

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION

AUDIT AND FINANCE COMMITTEE CHARTER

I. Purpose

In accordance with the Public Corporation Accountability Act of 2005 and the Public Corporation Reform Act of 2009, there is established an Audit and Finance Committee of the St. Lawrence County Property Development Corporation (the “Corporation”) whose purpose shall be to (a) assure that the Corporation’s 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; (2) provide an avenue of communication between management, the independent auditors, the internal auditors, and the board of directors; and (3) review proposals for the issuance of debt by the Corporation and make recommendations regarding such proposals.

II. Powers of the Committee

It shall be the responsibility of the Audit and Finance Committee (the “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 our outside counsel, as necessary;
- Review proposals for the issuance of debt and make recommendations;
- Retain, at the Corporation’s expense, such outside counsel, experts and other advisors as the Committee may deem appropriate.

The Corporation board shall ensure that the Committee has sufficient resources to carry out its duties.

III. Selection and Composition of Committee

The Committee shall consist of at least three Directors of the Corporation who are independent, as defined by the Public Authorities Accountability Act of 2005. The Chairman of the Corporation Board will appoint the Committee Chair.

Appointees shall be prohibited from being an employee of the Corporation or an immediate family member of an employee of the Corporation. In addition, the Committee shall not engage in any private business transactions with the Corporation or receive compensation from any private entity that has material business relationships with the Corporation; or be an immediate family member of an individual that engages in private business transactions with the Corporation or receives compensation from an entity that has material business relationships with the Corporation.

Ideally, the Committee shall possess or obtain a basic understanding of governmental financial reporting, auditing and debt issuances.

The Committee shall have access to the services of at least one financial expert, whose name shall be disclosed in the Corporation's Annual Report.

The Committee's financial expert should have (a) an understanding of generally-accepted accounting principles and financial statements; (b) experience in preparing or auditing financial statements of comparable entities; (c) experience in applying such principles in connection with the accounting for estimates, accruals and reserves; (d) experience with internal accounting controls; (e) debt issuances; and (f) an understanding of audit and finance committee functions.

IV. Meetings

The 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.

Those appointed to the Committee are expected to attend each Committee meeting, in person, via audio-conference or via video-conference. The Committee may invite other individuals, such as management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary.

The 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 each meeting and provided, along with briefing materials, to the Committee five (5) business days before the scheduled Committee meeting. The Committee will act only on the affirmative vote of the majority of the Committee at a meeting. Minutes of these meetings will be recorded.

V. Responsibilities

The 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) issues related to debt issuance and the financial practices of the Corporation.

(a) Independent Auditors and Financial Statements

The 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 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 to the independent audit findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to the same.

(b) Internal Controls, Compliance and Risk Assessment

The Committee shall:

- Review management's assessments of the effectiveness of the Corporation's internal controls and review the report on internal controls by the independent auditor as part of the financial audit engagement.

(c) Special Investigations

The 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.

(d) Other Responsibilities of the Committee

The Committee shall:

- Review proposals for the issuance of debt and to make recommendations.
- Present annually to the Corporation's Board a written report of how it has discharged its duties and met its responsibilities as outlined in this charter.
- Obtain any information and training needed to enhance the Committee's understanding of the role of internal audits and the independent auditor, the risk management process, internal controls, debt issuances and a certain level of familiarity in financial reporting standards and processes.
- Review the Committee charter annually, reassess its adequacy, and recommend any proposed changes to the board of the Corporation. The Committee charter

shall 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.