

Southern Tier Network
Governance Committee
September 6, 2012

Members Present: Mark Middaugh, Marcia Weber, Howard Zingler
Interested Parties Present: James Townsend, Steven Manning

Member Absent: David Hopkins

The committee discussed the method for determining contract language. Some decisions have already been made. For instance, if a contract is under a certain amount, Steve Manning can sign it without board approval. For the funding of laterals by STN for individual customers, the Board established lateral build expenditure thresholds to be within 10% of the contracted amount. This is according to the February 2012 STN board minutes, which also state that Individual cases may be presented to the Finance/Audit Committee, including the CEO, for consideration and approval and then to the board for approval.

The committee proposed that board approval be required: 1.) if a contract is over \$1 million, 2.) if changes (amendments or addenda) are made to an existing contract, or 3.) if it is a related party transaction (i.e., the contract is related to a board member) .

A question arose about whether finance committee action is needed on issues regarding certain inclusions required by the customer, such as, "follow the laws of Pennsylvania," which are not financial issues.

The next meeting of the Governance Committee will be after the October 11, 2012 Southern Tier Network board meeting.