparent, or any person who is a direct descendant of the grandparents of the individual or of the individual's spouse.

Section 3. Term of Service. Directors are not subject to term limits. Each Director is appointed by and serves at the pleasure of the Agency. Accordingly, a Director may be removed as a Director of the Corporation without cause at any time for any reason. Removal of a Director of the Corporation as a Director of the Corporation shall not affect the status of such Director as a member of the Agency.

Section 4. Filling of Vacancies. Should any Director position become vacant, the Corporation will take steps to recommend to the Agency one or more nominee members of the Agency to fill the vacancy. The decision to appoint a particular member of the Agency as a Director rests solely with the Agency.

Section 5. Responsibilities of Directors; Training Requirement. (A) The Directors of the Corporation constitute the governing body of the Corporation (the "Board"), and will have and will responsibly exercise all of the powers prescribed by Section 1411 of the New York State Not-for-Profit Corporation Law and other applicable law, including but not limited to Chapter 766 of the 2005 Laws of the State of New York, as amended (the "PAAA").

(B) The Board will appoint a Chief Executive Officer and a Chief Financial Officer of the Corporation, neither of whom will be a Director of the Corporation.

(C) Every annual financial report of the Corporation must be approved by the Board and provided to the Agency.

(D) The Directors of the Corporation will: (1) execute direct oversight of the Chief Executive Officer of the Corporation and other senior management of the Corporation in the effective and ethical management of the Corporation; and (2) understand, review and monitor the implementation of fundamental financial and management controls and operational decisions of the Corporation.

(E) The Board will not, directly or indirectly, including through a subsidiary, extend or maintain credit or arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any officer, Director or employee (or equivalent thereof) of the Corporation.

(F) Directors of the Corporation will file annual financial disclosure statements with the Agency.

(G) Individuals newly appointed to the Board of the Corporation must participate in state approved training regarding their legal, fiduciary, financial and ethical responsibilities within one year of appointment to such Board. Directors who have already completed state approved training will participate in such continuing training as may be required to remain informed of best

practices, regulatory and statutory changes relating to the effective oversight of the management and financial activities of public authorities and to adhere to the highest standards of responsible governance.

Section 6. Officers of the Board. (A) The officers of the Board will be elected by a majority of the Directors and will consist of a Chairman, a Vice Chairman, a Secretary, and a Treasurer.

(B) The officers of the Board will perform the duties and functions specified in these by-laws and such other duties and functions as may from time to time be authorized by resolution of the Board of the Corporation or required to effect the statutory purposes of the Corporation.

(C) Should any office of the Board become vacant, the Corporation will appoint a successor from among its Directors at the next regular meeting, and such appointment will be for the unexpired term of said office.

Section 7. Chairman. The Chairman will be a Director of the Corporation and preside at all meetings of the Corporation. The Chairman will sign all agreements, contracts, deeds and any other instruments on behalf of the Corporation, except as otherwise authorized or directed by resolution of the Corporation. The Chairman will submit his recommendations and such information as he has deemed pertinent concerning the business, affairs and policies of the Corporation, at each meeting.

Section 8. Vice Chairman. The Vice Chairman will be a Director of the Corporation and perform the duties of the Chairman in the absence or incapacity of the Chairman. In the event of the resignation or death of the Chairman, the Vice Chairman will become acting Chairman and perform the duties of the Chairman until such time as the Corporation appoints a new Chairman.

Section 9. Secretary. The Secretary will be a Director of the Corporation. The Secretary will keep all records of the Corporation, will act as secretary at the meetings of the Corporation, will keep a record of all votes thereat. The Secretary will record the proceedings of the Corporation in a journal of proceedings to be kept for such purpose. The Secretary will perform all duties incident to this office. The Secretary will have custody of the seal of the Corporation, and will have the power to affix such seal to all contracts and other instruments authorized by the Corporation to be executed.

Section 10. Treasurer. The Treasurer will be a Director of the Corporation. Except as otherwise authorized by resolution of the Board, the Treasurer of the Corporation is authorized, along with any other Director or representative of the Corporation who is authorized by a resolution or policy duly adopted by the Board, to sign all checks for the payment of money of the Corporation; and will pay out and disburse such moneys under the direction of the Board. Except as otherwise authorized by resolution of the Board, all such checks will be countersigned by any other Director of the Corporation or the Chief Executive Officer of the Corporation. The Treasurer, in coordination with the Corporation's Chief Financial Officer, will render to the Corporation at each regular meeting an account of the financial transactions and the current financial condition of the Corporation.

Section 11. Governance Committee. (A) The Chairman will appoint a Governance Committee, the membership of which shall be comprised of not less than three Independent Directors of the Corporation, who shall constitute a majority on the Governance Committee, and who shall possess the necessary skills to understand the duties and functions of the Governance Committee; provided, however, that in the event that the Board has less than three Independent Directors, the Board may appoint non-independent members to the Governance Committee, provided that the Independent Directors must constitute a majority of the members of the Governance Committee.

(B) The Governance Committee will: (1) keep the Board informed of current best governance practices; (2) review corporate governance trends; (3) update the Corporation's corporate governance principles; and (4) advise the Board on the skills and experiences required of potential Directors of the Board.

Section 12. Audit Committee. (A) The Chairman will appoint an Audit Committee, the membership of which shall be comprised of not less than three Independent Directors of the Corporation, who shall constitute a majority on the Audit Committee, and who shall possess the necessary skills to understand the duties and functions of the Audit Committee; provided, however, that in the event that the Board has less than three Independent Directors, the Board may appoint non-independent members to the Audit Committee, provided that the Independent Directors must constitute a majority of the members of the Audit Committee.

(B) To the extent practicable, members of the Audit Committee should be familiar with corporate financial and accounting practices.

(C) The Audit Committee will ensure that the Corporation arranges for the timely preparation and appropriate filing of the annual budget, the annual financial statements, the annual financial reports and the annual financial audit required under the laws of New York State.

(D) The Audit Committee will recommend to the Board the hiring of a certified independent public accounting firm for the Corporation, establish the compensation to be paid to the accounting firm, and provide direct oversight of the performance of the independent audit performed by the accounting firm hired for such purpose. The Audit Committee will not recommend the hiring of a certified independent public accounting firm to provide audit services to the Corporation if the Chief Executive Officer, comptroller, Chief Financial Officer, chief accounting officer, or any other person serving in an equivalent position for the Corporation was employed by that certified independent public accounting firm and participated in any capacity in the audit of the Corporation during the one year period preceding the date of the initiation of the audit.

