

CONFLICT OF INTEREST POLICY

Purpose. The purpose of the conflict of interest policy is to protect the Corporation's interest when it is contemplating entering into a related Party Transaction, or other transaction or arrangement that might benefit the private interest of an officer, director, or Key Employee or might result in a possible excess benefit transaction. This policy supplements but does not replace any other applicable state and federal laws governing conflicts of interest applicable to the Corporation.

Definitions.

(a) "Interested Person": An Interested Person is any (i) Related Party or (ii) any director, officer, Key Employee or member of a committee with Board-delegated powers, who has a direct or indirect Financial Interest, or who has any other interest or relationship that could reasonably be viewed as having the potential to affect his or her decision-making judgment.

(b) "Financial Interest": A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

(i) an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,

(ii) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or

(iii) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

(c) "Compensation" includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

(d) A "Conflict of Interest" shall exist (i) when an Interested Person has a Financial Interest in a proposed transaction, or (ii) with respect to all proposed Related Party Transactions.

(e) "Deciding Body" means the Audit Committee, if any, and otherwise the independent directors of the Board or another committee of the Board comprised solely of independent directors.

(f) A "Relative" of an individual means his or her (i) spouse, ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses of brothers, sisters, children, grandchildren, and great-grandchildren; or (ii) domestic partner as defined in Section 2994-a of the New York Public Health Law, or any successor statute.

(g) "Related Party" means (i) any director, officer or Key Employee of the Corporation or any affiliate of the Corporation; (ii) any Relative of any director, officer or Key Employee of the Corporation or any affiliate of the Corporation; or (iii) any entity in which an individual described in clauses (i) and (ii) has a thirty-five percent or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent.

(h) "Related Party Transaction" means any transaction, agreement or any other arrangement in which a Related Party has a Financial Interest and in which the Corporation or any affiliate of the Corporation is a participant.

(i) "Key Employee" means any person who is in a position to exercise substantial influence over the affairs of the Corporation, as referenced in the excess benefit transaction provisions of the Internal Revenue Code and related regulations.

Conflict of Interest: A conflict of interest is a situation in which the financial, familial, or personal interests of a director or employee come into actual or perceived conflict with their duties and responsibilities with the Authority. Perceived conflicts of interest are situations where there is the appearance that a board member and/or employee can personally benefit from actions or decisions made in their official capacity, or where a board member or employee may be influenced to act in a manner that does not represent the best interests of the authority. The perception of a conflict may occur if circumstances would suggest to a reasonable person that a board member may have a conflict. The appearance of a conflict and an actual conflict should be treated in the same manner for the purposes of this Policy.

Board members and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust. While it is not possible to describe or anticipate all the circumstances that might involve a conflict of interest, a conflict of interest typically arises whenever a director or employee has or will have:

- A financial or personal interest in any person, firm, corporation or association which has or will have a transaction, agreement or any other arrangement in which the authority participates.
- The ability to use his or her position, confidential information or the assets of the authority, to his or her personal advantage.
- Solicited or accepted a gift of any amount under circumstances in which it could reasonably be inferred that the gift was intended to influence him/her, or could reasonably be expected to influence him/her, in the performance of his/her official duties or was intended as a reward for any action on his/her part.

- Any other circumstance that may or appear to make it difficult for the board member or employee to exercise independent judgment and properly exercise his or her official duties.

Outside Employment of Authority's Employees: No employee may engage in outside employment if such employment interferes with his/her ability to properly exercise his or her official duties with the authority.

PROCEDURES

Duty to Disclose: All material facts related to the conflicts of interest (including the nature of the interest and information about the conflicting transaction) shall be disclosed in good faith and in writing to the Governance Committee and/or the Ethics Officer. Such written disclosure shall be made part of the official record of the proceedings of the authority.

Determining Whether a Conflict of Interest Exists: The Governance Committee and/or Ethics Officer shall advise the individual who appears to have a conflict of interest how to proceed. The Governance Committee and/or Ethics Officer should seek guidance from counsel or New York State agencies, such as the Authorities Budget Officer, State Inspector General or the Joint Commission on Public Ethics (JCOPE). When dealing with cases where they are unsure of what to do.

Recusal and Abstention: No board member or employee may participate in any decision or take any official action with respect to any matter requiring the exercise of discretion, including discussing the matter and voting, when he or she knows or has reasons to know that the action could confer a direct or indirect financial or material benefit on himself or herself, a relative, or any organization in which he or she is deemed to have an interest. Board members and employees must recuse themselves from deliberations, votes, or internal discussion on matters relating to any organization, entity or individual where their impartiality in the deliberation or vote might be reasonably questioned, and are prohibited from attempting to influence other board members or employees in the deliberation and voting on the matter.

Records of Conflicts of Interest: The minutes of the authority's meetings during which a perceived or actual conflict of interest is disclosed or discussed shall reflect the name of the interested person, the nature of the conflict, and a description of how the conflict was resolved.

Reporting of Violations: Board members and employees should promptly report any violations of this policy to his or her supervisor, or to the public authority's ethics officer, general counsel or human resources representative in accordance with the authority's Whistleblower Policy and Procedure.

Penalties: Any director or employee that fails to comply with this policy may be penalized in the manner provided for in law, rules or regulations.