

September 29, 2026

NYPA CAPTIVE INSURANCE COMPANY

AUDIT COMMITTEE CHARTER

A. PURPOSE

The Audit Committee ("Committee") of the Board of Directors ("Board of Directors") of the NYPA Captive Insurance Company ("Captive") oversees the Internal Audit coverage of Captive and external audits of the Captive performed by independent auditors and other external agencies as well as management's corrective action and implementation plans to all audit findings. Internal audit services for Captive are provided by NYPA's Internal Audit department ("Internal Audit"). Captive is included within Internal Audit's audit universe and is subject to the annual risk assessment and risk-based audit planning process.

The responsibilities of the Committee are to: recommend to the Board of Directors the hiring of a certified independent accounting firm for the Captive, establish the compensation to be paid to the accounting firm and provide direct oversight of the performance of the independent audit conducted by the accounting firm hired for such purposes, provide oversight of Internal Audit coverage relating to Captive, and perform such other responsibilities as the Board of Directors may assign it. The Committee is also responsible to provide oversight and guidance for external audits applicable to the Captive.

B. MEMBERSHIP AND ORGANIZATION

(1) Committee Composition. The Committee shall be comprised of not less than five (5) members of the Board of Directors, of which not less than (3) three shall be independent members. All members shall possess the necessary skills to understand the duties and functions of the Committee and have familiarity with corporate finance and accounting. Committee members and the Committee Chair will be selected by a vote of the Board of Directors. In addition, Committee members shall not engage in any private business transactions with the Captive or receive compensation from any private entity that has material business relationships with the Captive or be an immediate family member of an individual that engages in private business transactions with the Captive or receives compensation from an entity that has material business relationships with the Captive.

(2) Term. Committee members shall serve commensurate with their terms on the NYPA/Canals Audit Committee, subject to their term of office under Public Authorities Law § 1003. A Committee member may resign his or her position on the Committee while continuing to serve as a Director. In the event of a vacancy on the Committee due to death, resignation or otherwise, a successor will be selected to serve.

(3) Removal. A Committee member may be removed if he or she is removed as a Director for cause, subject to Public Authorities Law § 2827, or is no longer eligible to serve as a Committee member.

(4) Meetings and Quorum. The quorum of the Committee is a majority of the number of regular Committee members selected by the Board of Directors. A majority vote of all Committee members present is required to take action on a matter. The Committee shall hold regularly scheduled meetings at least once annually. A Committee member may call a special meeting of the Committee individually, or upon the request of the President (“CEO”), General Counsel to the Captive (“GC”), or the Chief Audit Executive (“CAE”). The notice of meeting need not state the purpose for which the meeting has been called. In order to transact business, a quorum must be present.

In addition, the Committee: (1) will meet at least once annually with the CAE for the purpose of reviewing audit activities, audit findings, management’s response, remediation action plans, and providing the CAE with an opportunity to discuss items and topics of relevance with the Committee; (2) will meet at least once annually with the independent auditors to discuss the audit work plans, objectives, results and recommendations; and (3) may meet independently with the CEO, GC or CAE on matters or issues and items within the Committee’s purview as it deems necessary. These meetings may be held as part of a regular or special meeting at the Committee’s discretion.

An agenda will be prepared and distributed to each Committee member prior to each meeting and minutes of each meeting will be prepared in accordance with the New York Open Meetings Law.

To the extent permitted by the New York Open Meetings Law, any meeting of the Committee may be conducted by video conferencing and the Committee may hold meetings or portions of meetings in executive session.

C. FUNCTIONS AND POWERS

The Committee has the following responsibilities:

(1) General Powers. The Committee may call upon the resources of the Captive to assist the Committee in the discharge of its oversight functions. Such assistance may include the assignment of staff and the retention of external advisors subject to the requirements of the Public Authorities Law. The Committee may communicate directly with the CEO. The Committee may direct any employee to make oral or written reports to the Committee on issues and items within the Committee’s purview. The Committee may request that the CAE conduct or consider additional coverage of matters relating to Captive.

(2) Oversight of Independent Auditors. The Committee will oversee the Captive’s relationship with independent auditors. To accomplish these objectives, the Committee will:

- a. Provide advice to the Board of Directors on the selection, engagement, compensation, evaluation, and discharge of the independent auditors.

- b. Review and discuss as necessary the financial statements including any material changes in accounting principles and practices with the independent auditors or members of management.
- c. Review and approve the annual audited financial statements (including the independent auditors' associated management letter).
- d. Oversee the establishment of procedures for the effective receipt and treatment of (i) matters regarding auditing, internal auditing, and accounting matters, and (ii) the confidential submission of concerns raised by whistleblowers and other persons regarding accounting or auditing practices.
- e. Review at least annually the scope, objectives, and results of the independent auditors' examination of the annual financial statements and notes, and report to the Board of Directors on the Committee's findings.
- f. Assure the independence of the independent auditors by approving any non-audit work by them for the Captive and examining the independent auditor's relationship with the Captive.
- g. Report to the Board of Directors on any matters relevant to the audit process or independent auditor's communications and make such recommendations as the Committee deems appropriate.

(3) Oversight of Internal Audit Coverage of Captive. The CAE will have direct access to the Committee and will report to the Committee on Internal Audit matters relating to Captive. Accordingly, the Committee will:

- a. Review with the CAE Internal Audit activities and any significant changes in planned audit coverage relating to Captive.
- b. Review with the CAE the Captive's risk assessment and the nature and level of Internal Audit coverage.
- c. Confirm that the Internal Audit remains organizationally independent from Captive management and operations.
- d. Discuss with the CAE whether Internal Audit coverage and resourcing for Captive-related audit activities is appropriate given Captive's risk profile and whether additional coverage is warranted.
- e. Review internal audit reports and recommendations of the CAE. This review will include a discussion of significant risks reported in Captive-related internal audit reports, and an assessment of the responsiveness and timeliness of management's follow-up activities pertaining to the same.

- f. Require the CAE to attend any meeting of the Committee and to prepare and deliver such reports as the Committee requests.
- g. Present periodic reporting to the Board of Directors on how the Committee has discharged its duties and met its responsibilities, and regularly report activities, issues, and recommendations.
- h. Review the Committee's charter annually, reassess its adequacy, and recommend any proposed changes to the Board of Directors.
- i. Conduct an annual self-evaluation of performance, including its effectiveness and compliance with the charter.

Standards Conformance

- j. Receive periodic communication from the CAE that the Internal Audit function maintains an appropriate quality assurance and improvement program and conforms with Institution of Internal Audit ("IIA") Global Internal Audit Standards.

(4) Oversight for External Audits. The Committee will provide oversight for external audits, examinations, investigations, and substantive Freedom of Information Law requests applicable to or materially involving Captive, including those conducted by Department of Financial Services, Office of the State Comptroller, and Inspector General. Accordingly, the Committee will:

- a. Receive information regarding all external requests, investigations, and audit notifications applicable to or materially involving Captive.
- b. Receive information at significant milestones during the request, investigation or audit regarding:
 - i. Preliminary reports of findings.
 - ii. Final draft reports.
 - iii. Management resolutions, resolutions and corrective actions, as applicable.
- c. Provide sign-off on management comments to final draft reports.