(E) If the lead (or coordinating) audit partner (having primary responsibility for the audit) of the certified independent public accounting firm proposing to provide an annual independent audit for the Corporation, or the audit partner responsible for reviewing the audit, has performed audit services for the Corporation in each of the five previous fiscal years of the Corporation, the Audit Committee will prohibit such certified independent public accounting firm from providing an annual independent audit for the Corporation.

(F) The Audit Committee will require that each certified independent public accounting firm that performs for the Corporation an audit required by law will timely report to the Audit Committee: (1) all critical accounting policies and practices to be used; (2) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management officials of the Corporation, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the certified independent public accounting firm; and (3) other material written communications between the certified independent public accounting firm and the management of the Corporation, such as the management letter along with management's response or plan of corrective action, material corrections identified or schedule of unadjusted differences, where applicable.

(G) The Audit Committee will prohibit the certified independent public accounting firm providing an annual independent audit for the Corporation from performing any non-audit

services to the Corporation contemporaneously with the audit, unless receiving previous written approval by the Audit Committee, including: (1) bookkeeping or other services related to the accounting records or financial statements of the Corporation; (2) financial information systems design and implementation; (3) appraisal or valuation services, fairness opinions, or contribution-in-kind reports; (4) actuarial services; (5) internal audit outsourcing services; (6) management functions, (7) broker or dealer, investment advisor, or investment banking services; and (8) legal services and expert services unrelated to the audit.

Section 13. Finance Committee. (A) The Chairman will appoint a Finance Committee, the membership of which shall be comprised of not less than three Independent Directors of the Corporation, who shall constitute a majority on the Finance Committee, and who shall possess the necessary skills to understand the duties and functions of the Finance Committee; provided, however, that in the event that the Board has less than three Independent Directors, the Board may appoint non-independent members to the Finance Committee, provided that the Independent Directors must constitute a majority of the members of the Finance Committee.

(B) The Finance Committee shall review proposals for the issuance of debt by the Corporation and its subsidiaries and make recommendations on the issuance of such debt.

Section 14. Additional Duties. The officers of the Corporation will perform such other duties and functions as may from time to time be required by the Corporation, by its by-laws, or by its rules and regulations.

Section 15. Appointment of Officers. All officers of the Corporation except the first Chairman will be appointed at the annual meeting of the Corporation. Officers will hold office for one year or until their successors are appointed. If the term of a Corporation Director should terminate, the term of office of such Director as an officer of the Corporation will also terminate.

ARTICLE III

MEETINGS

Section 1. Annual Meeting. The annual meeting of the Corporation will be announced by the Chairman as such, and held either at the regular meeting place of the Corporation or such place as designated by the Chairman.

Section 2. Regular Meetings. Regular meetings of the Corporation may be held at such times and places as from time to time may be determined by the Corporation.

Section 3. Special Meetings. The Chairman of the Corporation may, when he deems it desirable, and will upon the written request of two Directors of the Corporation, call a special meeting of the Corporation for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered to each Director of the Corporation or may be mailed to the business or home address of each Director of the Corporation at least two days prior to the date of such special meeting. Waivers of notice may be signed by any Director failing to receive a proper notice. At such special meeting, no business will be considered other than as designated in the call, but if all Directors of the Corporation are present at a special meeting, with or without notice thereof, and are all agreeable thereto, any and all business may be transacted at such special meeting.

Section 4. Executive Sessions. When determined by the Corporation that any matter pending before it is confidential in nature, it may, upon its own motion, establish an executive session in accordance with the New York State Open Meetings Law and exclude non-Directors from such sessions.

Section 5. Quorum. At all meetings of the Corporation, a majority of the Corporation will constitute a quorum for the purpose of transacting business; provided that a smaller number may meet and adjourn to some other time or until a quorum is obtained.

Section 6. Order of Business. At the regular meetings of the Corporation, the following will be the order of business:

1. Roll Call.
2. Reading and approval of the minutes of the previous meeting.
3. Bills not of standard nature and communications.
4. Report of the Treasurer.
5. Reports of Committees.
6. Unfinished business.
7. New business.
8. Adjournment.

Section 7. Manner of Voting. The voting on all questions coming before the Corporation concerning financial commitments, expenditures, personnel matters, appointments, litigation, legal indebtedness, contracts, and agreements will be by roll call, all other questions may be by voice vote, and yeas and nays will be entered on the minutes of such meeting, except in the case of appointments when the vote may also be by ballot. The Corporation's attorney will decide which questions coming before the Corporation require a roll call vote. Any action of the Corporation will be binding upon determination by a majority vote of the Directors of the Corporation.

ARTICLE IV

EXECUTIVE OFFICERS AND EMPLOYEES

Section 1. Chief Executive Officer. (A) The Chief Executive Officer will be appointed by the Board, and will be the chief executive officer of the Corporation.

(B) The Chief Executive Officer will have general supervision over the administration of the business and affairs of the Corporation, subject to the direction of the Board. Whenever possible, the Chief Executive Officer will attend each meeting of the Board, and will submit such recommendations and information to the Board as the Chief Executive Officer may consider proper concerning the business, affairs and policies of the Corporation.

(C) The Chief Executive Officer will be charged with the management of all projects of the Corporation.

(D) The Chief Executive Officer will also serve as the Contracting Officer (as such term is defined in the PAAA) of the Corporation, and, as such, be responsible for (1) the disposition of property of the Corporation, and (2) the Corporation's compliance with the Corporation's property use and disposition guidelines.

(E) Every annual financial report of the Corporation must be certified in writing by the Chief Executive Officer that based on the Chief Executive Officer's knowledge (1) the information provided therein is accurate, correct and does not contain any untrue statement of material fact; (2) does not omit any material fact which, if omitted, would cause the financial statements to be misleading in light of the circumstances under which such statements are made; and (3) fairly presents in all material respects the financial condition and results of operations of the Corporation as of, and for, the periods presented in the financial statements.

Section 2. Chief Financial Officer. (A) The Corporation may, in its sole discretion, appoint an individual to serve as the Chief Financial Officer of the Corporation. In the alternative, the Corporation may elect to assign the duties and obligations identified in this Section 2 to Corporation staff or other contracted employees of the Corporation. The term "Chief Financial Officer" when used herein shall refer to the individual or individuals undertaking the duties and obligations of a Chief Financial Officer.

