

**RIVERHEAD INDUSTRIAL DEVELOPMENT AGENCY:
STATEMENT OF BOARD DUTIES AND RESPONSIBILITIES
Adopted by Resolution May 10, 2010**

I. Introduction

- A. This Statement of Board Duties and Responsibilities (the “**Statement of Board Duties**”) of the Riverhead Industrial Development Agency (the “**Agency**”) is adopted by resolution pursuant to Section 2824 of the Public Authorities Law.
- B. The purpose of this Statement of Board Duties is to set forth the standards of conduct as well as the responsibilities of the Board of Directors of the Agency (the “**Board**”) in furtherance of the purposes of the Agency as set forth in the General Municipal Law.

II. Roles and Responsibilities

The members of the Board shall:

- A. Execute direct oversight of the Agency’s Chief Executive Officer and other management in the effective and ethical management of the Agency;
- B. Understand, review and monitor the implementation of fundamental financial and management controls and operational decisions of the authority;
- C. Establish policies regarding the payment of salary, compensation and reimbursements to, and establish rules for the time and attendance of, the Chief Executive Officer and management;
- D. Adopt a code of ethics applicable to each officer, director and employee that, at a minimum, includes the standards established in Section 74 of the Public Officer’s Law;
- E. Establish written policies and procedures on personnel including policies protecting employees from retaliation for disclosing information concerning acts of wrongdoing, misconduct, malfeasance, or other inappropriate behavior by an employee or member of the Board, investments, travel, the acquisition of real property and the disposition of real and personal property and the procurement of goods and services;
- F. Adopt a defense and indemnification policy and disclose such policy to any and all prospective members of the Board;
- G. Establish an audit committee to be comprised of independent members, such committee to (i) recommend to the Board the hiring of a certified independent accounting firm for the Agency, (ii) establish the compensation to be paid to the

accounting firm and (iii) provide direct oversight of the performance of the independent audit performed by the accounting firm; and

- H. Establish a governance committee to be comprised of independent members, such committee to (i) keep the Board informed of current best governance practices, (ii) review corporate governance trends and (iii) advise appointing authorities on the skills and experiences required of potential Board members.

No member of the Board, including the chairperson, shall serve as the Agency's Chief Executive Officer, Executive Director, Chief Financial Officer, Comptroller or hold any other equivalent position while also serving as a member of the Board.

III. Duties of Care and Loyalty

- A. Duty of Care: Members of the Board shall perform his or her duties in good faith and exercise the degree of diligence, care and skill which an ordinarily prudent person in a like position would use under similar circumstances.
- B. Duty of Loyalty: Members of the Board shall be bound by their duty of undivided and unqualified loyalty to the Agency, a duty which encompasses good faith efforts to insure that their personal profit is not at the expense of the Agency.

IV. Training

Individuals appointed to the Board shall participate in a state approved training regarding their legal, fiduciary, financial and ethical responsibilities as directors of an authority within one year of appointment to the Board.

V. Specific Officer Duties

- A. Officers: The officers of the Agency shall be a Chair, a Vice Chair, a Secretary, a Treasurer, an Assistant Secretary and an Assistant Treasurer. Any two or more offices, except the offices of the Chair and the Secretary, may be held by the same person.
- B. Chair: The Chair shall preside at the meetings of the Agency. Except as otherwise authorized by resolution of the Agency, the Chair shall execute all agreements, contracts, deeds and any other instruments of the Agency. At each meeting the Chair shall submit such recommendations and information as he or she may consider proper concerning the business, affairs and policies of the Agency.
- C. Vice Chair: The Vice Chair shall perform the duties of the Chair in the absence or incapacity of the Chair; and in case of the resignation or death of the Chair, the Vice Chair shall perform such duties as are imposed on the Chair until such time as the Agency shall appoint a new Chair.

- D. Secretary: The Secretary shall keep the records of the Agency, shall act as Secretary of the meetings of the Agency and record all votes, shall keep a record of the proceedings of the Agency in a journal of proceedings to be kept for such purpose and shall perform all duties incident to his or her office. The Secretary shall keep in safe custody the seal of the Agency and shall have the power to affix such seal to all contracts and other instruments authorized to be executed by the Agency.
- E. Assistant Secretary: The Assistant Secretary shall perform the duties of the Secretary in the absence or incapacity of the Secretary; and in the case of the resignation or death of the Secretary, the Assistant Secretary shall perform such duties as are imposed on the Secretary until such time as the Agency shall appoint a new Secretary.
- F. Treasurer: The Treasurer shall have the care and custody of all funds of the Agency and shall deposit same in the name of the Agency in such bank or banks as the Agency may select. Except as otherwise authorized by resolution of the Agency, the Treasurer shall sign all instruments of indebtedness, all orders and all checks for the payment of money; and shall pay out and disburse such moneys under the direction of the Agency. Except as otherwise authorized by resolution of the Agency, all such instruments of indebtedness, orders, and checks shall be countersigned by the Chair. The Treasurer shall keep regular books of accounts showing receipts and expenditures, and shall render to the Agency at each regular meeting an account of his transactions and also of the financial condition of the Agency. The Treasurer shall give such bond for the faithful performance of his or her duties as the Agency may determine.
- G. Assistant Treasurer: The Assistant Treasurer shall perform the duties of the Treasurer in the absence or incapacity of the Treasurer; and in the case of the resignation or death of the Treasurer, the Assistant Treasurer shall perform such duties as are imposed on the Treasurer until such time as the Agency shall appoint a new Treasurer. The Assistant Treasurer shall give such bond for the faithful performance of his or her duties as the Agency may determine.
- H. Additional Duties: The Officers of the Agency shall perform such other duties and functions as may from time to time be authorized by resolution of the Agency or be required by the Agency, by the By-Laws of the Agency or by the rules and regulations of the Agency.
- I. Appointment of Officers: All officers of the Agency except the first Chair shall be appointed at the annual meeting of the Agency from among the members of the Agency, and shall hold office for one year or until the successors are appointed.
- J. Vacancies: Should any office become vacant, the Agency shall appoint a successor from among its membership at the next regular meeting, and such appointment shall be for the unexpired term of said office.