

SUFFOLK COUNTY ECONOMIC DEVELOPMENT CORPORATION

AUDIT COMMITTEE CHARTER

This Charter shall serve as the charter for the Audit Committee of the Suffolk County Economic Development Corporation (the “Corporation”).

ARTICLE I

Establishment of Audit Committee; Core Responsibilities

The Corporation established an Audit Committee pursuant to Section 1 of Article IV of the Corporation’s By-Laws (“By-Laws”). The By-Laws set forth the composition and basic responsibilities of the Audit Committee.

The core responsibilities of the Audit Committee, as mandated under Section 2824(4) of the New York Public Authorities Law, are set forth in the Bylaws and include: (i) providing assistance to members of the Corporation in fulfilling their fiduciary responsibilities relating to accounting, reporting and regulatory compliance practices; (ii) maintaining, by way of regularly scheduled meetings, a direct line of communication between the members of the Corporation and the Corporation’s independent accountants and auditors to provide for exchanges of views and information; (iii) maintaining, as appropriate, a direct line of communication between the members of the Corporation and the governmental authorities having audit authority or fiscal oversight of the Corporation; and (iv) approving the budget of the Corporation for submission to the Board;

ARTICLE II

Composition

Members of the Audit Committee shall be elected and serve in accordance with the Bylaws and, to the extent practicable, members of the Audit Committee should be familiar with corporate financial and accounting practices. The Board shall designate one member of the Audit Committee to serve as chair of the Audit Committee.

The Audit Committee must consist of at least three “independent members” as required by Sections 2824 and 2825 of the New York Public Authorities Law.

ARTICLE III

Committee Meetings

The Audit Committee will meet a minimum of twice each calendar year (at least once prior to the commencement of the annual audit process and once after completion of the annual audit process). Additional meetings may be necessary or appropriate to adequately fulfill the obligations and duties outlined in this Charter. All committee members are expected to attend each meeting, in

person or via videoconference. The Audit Committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary.

A quorum of the Audit Committee shall consist of a majority of the members then serving on the Audit Committee. The affirmative vote of a majority of the members then serving on the Audit Committee shall constitute an act of the Audit Committee. Minutes of all meetings shall be recorded by the Secretary or any Assistant Secretary of the Corporation. All meetings shall comply with the requirements of the Open Meetings Law.

ARTICLE IV **Committee Duties and Responsibilities**

The Audit Committee shall have responsibilities related to: (a) the independent auditor and annual financial statements; (b) oversight of management's internal controls, compliance and risk assessment practices; (c) special investigations; and (d) miscellaneous issues related to the financial practices of the Corporation.

A. Independent Auditors and Financial Statements

The Audit Committee shall:

(i) Recommend to the Board the hiring of independent auditors, establish the compensation to be paid to the auditors retained by the Corporation and provide oversight of the audit services provided by the independent auditor.

(ii) 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 Audit Committee. Non-audit services include tasks that directly support the Corporation's operations, such as (a) bookkeeping or other services related to the accounting records or financial statements of the Corporation; (b) financial information systems design and implementation; (c) appraisal or valuation services, fairness opinions, or contribution-in-kind reports; (d) actuarial services; (e) internal audit outsourcing services; (f) management functions or human resource services; (g) broker or dealer, investment advisor, or investment banking services; and (h) legal services and expert services unrelated to the audit function.

(iii) Review and approve the Corporation's audited financial statements, associated management letter and all other auditor communications.

(iv) 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 of the Corporation.

(v) meet with the Corporation's independent auditor at least annually to discuss the financial statements of the Corporation, and on an as-needed basis to discuss any significant issues that may have surfaced during the course of the audit.

(vi) Review and discuss any significant risks reported in 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 Audit Committee shall review management's assessment of the effectiveness of the Corporation's internal controls and review the actions taken by management on the independent accountants' and auditors' suggestions for correcting weaknesses, if any, in the Corporation's internal controls, regulatory compliance, organizational structure and operations, and if applicable, any weaknesses noted.

C. Special Investigations

The Audit Committee shall:

(i) 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.

(ii) Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing.

(iii) Request and oversee special investigations as needed and/or refer specific issues to the Board or appropriate committee of the Board for further investigation.

D. Other Responsibilities

The Audit Committee shall obtain information and training needed to enhance the committee members' understanding of the role of the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.

ARTICLE V
Committee Reports

The Audit Committee shall:

A. report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Audit Committee and when otherwise requested by the Board;

B. report to the Board, at least annually, regarding any proposed changes to this Charter;

C. report to the Board on a periodic basis, at least annually, the findings of its independent auditors. These reports shall include careful consideration of the actions taken by management on the independent auditors' suggestions for correcting weaknesses, if any, in the Corporation's internal controls, regulatory compliance, organizational structure and operations. These reports may include the adequacy of the audit effort by the Corporation's independent auditors, the financial and regulatory compliance reporting decisions of management, the adequacy of disclosure of information essential to a fair presentation of the financial affairs and regulatory compliance efforts of the Corporation, and the organization and quality of the Corporation's system of management and internal accounting controls.

ARTICLE VI **Amendments**

This Charter may be amended upon affirmative vote of a majority of the Board of the Corporation.