

I. Purpose/Overview of Responsibilities

The Compensation Committee is a standing committee of the Board of Commissioners. The purpose of the Committee is to discharge the Board's responsibility related to compensation of the Authority's executive officers and such other employees as the Committee may determine; to oversee the Authority's succession planning program; and to engage in related matters.

II. Membership

The Compensation Committee shall be comprised of at least three commissioners as determined and appointed by the Board of Commissioners, one of whom shall be designated by the Board as Chair of the Committee. The Board may appoint additional individuals, who need not be commissioners, to the Compensation Committee. Members of the Committee will serve for staggered three-year terms.

III. Meetings

- A. The Compensation Committee shall meet when deemed necessary or desirable by the Chair or the members of the Committee.
- B. Upon the majority vote of the members of the Committee, and to the extent permitted by the New York Open Meetings Law, time shall be allotted for an executive session of Committee. Only members of the Committee and any executive officers or outside advisors they may want to invite shall be permitted to attend such executive sessions.
- C. At least one-half of the members of the Compensation Committee will constitute a quorum with a majority of votes of those Committee members present at a meeting in which a quorum has been established being sufficient to adopt a resolution or otherwise take action.

IV. Authority

- A. The Compensation Committee shall have the ultimate authority and responsibility to engage and terminate any outside consultant to assist in determining appropriate compensation levels for the Chief Executive Officer (CEO) and/or other management and to approve the terms of any such engagement and the fees of any such consultant.
- B. The Compensation Committee shall be assisted by the Authority's human resources, legal and accounting staffs and other appropriate staffs. In addition, the Compensation Committee may obtain assistance from such other persons, who need not be employees of the Authority, or organizations as it may deem appropriate, with the expenses incurred in their use to be paid by the Authority; subject, however, to the Authority's Procurement Guidelines.
- C. Any communications between the Compensation Committee and inside or outside legal counsel in the course of obtaining legal advice will be considered privileged communications of the Authority, and the Compensation Committee will take all necessary steps to preserve the privileged nature of those communications.
- D. In discharging its responsibilities, the Compensation Committee shall have full access to any relevant records of the Authority and may also request that any officer or other employee of the Authority, including the Authority's or human resources executives, the Authority's outside counsel or any other person meet with any members of, or consultants to, the Committee. However, no person shall be present when his/her performance or compensation is discussed, unless specifically invited by the Committee.

V. Responsibilities

The following shall be the principal responsibilities of the Compensation Committee:

- A. The Committee shall make recommendations to the Board on matters of policy and procedures relating to executive officer compensation.
- B. The Committee shall review and approve goals and objectives relevant to CEO compensation.
- C. With guidance from the Board of Directors, the Committee shall at least annually conduct a performance evaluation of the CEO and recommend the CEO's compensation, including his/her base salary and all other elements of the CEO's compensation. After agreeing on a proposed CEO compensation package, the Committee shall recommend that compensation package to the full Board at a meeting at which a majority of all existing votes is present. If a majority of the Board votes to approve the compensation package recommended by the Committee, that compensation package shall be deemed approved and adopted by the Board. If a majority of the Board does not vote to approve that compensation package, any voting Board member may propose amendments to the compensation package and make a motion to adopt the compensation package as amended. If that motion is seconded, the Board will vote on the compensation package as amended. If a majority of the Board votes to approve the compensation package as amended, that amended compensation package shall be deemed approved and adopted by the Board. If a majority of the Board does not vote to approve the compensation package proposed by the Committee and either no Board member proposes an amendment to that compensation package or a majority of the Board does not vote to approve a proposed amended compensation package, the matter will be returned to the Compensation Committee for further analysis and development of a compensation package to recommend to the Board at a future meeting. This process will be repeated until a compensation package is approved and adopted by the Board.
- D. In addition to establishing the CEO's compensation, the Committee shall provide guidance to the CEO in connection with the establishment of goals and objectives relevant to the compensation of, and in connection with the determination of the compensation of, the other executive officers, including base salary and other elements of compensation.
- E. The term "other elements of compensation" shall not include compensation and benefits under non-executive plans and programs generally applicable to the employees of the Authority and its subsidiaries, unless such plans and programs provide special benefits and compensation to the executive officers that are not available to employees generally.
- F. During the first quarter of each fiscal year, the Committee shall oversee the Authority's succession planning program for the purpose of assuring the business continuity of the Authority, including:
 1. Recommending to the Board of Commissioners a policy and procedure for identifying an internal candidate and/or recruiting an external candidate to fill a vacancy in the position of Chief Executive Officer, including enumeration of the core competencies to be sought in filling the position of Chief Executive Officer;
 2. Recommending to the Board of Commissioners an interim replacement in the event of a vacancy in the position of Chief Executive Officer until a permanent replacement can be identified in accordance with the policy and procedure adopted by the Board of Commissioners;
 3. Providing guidance to the Chief Executive Officer concerning policies, procedures and strategies for succession planning throughout the organization, with particular emphasis on key leadership positions.

VI. Definition

For purposes of this Charter, the term "executive officers" includes the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief People Officer, and Chief Legal Counsel.

VII. Miscellaneous

- A. The Compensation Committee shall review and reassess the adequacy of this Charter and the composition of the Compensation Committee annually and recommend any proposed changes to the Board for approval.
- B. The Compensation Committee shall annually review its own performance.