(B) The Chief Financial Officer will have the care and custody of all funds of the Corporation and will deposit the same in the name of the Corporation in such bank or banks as the Board may select or, if the Board has not so selected a bank or banks, which the Chief Financial Officer selects.

(~~B~~C) The Chief Financial Officer will keep regular books of accounts showing receipts and expenditures, and will render to the Audit Committee at each regular meeting thereof an account of such transactions and also of the financial condition of the Corporation.

(~~C~~D) The Chief Financial Officer will give such bond for the faithful performance of his duties as the Corporation may determine.

(~~D~~E) Every annual financial report of the Corporation must be certified in writing by the Chief Financial Officer that based on the Chief Financial Officer's knowledge (1) the information provided therein is accurate, correct and does not contain any untrue statement of material fact; (2) does not omit any material fact which, if omitted, would cause the financial statements to be misleading in light of the circumstances under which such statements are made; and (3) fairly presents in all material respects the financial condition and results of operations of the Corporation as of, and for, the periods presented in the financial statements.

Section 3. Additional Personnel. The Corporation may from time to time employ such personnel as it deems necessary to exercise its power, duties and functions as prescribed by the New York State Not-for-Profit Corporation Law and all other laws of the State of New York applicable thereto. The selection and compensation of all personnel including the Chief Executive Officer will be determined by the Corporation subject to the laws of the State of New York. The Corporation may from time to time employ such personnel as it deems necessary to exercise its statutory powers, duties and functions. The selection and compensation of all personnel will be determined by the Corporation.

Section 4. Financial Disclosure. Officers and employees of the Corporation will file annual financial disclosure statements with the Agency.

ARTICLE V

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Right of Indemnification. Each Director and officer of the Corporation, whether or not then in office, and any person whose testator or intestate was such a Director or officer, will be indemnified by the Corporation for the defense of, or in connection with, any threatened, pending or completed actions or proceedings and appeals therein, whether civil, criminal, administrative or investigative, in accordance with and to the fullest extent permitted by the Section 18 of the Public Officers Law of the State of New York or other applicable law, as such law now exists or may hereafter be adopted or amended; provided, however, that the Corporation will provide indemnification in connection with an action or proceeding (or part thereof) initiated by such a Director or officer only if such action or proceeding (or part thereof) was authorized by the Board.

Section 2. Advancement of Expenses. (A) Expenses incurred by a Director or officer in connection with any action or proceeding as to which indemnification may be given under Section 1 of this Article V **may** be paid by the corporation in advance of the final disposition of such action or proceeding upon (1) the receipt of an undertaking by or on behalf of such Director or officer to repay such advancement in case such Director or officer is ultimately found not to be entitled to indemnification as authorized by this Article V and (2) approval by the Board.

(B) To the extent permitted by law, the Board will not be required to find that the Director or officer has met the applicable standard of conduct provided by law for indemnification in connection with such action or proceeding before the Corporation makes any advance payment of expenses hereunder.

Section 3. Availability and Interpretation. To the extent permitted under applicable law, the rights of indemnification and to the advancement of expenses provided in this Article V (A) will be available with **respect** to events occurring prior to the adoption of this Article V, (B) will continue to exist after any rescission or restrictive amendment of this Article V with respect to events occurring prior to such rescission or amendment, (C) will be interpreted on the basis of applicable law in effect at the time of the occurrence of the event or events giving rise to the action or proceeding or, at the sole discretion of the Director or officer (or, if applicable, at the sole discretion of the testator or intestate of such Director or officer seeking such rights), on the basis of applicable law in effect at the time such rights are claimed and (D) will be in the nature of contract rights that may be enforced in any court of competent jurisdiction as if the Corporation and the Director or officer for whom such rights are sought were parties to a separate written agreement.

Section 4. Other Rights. The rights of indemnification and to the advancement of expenses provided in this Article V will not be deemed exclusive of any other rights to which any Director or officer of the Corporation or other person may now or hereafter be otherwise entitled, whether contained in these by-laws, a resolution of the Board or an agreement providing for such indemnification, the creation of such other rights being hereby expressly authorized. Without limiting the generality of the foregoing, the rights of indemnification and to the advancement of expenses provided in this Article V will not be deemed exclusive of any rights, pursuant to statute or otherwise, of any Director or officer of the Corporation or other person in any action or proceeding to have assessed or allowed in his or her favor, against the Corporation or otherwise, his or her costs and expenses incurred therein or in connection therewith or any part thereof.

Section 5. Severability. If this Article V or any part hereof is held unenforceable in any respect by a court of competent jurisdiction, it is deemed modified to the minimum extent necessary to make it

enforceable, and the remainder of this Article V will remain fully enforceable. Any payments made pursuant to this Article V will be made only out of funds legally available therefor.

ARTICLE VI

POLICIES & PROCEDURES

Section 1. Projects. It is the policy of this Corporation that the Corporation will only undertake projects that are not authorized by Article 18A of the New York State General Municipal Law (the "New York State Industrial Development Agency Act") unless the Corporation receives a written request from Agency asking the Corporation to consider undertaking such project.

Section 2. Miscellaneous. (A) The Corporation will not approve any project to be located on a site or within an area which does not conform to or has not been granted a variance from any applicable zoning laws of the State, county, town or village.

(B) The Corporation will not approve any project which would be in violation of New York State Environmental Quality Review Act.

(C) The Corporation will not approve any project which would be or is in violation of the health, labor or other laws of the State of New York or the United States or of the local laws of Herkimer County, New York and any city, town or village in Herkimer County, New York.

Section 3. Audit of Records and Accounts. (A) The Corporation will annually secure a certified audit of its financial records and accounts and will file a copy of such certified audit with the Agency within ninety (90) days after the close of the Corporation's fiscal year.

(B) The Corporation may require any other operating statements that it determines are required for daily operation.

Section 4. Conveyance of Property. The Corporation may insert in a contract for a project that upon the payment in full of all notes, bonds and indebtedness incurred in connection with a project that the Corporation will convey the lands, buildings and equipment involved in said project and so paid for to the tenant or operator of the same upon terms set forth in such contract and that the additional consideration for such conveyance may be nominal.

Section 5. Additional Policies. The Corporation by resolution may adopt such rules, regulations, policies and procedures as it may deem necessary and appropriate to the operation so long as the same is not contrary to these by-laws as they may be amended from time to time.

