

**CHARTER OF THE COMMITTEE ON FINANCE OF THE BOARD OF
COMMISSIONERS OF THE PORT AUTHORITY OF NEW YORK AND NEW
JERSEY**

This Charter was adopted by the Committee on Finance (the “Committee”) with the approval on September 20, 2012 of the Board of Commissioners (the “Board”) of The Port Authority of New York and New Jersey (the “Port Authority”) to provide certain guidelines that the Committee shall follow in connection with the satisfaction of its responsibilities under the By-Laws of the Port Authority (“By-Laws”).

I. Function

The Committee shall be governed by the By-Laws and assist the Board in fulfilling its oversight responsibilities relating to the financial affairs of the Port Authority.

II. Authority

The Committee has the authority (through the Board’s approval of this Charter) for and on behalf of the Port Authority to take any and all action to satisfy its responsibilities under the By-Laws and this Charter, including arranging for services to be received from external resources as deemed appropriate by the Committee. The Chairman of the Committee, in coordination with the Executive Director, shall assign executive management and support staff to serve as a continuing resource for the Committee.

The Committee has the authority to form subcommittees and assign tasks to those subcommittees as deemed appropriate by the Committee, but not otherwise delegate to such subcommittees the authority to take independent actions in connection with the satisfaction of the Committee’s responsibilities under the By-Laws and this Charter. Each subcommittee shall provide periodic reports to the Committee with respect to the performance of the assigned tasks and shall make recommendations to the Committee with respect to any actions to be considered by the Committee or the Board resulting from the performance of such tasks.

III. Meetings

The Committee shall meet as determined by the Chairman of the Committee, or at the request of the Chairman of the Port Authority, in connection with the satisfaction of the Committee’s responsibilities. In addition, to ensure effective communication and coordination between the Committees of the Board, the Committees shall meet with each other as determined by the Chairmen of the Committees, or at the request of the Chairman of the Port Authority.

Meetings of the Committee shall be conducted in accordance with the By-Laws. The Chairman of the Committee, in coordination with the Secretary, shall establish the agenda for each Committee meeting,

and determine when the agenda requires that a matter be considered in closed, executive session of the Committee. The Secretary shall provide the Committee with all material information pertinent to matters appearing on the Committee agenda in sufficient time for the Committee to review such materials prior to the Committee meeting at which such matters are to be considered.

IV. Reports

The Committee shall provide, unless otherwise requested by the Chairman of the Port Authority, written communications, reports and recommendations to the Board on the results of its oversight and other activities, including any recommendations which in its opinion may be desirable regarding policies and procedures to govern the Port Authority.

V. Powers and Responsibilities

The Committee shall:

- (1) Have oversight of the financial affairs of the Port Authority, and, from time to time, make such recommendations to the Board in reference to the establishment of policies with respect thereto as in its opinion may be desirable;
- (2) Jointly with the Committee on Operations, have oversight of the development of, and recommend for the approval of the Board, the Port Authority's operating budget;
- (3) Jointly with the Committee on Capital Planning, Execution and Asset Management, have oversight of the development of, and recommend for the approval of the Board, the Port Authority's capital budget;
- (4) Review quarterly reports from the Executive Director to the Board with respect to the results from the application of the Port Authority's Integrated Financial Model (the "Model") to ensure:
 - a. the continuing validity of the assumptions utilized in the Model; and
 - b. that the financial performance of the Port Authority meets operating and capital funding requirements, and that such performance is consistent with the various financial metrics applicable to the Port Authority's financial performance;
- (5) Have oversight of the Port Authority's issuance of debt and overall access to the capital markets, including relationships with rating agencies and other capital markets participants;
- (6) Approve the selection of depositories for Port Authority funds and authorize and approve investments and reinvestments thereof;

- (7) Have oversight of the Port Authority's selection of underwriters, financial advisors, and other participants in Port Authority financing transactions;
- (8) Have oversight of the development of a long-range risk management financing plan for adoption by the Board, and of the implementation of such long-range risk management financing plan;
- (9) Approve insurance policies and/or programs and surety bonds, and adopt or approve policies or practices followed in connection with insurance policies and/or programs and surety bonds;
- (10) Have oversight of the development of policies and plans to address pension and other related liabilities arising from the retirement of employees of the Port Authority and its related entities, and review quarterly reports from the Executive Director to the Board with respect thereto;
- (11) Have oversight of the consideration of alternative financing strategies to improve financial capacity and/or reduce the cost of capital;
- (12) Have oversight of all sub-committees of the Committee; and
- (13) Review and assess the adequacy of this Charter from time to time and recommend any revisions to the Board for its approval.