

**AGENDA  
OF THE  
GOVERNANCE COMMITTEE  
OF  
ERIE TOBACCO ASSET SECURITIZATION CORPORATION  
("CORPORATION")**

**May 11, 2023**

**1. Call Meeting to Order.**

- Independent Director Patricia Johnson to call the Governance Committee to order.

**2. Action Item 1 – Make Recommendation to Board of Directors for Appointment of Legal Counsel.**

- The Committee to consider the results of the RFP for professional legal services and make a recommendation for legal counsel to the Board of Directors.

**3. Informational Discussion on Committee Charter Adoption.**

- The Committee to discuss the need to adopt the Governance Committee Charter at an upcoming meeting (Exhibit A).

**4. Other Business.**

- The Committee to consider and discuss any other business which may come before it.

**5. Meeting Adjourned.**

ANNEX:

**Exhibit A**

Governance Committee  
Charter

# ERIE TOBACCO ASSET SECURITIZATION CORPORATION

## GOVERNANCE COMMITTEE CHARTER

This Governance Committee Charter was adopted by the Board of Directors (the "Board") of the Erie Tobacco Asset Securitization Corporation (the "Authority"), a public benefit corporation established under the laws of the State of New York, on the 17<sup>th</sup> day of August, 2000.

### **Purpose**

Pursuant to Article II, Section 14(b) of the Authority's bylaws. The purpose of the Governance Committee is to assist the Board by:

- Keeping the Board informed of current best practices in corporate governance;
- Periodically reviewing corporate governance trends for their applicability to the Authority;
- Updating the Authority'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 authority staff;
- Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the committee deems necessary;
- Solicit, at the Authority'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 necessary contractual relationships 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**

The membership of the committee shall be as set forth in accordance with and pursuant to Article II, Section 14(b) of the Authority's bylaws. The Governance Committee shall be comprised of the Authority's Designated Director and Independent Directors. The Governance Committee may designate one of its' members as its Chair. 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 Authority or an immediate family member of an employee of the Authority. In addition, Governance Committee members shall not engage in any private business transactions with the Authority or

receive compensation from any private entity that has material business relationships with the Authority, or be an immediate family member of an individual that engages in private business transactions with the Authority or receives compensation from an entity that has material business relationships with the Authority.

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

### **Committee Structure and 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 this Charter. All committee members are expected to attend each meeting, in person or via telephone or videoconference.

Meeting agendas will be prepared for every meeting and provided to the Governance Committee members at least five 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, delivered to the Authority's Secretary for inclusion in the Board's minute book and shared with the Board.

### **Reports**

The Governance Committee shall:

- Report its actions and recommendations to the Board at the next special and/or regular meeting of the Board.
- Report to the Board, at least annually, regarding any proposed changes to the Governance Committee Charter or any 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 Authority's Board; (b) evaluation of the Authority's policies; and (c) other miscellaneous issues.

### **Relationship to the Authority's Board**

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 Authority's governance practices. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight.

- Develop the competencies and personal attributes required of Directors 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, if appropriate and necessary, 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 Authority's governance process.

#### **Evaluation of the Authority's Policies**

The Governance Committee shall:

- Develop, review on a regular basis, and update as necessary the Authority'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 New York State and County of Erie officers and employees.
- Develop and recommend to the Board any required revisions to the Authority's written policies regarding the protection of whistleblowers from retaliation.
- Develop and recommend to the Board any required updates to the Authority's equal opportunity and affirmative action policies.
- Develop and recommend to the Board any required updates to the Authority's written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Authority's procurement process.
- Develop and recommend to the Board any required updates on the Authority'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 Authority, including rules and procedures for conducting the business of the Authority's Board, such as the Authority's by-laws. The Governance Committee will oversee the implementation and effectiveness of the by-laws and other governance documents and, where necessary and appropriate, recommend modifications as needed.

**Other Responsibilities**

The Governance Committee shall:

- Review on an annual basis the compensation and benefits for any paid employees of the Authority.
- Annually review, assess and make necessary changes to the Governance Committee Charter and provide a self-evaluation of the Governance Committee.

Adopted as of May 11, 2023