ARTICLE VII

AMENDMENTS

Section 1. Amendments to By-laws. The by-laws of the Corporation may be amended with the consent of the Chairman of the Agency and the approval of a majority of all the Directors of the Corporation at a regular meeting or at a special meeting called for that purpose; but no such amendment will be adopted unless at least thirty days written notice thereof has been previously given to all Directors of the Corporation and to the Chairman of the Agency.

In effect as of ~~January~~March __, 2024.

DRAFT FOR DISCUSSION PURPOSES ONLY
DATED: ~~JANUARY 26~~MARCH 21, 2024

HERKIMER LOCAL DEVELOPMENT CORPORATION

AUDIT COMMITTEE CHARTER

This Audit Committee Charter was adopted by the Board of Directors (the "Board") of the Herkimer Local Development Corporation ("Corporation"), a not-for-profit local development corporation duly organized and existing pursuant to Section 1411 of the Not For Profit Corporation Law of the State of New York (the "Act"), on this ___ day of ~~January~~March, 2024.

Purpose

Pursuant to the Corporation's bylaws, the purpose of the audit committee of the Corporation (the "Audit Committee") shall be to (1) assure that the Board fulfills its responsibilities for the Corporation's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; and (2) provide an avenue of communication between management, the independent auditors, the internal auditors, and the Board.

Powers of the Audit Committee

It shall be the responsibility of the Audit Committee to:

- Appoint, compensate, and oversee the work of any public accounting firm employed by the Corporation.
- Conduct or authorize investigations into any matters within its scope of responsibility.
- Seek any information it requires from Corporation employees, all of whom should be directed by the Board to cooperate with committee requests.
- Meet with Corporation staff, independent auditors or outside counsel, as necessary.
- Retain, at the Corporation's expense, such outside counsel, experts and other advisors as the Audit Committee may deem appropriate.

The Board will ensure that the Audit Committee has sufficient resources to carry out its duties.

Composition of Audit Committee and Selection of Members

The Audit Committee shall be established as set forth in and pursuant to Article II, Section 12 of the Corporation's bylaws. The Audit Committee shall consist of at least **three (3)** members of the Board who are independent of Corporation operations. The Board will appoint the Audit Committee members and the Audit Committee chairman.

Audit Committee members shall be prohibited from being an employee of the Corporation or an immediate family member of an employee of the Corporation. In addition, Audit Committee

members 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.

Ideally, all members on the Audit Committee shall possess or obtain a basic understanding of governmental financial reporting and auditing.

The Audit Committee shall have access to the services of at least *one financial expert*; whose name shall be disclosed in the annual report of the Corporation.

The Audit Committee's financial expert should have 1) an understanding of generally accepted accounting principles and financial statements; 2) experience in preparing or auditing financial statements of comparable entities; 3) experience in applying such principles in connection with the accounting for estimates, accruals and reserves; 4) experience with internal accounting controls and, 5) an understanding of Audit Committee functions.

Meetings

The Audit Committee will meet a minimum of **twice** a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter.

Members of the Audit Committee are expected to attend each Audit Committee meeting, in person or via telephone or videoconference. The 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. A majority of the Audit Committee members present shall constitute a quorum.

The Audit Committee will meet with the Corporation's independent auditor at least annually to discuss the financial statements of the Corporation.

Meeting agendas will be prepared for every meeting and provided to the Audit Committee members along with briefing materials five (5) ~~business~~calendar days before the scheduled Audit Committee meeting. The Audit Committee will act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings will be recorded and filed in the records of the Corporation, and posted to the Corporation's website.

Meetings of the Audit Committee are open to the public, and the Audit Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice and the conduct of executive session.

A report of each Audit Committee meeting shall be prepared and presented to the Board at its next scheduled meeting following the meeting of the Audit Committee.

Responsibilities

The Audit Committee shall have responsibilities related to: (a) the independent auditor and annual financial statements; (b) the Corporation's internal auditors; (c) oversight of management's internal controls, compliance and risk assessment practices; (d) special investigations and whistleblower policies; and (e) miscellaneous issues related to the financial practices of the Corporation.

A. Independent Auditors and Financial Statements. The Audit Committee shall:

- Appoint, compensate and oversee independent auditors retained by the Corporation and pre-approve all audit services provided by the independent auditor.

- Establish procedures for the engagement of the independent auditor to provide permitted audit services. The Corporation's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the Audit Committee. Non-audit services include tasks that directly support the Corporation's operations, such as bookkeeping or other services related to the accounting records or financial statements of the Corporation, financial information systems design and implementation, appraisal or valuation services, actuarial services, investment banking services, and other tasks that may involve performing management functions or making management decisions.

- Review and approve the Corporation's audited financial statements, associated management letter, report on internal controls and all other auditor communications.

- 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.

- Meet with the independent audit firm on a regular basis to discuss any significant issues that may have surfaced during the course of the audit.

- 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 Auditors. The Corporation may, in its absolute discretion and by resolution of the Board, create and establish an internal audit procedure. In the event such an internal audit procedure is created, the Audit Committee shall:

- Review with management and the internal audit director, the charter, activities, staffing and organizational structure of the internal audit function. The Audit Committee shall have Corporation over the appointment, dismissal, compensation and performance reviews of the internal audit director.

- Ensure that the internal audit function is organizationally independent from Corporation operations.

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- Review the reports of internal auditors, and have Corporation to review and approve the annual internal audit plan.

- Review the results of internal audits and approve procedures for implementing accepted recommendations of the internal auditor.

C. Internal Controls, Compliance and Risk Assessment. The Audit Committee shall review management's assessment of the effectiveness of the Corporation's internal controls and review the report on internal controls by the independent auditor as a part of the financial audit engagement.

D. Special Investigations. The Audit Committee shall:

- Ensure that the Corporation 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 Corporation or any persons having business dealings with the Corporation or breaches of internal control.

- Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing to the appropriate body.

- Request and oversee special investigations as needed and/or refer specific issues to the appropriate body for further investigation (for example, issues may be referred to the State Inspector General or other investigatory organization).

- Review all reports delivered to it by the Inspector General and serve as a point of contact with the Inspector General.

E. Other Responsibilities of the Audit Committee. The Audit Committee shall:

- Present annually to the Board a written report of how it has discharged its duties and met its responsibilities as outlined in the charter.

- Obtain any information and training needed to enhance the Audit Committee members' understanding of the role of internal audits and the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.

