

## **Governance Guidelines of the New York State Affordable Housing Corporation**

The Members (the “Members”) of the New York State Affordable Housing Corporation (the “Corporation”) have adopted the following Governance Guidelines ( the “Guidelines”) to assist the Members in the exercise of their responsibilities. These Guidelines have been developed and are recommended by the Governance Committee of the Corporation.

### **Role of Members**

The business and affairs of the Corporation shall be managed by or under the direction of the Members. A Member is expected to spend the time and effort necessary to properly discharge such Member’s responsibilities. Members are expected to discharge their duties in good faith with a degree of diligence, care and skill, and are responsible for the proper use of Corporation funds and assets. Accordingly, a Member is expected to regularly attend meetings of the Members and committees on which such Member sits, and to review prior to meetings material distributed in advance for such meetings. A Member who is unable to attend a meeting (which it is understood will occur on occasion) is reasonably expected to notify the Secretary of the Corporation in advance of such meeting.

### **Functions of the Members**

As part of their oversight role, the Members considers their primary functions to include the following, which will be discharged either directly by the Members or through appropriate committees:

- Evaluating and determining the salary ranges and salary adjustments of the Corporation’s Senior Officers (as defined in the Corporation’s By-Laws), and approving the salary of the Corporation’s President and CEO;
- Approving and or monitoring the Corporation’s grant programs and contracting activities;
- Monitoring fundamental financial and business strategies and approving significant Corporation actions;
- Advising management on significant issues facing the Corporation;
- Overseeing the Corporation’s financial reporting process and the adequacy of accounting, financial and internal controls; and
- Reviewing and evaluating the Corporation’s governance policies, code of ethics and legal and regulatory compliance procedures.

### **Membership Criteria**

By law, the Corporation’s Members consist of the members of the New York State Housing Finance Agency, as may be constituted from time to time. The Corporation is a subsidiary of the New York

State Housing Finance Agency. The Corporation's enabling legislation does not set forth specific criteria for membership on the Members. The purpose of the Governance Committee is to assist the Members of Members to establish practices and procedures to promote honest and ethical conduct by Corporation Members, officers and employees and enhance public confidence in the Corporation, including, but not limited to, assistance in monitoring and assessing the effectiveness of the Members of Members and in developing and implementing the Corporation's governance guidelines. The Governance Committee Charter places responsibility on the Governance Committee to prepare, and the Governance Committee has prepared, a profile of the skill sets and experiences of individuals best equipped to be constructive Members of the Corporation.

### **Size**

By law, the Corporation's membership is the same as that of the New York State Housing Finance Agency.

### **Member Independence**

It is the policy of the Members that, except for Members who serve as Members by virtue of holding a civil office of the State, a majority of the remaining Members qualify as "independent" Members, as such terms is defined in the Public Authorities Accountability Act of 2005 (the "Act"). This policy applies to appointments made on or after January 13, 2006, the date of passage of the Act. The official or officials having the authority to appoint or remove such remaining members shall take such actions as may be necessary to satisfy this requirement.

Each Member should keep the Secretary and the Governance Committee fully and promptly informed as to any developments that might affect the Member's independence. This requirement shall be independent of any requirements for disclosure of conflicts of interests that may be applicable to Members.

### **Member Compensation**

By law, no Member of the Corporation shall receive any additional compensation, either direct or indirect, other than reimbursement for actual and necessary expenses incurred in the performance of his duties, by reason of his serving as a Member of the Corporation.

## **MEMBERS AND COMMITTEE PROCEDURAL MATTERS**

The procedures with respect to meetings of the Members, notice thereof and their conduct shall be as set forth in the By-laws. The procedures with respect to meetings of the Committees of the Corporation, notice thereof and their conduct shall be as set forth in the By-laws.

## **OTHER MATTERS**

### **Evaluating Committee Performance**

The Governance Committee and the Audit Committee shall each conduct an annual self-evaluation process, as required under their respective Charters

### **Access to Management**

The Members shall have full and unrestricted access to the Corporation's management. It is assumed that Members will use judgement so that this contact is not distracting to the operations of the Corporation.

### **Guidelines Subject to Periodic Review**

These Guidelines will be subject to a periodic review, first by the Governance Committee and then the full Members to assure that they are in accordance with sound corporate governance. These Guidelines are not intended to change or interpret any law or regulation, or the Corporation's enabling legislation or Bylaws.