- Review the Audit Committee's charter annually, reassess its adequacy, and recommend any proposed changes to the Board. The Audit Committee charter will be updated as applicable laws, regulations, accounting and auditing standards change.

- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the Board approval for proposed changes.

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DRAFT FOR DISCUSSION PURPOSES ONLY
DATED: ~~JANUARY 26~~MARCH 21, 2024

HERKIMER LOCAL DEVELOPMENT CORPORATION

FINANCE COMMITTEE CHARTER

This Finance Committee Charter was adopted by the Board of Directors (the "Board") of the Herkimer Local Development Corporation ("Corporation"), a not-for-profit local development corporation duly organized and existing pursuant to Section 1411 of the Not For Profit Corporation Law of the State of New York (the "Act"), on this ___ day of ~~January~~March, 2024.

Purpose

Pursuant to Article II, Section 13 of the Corporation's bylaws, the purpose of the finance committee of the Corporation (the "Finance Committee ") shall be to oversee the financial affairs of the Corporation, to review proposals for the issuance of debt and review and make recommendations to the Board about the financial affairs and policies of the Corporation.

Duties of the Finance Committee

It shall be the responsibility of the Finance Committee to:

- Review proposals for the issuance of debt by the Corporation and to make recommendations concerning those proposals to the Board.
- Make recommendations to the Board concerning the level of debt and nature of debt issued by the Corporation.
- Review and file the annual budget of the Corporation.
- Make recommendations concerning the appointment and compensation of bond counsel, investment advisors and underwriting firms used by the Corporation, and to oversee the work performed by these individuals and firms on behalf of the Corporation.
- Meet with and request information from Corporation staff, independent auditors and advisors or outside counsel, as necessary to perform the duties of the Finance Committee.
- Retain, at the Corporation's expense, such outside counsel, experts and other advisors as the Finance Committee may deem appropriate.
- Review proposals relating to the repayment of debt or other long-term financing arrangements by the Corporation.
- Annually review the Corporation's financing guidelines and make recommendations to the Board concerning criteria that should govern its financings. These should include security provisions required for a bond financing undertaking, specific requirements of credit enhancements or additional guarantees used, such as a pledge of revenues, financial covenants or debt service reserves.

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- Report annually to the Corporation's Board how it has discharged its duties and met its responsibilities as outlined in the charter.

- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the Board approval for proposed changes.

Composition of the Finance Committee and Selection of Members

The Finance Committee shall consist of at least **three (3)** independent members of the Board, who shall constitute a majority on the Finance Committee. If the Board has less than three independent members, non-independent members may be appointed to the Finance Committee provided that the independent members constitute a majority of the Finance Committee. The Corporation's Board will appoint the Finance Committee members and the Finance Committee chairman.

Finance Committee members shall be prohibited from being an employee of the Corporation. In addition, Finance Committee members 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.

Ideally, all members of the Finance Committee shall possess or obtain a basic understanding of governmental financial reporting and financing.

Meetings

The Finance Committee will meet a minimum of **twice** a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter.

Members of the Finance Committee are expected to attend each Finance Committee meeting, in person or via telephone or videoconference. The Finance Committee may invite other individuals, such as members of management, financial or other technical experts to attend meetings and provide pertinent information, as necessary. A majority of the Finance Committee members present shall constitute a quorum.

Meeting agendas will be prepared for every meeting and provided to the Finance Committee members along with briefing materials five (5) ~~business~~calendar days before the scheduled Finance Committee meeting. The Finance Committee will act only on the affirmative vote of a majority of the members at a meeting or by unanimous consent. Minutes of these meetings will be recorded and filed in the records of the Corporation, and posted to the Corporation's website.

A report of each Finance Committee meeting shall be prepared and presented to the Board at its next scheduled meeting following the meeting of the Finance Committee.

Meetings of the Finance Committee are open to the public, and the Finance Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice and the conduct of executive session.

Review of the Corporation's Annual Budget. The Finance Committee shall:

- Review the Agency's proposed annual operating budget as presented by Agency management for the upcoming fiscal year.

- Recommend the annual budget to the board for approval after incorporating necessary amendments.

- Monitor and report to the board on the Agency's compliance with its adopted budget during the fiscal year (actual verses estimated budget) on a monthly/quarterly basis.

Oversight of Corporation Investments. The Finance Committee shall:

- Annually review the Corporation's investment policy and evaluate allocation of assets.

- Review and recommend to the board approval of the Corporation's annual investment report.

- Annually review the Corporation's audit of investments as provided by independent auditors.

- Recommend to the Board the selection of investment advisors.

Review of Financial and Procurement Thresholds. The Finance Committee shall:

- Review and make recommendations to the Board regarding any proposed procurements submitted to the committee by the Corporation's procurement/contracting officer.

- Review and recommend changes to the thresholds for procuring goods and services in the Corporation's procurement policy.

- Review and recommend changes to the Corporation's fee schedules, if any. Review the scope and terms of the Corporation's insurance policies and liability coverage on an annual basis.

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DRAFT FOR DISCUSSION PURPOSES ONLY
DATED: ~~JANUARY 26~~MARCH 21, 2024

HERKIMER LOCAL DEVELOPMENT CORPORATION

GOVERNANCE COMMITTEE CHARTER

This Governance Committee Charter was adopted by the Board of Directors (the "Board") of the Herkimer Local Development Corporation ("Corporation"), a not-for-profit local development corporation duly organized and existing pursuant to Section 1411 of the Not For Profit Corporation Law of the State of New York (the "Act"), on this ___ day of ~~January~~March, 2024.

Purpose

Pursuant to Article II, Section 11 of the Corporation's bylaws, the purpose of the governance committee of the Corporation (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 the Corporation;
- Updating the Corporation's corporate governance principles and governance practices; and
- Advising those responsible for appointing directors to the Board on the skills, qualities and professional or educational experiences necessary to be effective board members.

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 Corporation staff.
- Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the Governance Committee deems necessary.
- Solicit, at the Corporation's expense, persons having special competencies, including legal, accounting or other consultants as the Governance 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 pursuant to Public Authorities Law Section 2879, and to present such contracts to the Board for its approval.

Composition and Selection

The membership of the Governance Committee shall be as set forth in accordance with and pursuant to Article II, Section 11 of the Corporation's bylaws. The Governance Committee shall be comprised of **three (3)** independent members. The Governance Committee members shall be appointed by, and will serve at the discretion of the Board. The Board shall designate one member of the Governance Committee as its Chairman. The members shall serve until their resignation, retirement, removal by the

Board or until their successors shall be appointed and qualified. When feasible, the immediate past Governance Committee Chair will continue serving as a member of the Governance Committee for at least one year to ensure an orderly transition.

Governance Committee members shall be prohibited from being an employee of the Corporation or an immediate family member of an employee of the Corporation. In addition, Governance Committee members 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.

The Governance Committee members should be knowledgeable or become knowledgeable in matters pertaining to governance.

Meetings

The Governance Committee will meet a minimum of **twice** a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter.

Members of the Governance Committee are expected to attend each meeting, in person or via telephone or videoconference. The Governance Committee may invite other individuals, such as members of management, financial or other technical experts to attend meetings and provide pertinent information, as necessary. A majority of the Governance Committee members present shall constitute a quorum.

Meeting agendas will be prepared for every meeting and provided to the Governance Committee members at least five (5) calendar days in advance of the scheduled meeting, 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 are to be recorded and filed in the records of the Corporation, and posted to the Corporation's website.

Meetings of the Governance Committee are open to the public, and the Governance Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice and the conduct of executive session.

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 charter or the governance guidelines.
- 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 Corporation's Board; (b) evaluation of the Corporation's policies; and (c) other miscellaneous issues.

Relationship to the Corporation's Board

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The Board 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 the Corporation's governance practices. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight.

- Develop the competencies and personal attributes required of members of the Board to assist those authorized to appoint members to the Board in identifying qualified individuals.

In addition, the Governance Committee shall:

- 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 the Corporation's governance process.

Evaluation of the Corporation's Policies. The Governance Committee shall:

- Develop, review on a regular basis, and update as necessary the Corporation'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 the Corporation's written policies regarding the protection of whistleblowers from retaliation.

- Develop and recommend to the Board any required revisions to the Corporation's equal opportunity and affirmative action policies.

- Develop and recommend to the Board any required updates on the Corporation's 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.

- Develop and recommend to the Board any required updates on the Corporation's written policies regarding the disposition of real and personal property.

- Develop and recommend to the Board any other policies or documents relating to the governance of the Corporation, including rules and procedures for conducting the business of the Corporation's Board, such as the Corporation'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.

Other Responsibilities. The Governance Committee shall:

- Review on an annual basis the compensation and benefits for the Chief Executive Officer and other senior Corporation officials.

- Annually review, assess and make necessary changes to the Governance Committee charter and provide a self-evaluation of the Governance Committee.

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DRAFT FOR DISCUSSION PURPOSES ONLY
DATED: ~~JANUARY 26~~MARCH 21, 2024

HERKIMER LOCAL EVELOPMENT CORPORATION

CONFLICTS OF INTEREST POLICY

SECTION 1. PURPOSE AND AUTHORITY. The purpose of this Policy is to implement Section 883 of Title One of Article 18-A of the General Municipal Law (the "Act"), which provides that Article 18 of the General Municipal Law (the "Conflict of Interest Law") applies to all members, officers and employees of Herkimer Local Development Corporation (the "Corporation").

SECTION 2. DEFINITIONS. (A) The definitions contained in Section 800 of the Conflict of Interest Law apply to this Policy.

(B) Generally, a conflict of interest is a situation in which the financial, familiar, or personal interests of a director or employee of the Corporation come into actual or perceived conflict with heir duties and responsibilities to the Corporation. Perceived conflicts of interest are situations where there is the appearance that a director or employee can personally benefit from actions or decisions made in their official capacity, or where a director or employee may be influenced to act in a manner that does not represent the best interests of the Corporation. The perception of a conflict may occur if circumstances would suggest to a reasonable person that a director or employee may have a conflict. The appearance of a conflict and an actual conflict should be treated in the same manner for purposes of this Policy.

SECTION 3. CONFLICTS OF INTEREST. (A) General Rule. Except as authorized by Section 802 of the Conflict of Interest Law:

(1) No member, officer or employee of the Corporation shall have an interest in any contract with the Corporation when such member, officer or employee, either individually or as a member of a board, has the power or duty to:

(a) negotiate, prepare, authorize or approve the contract or authorize or approve payment thereunder;

(b) audit bills or claims under the contract; or

(c) appoint an officer or employee who has any of the powers or duties set forth above.

(2) No chief fiscal officer, treasurer, or his or her deputy or employee, of the Corporation shall have an interest in a bank or trust company that is designated as a depository, paying agent, registration agent or for investment of funds of the Corporation.

(B) Disclosure. Except as provided in subsection (C) below, any member, officer or employee of the Corporation who has, will have, or later acquires an interest in any actual or proposed contract with the Corporation shall publicly disclose the nature and extent of such interest in writing to the members of the Corporation as soon as he or she has knowledge of such actual or prospective interest. Such written disclosure shall be set forth in and made part of the official record of the proceedings of the Corporation. Once disclosure has been made with respect to an interest in a contract with a particular person, firm, corporation or association, no further disclosures are required by such member, officer or employee with respect to additional contracts with the same party during the remainder of the fiscal year.

(C) Disclosure Not Required. Pursuant to Section 803(2) of the Conflict of Interest Law, the disclosure required in subsection (B) above is not required in the case of an interest in a contract described in Section 802(2) of the Conflict of Interest Law.

(D) Recusal and Abstention. No director or employee of the Corporation may participate in any decision or take any official action with respect to any matter requiring the exercise of discretion, including discussing the matter and voting thereon, when he or she knows or has reason to know that a conflict of interest exists. Directors and/or employees must recuse or abstain, as applicable, from deliberations, votes, or internal discussion on matters which could give rise to a conflict of interest, and are prohibited from attempting to influence other directors or employees in the deliberation and voting on such matter.

(E) Resignation. The directors and employees of the Corporation acknowledge and agree that, pursuant to the Conflict of Interest Law, recusal and abstention do not cure a conflict of interest and that, in some instances, the director or employee may be required to resign one of the positions that is creating the conflict of interest. Counsel to the Corporation will be available to provide guidance on these matters.

(F) Penalties for Violations. Pursuant to Section 805 of the Conflict of Interest Law, any officer or employee of the Corporation who willfully and knowingly violates the foregoing provisions of the Conflict of Interest Law, may be guilty of a misdemeanor. Furthermore, pursuant to Section 804 of the Conflict of Interest Law, any contract that is willfully entered into by or with the Corporation in which there is an interest prohibited by the Conflict of Interest Law shall be null, void and wholly unenforceable.

SECTION 4. PROHIBITED ACTIONS. (A) General. Pursuant to Section 805-a of the Conflict of Interest Law, no member, officer or employee of the Corporation shall:

(1) either directly or indirectly, solicit, accept or receive any gift having a value of seventy-five (75) dollars or more, whether in the form of money, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form, under circumstances in which it could reasonably be inferred that the gift was intended as a reward for any official action on his or her part, or that it was intended to or could reasonably be expected to influence him or her in the performance of his or her official duties;

(2) disclose confidential information acquired in the course of his or her official duties or use such information to further his or her personal interests;

(3) receive or enter into any express or implied agreement for compensation for services to be rendered in relation to any matter before the Corporation; or

(4) receive or enter into any express or implied agreement for compensation for service to be rendered in relation to any matter before the Corporation whereby his or her compensation is to be dependent or contingent upon any action by such Corporation with respect to that matter; provided, however, that this paragraph shall not prohibit the fixing at any time of fees based upon the reasonable value of the services rendered.

(B) Penalty for Violation. Pursuant to Section 805-a of the Conflict of Interest Law, any person who shall knowingly and intentionally violate the Conflict of Interest Law may be fined, suspended or removed from office or employment in the manner provided by law.

SECTION 5. DETERMINATION OF CONFLICT OF INTEREST. The Governance Committee and/or Ethics Officer of the Corporation shall advise any individual who appears to have a conflict of interest how to proceed. The Governance Committee and/or Ethics Officer of the Corporation shall seek guidance from counsel to the Corporation regarding the determination of a conflict of interest.

SECTION 6. POSTING AND AVAILABILITY. (A) The Chief Executive Officer of the Corporation shall have a copy of the Conflict of Interest Law and of this Policy posted in the office of the Corporation in a place which is conspicuous to the officers, members and employees of the Corporation.

(B) All Directors and employees of the Corporation should be provided with this Policy upon commencement of employment or appointment and shall be required to acknowledge that they have read, understand and are in compliance with the terms of this Policy. Directors and employees should review on an ongoing basis circumstances that constitute a conflict of interest or the appearance of a conflict of interest, abide by this Policy and seek guidance when necessary and appropriate. This Policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest, including, but not limited, the Conflict of Interest Law.

SECTION 7. MISCELLANEOUS PROVISIONS. (A) ~~Financial Disclosure. Pursuant to Section 810(3) of the Conflict of Interest Law, members, officers and employees of the Corporation are deemed officers any employees of the City of Albany for purposes of Sections 811, 812 and 813 of the Conflict of Interest Law (said sections deal generally with financial disclosure).~~[Reserved.]

(B) Compensation. Pursuant to Section858-a(1) of the Act, the compensation of an officer or full time employee of the Corporation (but not including part time employees or consultants, including accountants, attorneys and bond counsel to the Corporation) shall not be contingent on the granting of financial assistance by the Corporation.

Adopted: ~~January~~March __, 2024

DRAFT FOR DISCUSSION PURPOSES ONLY
DATED: ~~FEBRUARY 23~~MARCH 21, 2024

HERKIMER LOCAL DEVELOPMENT CORPORATION

INTERNAL CONTROL POLICY

The Herkimer Local Development Corporation (the "Corporation") is governed by a Board of Directors (the "Board") consisting of not less than three (3) nor more than seven (7) directors (each a "Director"). Professional Services are provided by the staff of the Herkimer County Industrial Development Agency and a Chief Executive Officer (collectively, the "Administrative Staff").

SECTION 1. GENERAL.

- The Board is responsible for authorizing all bank accounts and check signing activity.
- Financial institutions where Corporation accounts are maintained are notified of any changes in check signatories, following the transition of officers or changes in staff with check signing responsibilities.
- Receipts, disbursements and all record keeping is handled by the Administrative Staff.
- Disbursements are authorized by the Board and checks ~~payable to the Administrative Staff~~ must be signed by an authorized check signor~~. The authorized check signors~~ (each an "Authorized Signor"), provided however, that an Authorized Signor may not execute a check payable to themselves. The Authorized Signors of the Corporation shall be identified on Schedule A attached hereto and shall include the Treasurer of the Corporation pursuant to the By-Laws of the Corporation. The Corporation may, by resolution, appoint additional ~~authorized check signors~~Authorized Signors.
- All checks for authorized disbursements must be reviewed by an authorized check auditor (each an "Authorized Auditor") following execution thereof by an Authorized Signor and prior to distribution of the check to pay for the disbursement. The Authorized Auditors of the Corporation shall also be identified on Schedule A attached hereto. The Corporation may, by resolution, appoint additional Authorized Auditors.
- Financial Reports are made at each board meeting and all records are reviewed by an independent auditor on an annual basis. Each year the independent auditor reviews and reports on the Corporation's internal control system.

SECTION 2. CASH RECEIPTS.

- If cash is received, the cash must be deposited immediately with 24 to 48 hours upon receipt by an authorized person.
- Records of cash received must be totaled and initialized by authorized employees.
- Incoming checks must be restrictively endorsed, "for deposit only" with the Corporation's account number, scanned, filed and then deposited.
- Bank deposit receipts must be compared to the original bank deposit slips.

SECTION 3. CASH DISBURSEMENTS.

(A) Voucher and Authorization

- The Chairman, Vice Chairman or Treasurer must review and approve all vouchers for all disbursements.

- Supporting documentation (voucher with signature and invoice with a copy of contract) must accompany checks when presented for signature.

(B) Checks

- All disbursements must be made by check.
- Only pre-numbered checks shall be used and always in sequence.
- Prior to preparing checks, payment vouchers should be compared to vendor invoices for accuracy. Checks must be prepared from vendor invoices only and not from a vendor statement.
- Two signatures are required for checks over $10,000.
- Any voided/spoiled checks must be marked "Void".

(C) Bank Reconciliations

- Bank accounts must be reconciled by the Chief Executive Officer on a monthly basis and reviewed by the Treasurer Quarterly.
- Checks outstanding over 90 days must be periodically investigated, with payment stopped when appropriate and an entry made to restoring such items to cash if appropriate.

SECTION 4. REIMBURSABLE PURCHASES, TRAVEL AND EXPENSES. Reimbursement for purchases, travel, and other expenses are made pursuant to the Corporation's Travel Policy.

SECTION 5. RENT AND ANNUAL RECEIVABLES. The Chief Executive Officer will establish and maintain a receivable record of annual and monthly payments due the Corporation arising from lease agreements, rents and fees etc.

Adopted: ~~February~~March __, 2024

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SCHEDULE A

Authorized Check Signors

Name	Title
Michael Werenczak	Treasurer
~~Vincent J. Bono~~	~~Chairman~~
Cory Albrecht	Vice Chairman
John J. Piseck, Jr.	Chief Executive Officer
Victoria Adams	Operations Manager
Jennifer Young	Administrative Assistant

Authorized Check Auditors

Name	Title
Vincent J. Bono	Chairman
John Scarano	Director
Ann Gaworecki	Director

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DRAFT FOR DISCUSSION PURPOSES ONLY
DATED: ~~JANUARY 26~~MARCH 21, 2024

HERKIMER LOCAL DEVELOPMENT CORPORATION

TRAVEL POLICY

SECTION 1. PURPOSE AND AUTHORITY. The purpose of this travel policy (the "Policy") is to implement Section 2824(1)(e) of Title Two of Article 9 of the Public Authorities Law (the "Act"), which requires that members of the board of directors of the Herkimer Local Development Corporation (the "Corporation") establish written policies and procedures applicable to travel paid for by the Corporation.

SECTION 2. GENERALLY. It is the policy of the Corporation that uniform procedures be followed for the authorization and expenditure of funds for travel associated with Corporation's business.

SECTION 3. POLICY STATEMENT. The Corporation will reimburse members, employees and approved non-employees for necessary and reasonable travel expenses incurred in furtherance of the Corporation's business ("Qualified Expenses").

SECTION 4. PRE-APPROVED TRAVEL AND TRAVEL RELATED EXPENSES. Qualified Expenses incurred by Corporation members, employees or approved non-employees to be reimbursed by the Corporation, using Corporation funds that have been set aside for such purposes or that the Corporation has available for reimbursement of travel expenses (the "Travel Budget"), must be approved in advance by the Chief Executive Officer of the Corporation, or, with respect to travel expenses of the Chief Executive Officer, the Chairman of the Corporation. The Chief Executive Officer will advise the Chairman of the Corporation of all approved requests.

(A) The Chairman, with the assistance of the staff of the Corporation shall continue to inform the Chief Executive Officer of the status of the Travel Budget throughout the year, so that the Chief Executive Officer is able to approve and/or deny travel expenses accordingly.

(B) The Chief Executive Officer or his/her designee will assist the member, employee or approved non-employee, if desired, with arrangements for travel and the accompanying reimbursement procedures.

(C) Reimbursement of Qualified Expenses are subject to the substantiation and approval provisions contained in Section 7 of this Policy.

SECTION 5. UNAPPROVED TRAVEL AND TRAVEL RELATED EXPENSES. Qualified Expenses that are incurred by Corporation members, employees, and approved non-employees who have not received prior approval from the Chief Executive Officer may be submitted for reimbursement. However, if the Travel Budget does not contain adequate funds to cover the entire amount of such travel expense, full reimbursement is subject to an amendment of the Travel Budget by the Corporation members.

SECTION 6. SPECIFIC TRAVEL EXPENSES.

(A) Travel by Car/Mileage Expenses. Mileage shall ordinarily be computed between the office of the Corporation and the destination. However, in the interest of convenience, mileage may be calculated from the traveler's residence and the destination, so long as the traveler resides within Herkimer County, New York, or, with respect to the staff of the Corporation, the counties contiguous to Herkimer County, New York. The reimbursement shall be based upon the current standard mileage reimbursement rate

promulgated by the Internal Revenue Service (the "IRS"), which is intended to take into account all actual automobile expenses such as fuel and lubrication, towing charges, repairs, replacements, tires, depreciation, insurance, etc.

(B) Travel by Air/Rail/Rental Car. Coach class or any discounted fare shall be used in the interest of economy. The use of business or first-class or other higher cost services may be authorized only in extenuating circumstances, which extenuating circumstances shall be presented to the Corporation members in writing and approved by a majority of said members.

(C) Subsistence Expense. Subsistence expenses incurred while traveling consists of charges for lodging, meals and incidental expenses. ~~For trips lasting 12 hours or less, expenses for lodging, meals and incidental expenses will not be reimbursed. An exception to such prohibition will be allowed for meal expenses if the meal is an integral part of a business meeting. For trips lasting greater than 12 hours, but less than 24 hours,~~The Corporation will reimburse all reasonable subsistence expenses incurred ~~for lodging, meals and incidentals will be fully reimbursed if reasonable and if approved pursuant to Sections 3, 4 or 5 of this Policy~~by any member, officer, or employee as a result of the performance of their official duties.

(D) Miscellaneous Expenses. Reimbursement for miscellaneous expenses shall be determined on a case-by-case basis at the discretion of the Chief Executive Officer.

SECTION 7. REIMBURSEMENT PROCEDURE. A travel expense voucher reporting all Qualified Expenses pertaining to a particular trip must be submitted to the Chief Executive Officer and/or Chairman of the Corporation within forty-five (45) days of the end of the trip.

(A) Substantiation. The travel expense voucher should include:

(1) Date and time of departure from and return to the Corporation or traveler's residence;

(2) Purpose of the travel or the nature of the business benefit derived as a result of the travel;

(3) Whether or not the expenses incurred during the travel were pre-approved; and

(4) The amount of each expenditure, listed by date and location.

(B) Receipts. The original of the following receipts must be submitted along with the travel expense voucher:

(1) All travel tickets (i.e. airline tickets, train tickets, rental car agreement);

(2) All meal receipts (i.e. signed credit card slips or payment stubs); and

(3) All lodging receipts (i.e. hotel, motel receipts).

(C) Final Approval. The Chief Executive Officer and/or Chairman shall review each travel expense voucher in order to ensure that the traveler has provided adequate substantiation and to determine whether the expenses listed therein are reasonable. The Chief Executive Officer and/or Chairman may require a traveler to submit additional substantiation and, if the Chief Executive Officer and/or Chairman finds a particular expense to be unreasonable (either as to amount or purpose), the Chief Executive Officer

and/or Chairman may deny reimbursement of the expense or reduce the amount of the reimbursement for such expense.

Adopted: ~~January~~March __, 2024