

**EAST OF HUDSON WATERSHED CORPORATION
CODE OF ETHICS
January 7, 2020**

This Code of Ethics was adopted by the Board of Directors of the East of Hudson Watershed Corporation (“EOHWC”), a local development corporation established pursuant to Section 1411 of the Not-for-Profit Corporation Law of the State of New York, at its meeting on January 7, 2020, amending and revising the Code of Ethics adopted by the Board of Directors on May 10, 2016.

This Code of Ethics shall apply to all Directors and employees of EOHWC. These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of EOHWC's directors and employees and to preserve public confidence in EOHWC's mission.

Definitions

1. Interested person – Any Director, officer or member of a committee with governing Board delegated powers, who has a direct or indirect financial interest, is an interested person, provided, however, that the chief elected official of a member municipality shall not solely by virtue of such elected office be considered to be an interested person on any matter that affects his or her municipality.

2. Financial interest -- A person has a financial interest if the person has, directly or indirectly, through business, investment or family: An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement; a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or 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; provided, however, that the chief elected official of a member municipality shall not solely by virtue of such elected office be considered to have a financial interest in any matter that affects his or her municipality. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

Standards of Conduct

1. Directors and employees shall perform their duties with transparency, without favor and refrain from engaging in outside matters of financial or personal interest, including other employment, that could impair independence of judgment, or prevent the proper exercise of one's official duties.

2. Directors and employees shall not directly or indirectly, make, advise or assist any person to make any financial investment based upon information available through the director's or employee's official position that could create any conflict between their public duties and interests and their private interests.

3. Directors and employees shall not accept or receive any gift or gratuities where the circumstances would permit the inference that: (a) the gift is intended to influence the individual in the performance of official business or (b) the gift constitutes a tip, reward, or sign of appreciation for any official act by the individual. This prohibition extends to any form of financial payments, services, loans, travel reimbursement, entertainment, hospitality, thing or promise from any entity doing business with or before EOHWC. Inexpensive advertising and promotional items are not considered to have "value" and may be accepted provided that it does not constitute an attempt to influence or an incentive or reward for any official act.

4. Directors and employees shall not use or attempt to use their official position with EOHWC to secure unwarranted privileges for themselves, members of their family or others, including employment with EOHWC or contracts for materials or services with EOHWC.

5. Directors 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.

6. Directors and employees may not engage in any official transaction with an outside entity in which they have a direct or indirect financial interest that may reasonably conflict with the proper discharge of their official duties.

7. Directors and employees shall manage all matters within the scope of EOHWC's mission independent of any other affiliations or employment. Directors, officers and employees employed by more than one government shall strive to fulfill their professional responsibility to EOHWC without bias and shall support EOHWC's mission to the fullest.

8. Directors and employees shall not use EOHWC property, including equipment, telephones, vehicles, computers, or other resources, or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law or policy and EOHWC's mission and goals.

9. Directors and employees are prohibited from appearing or practicing before EOHWC for two (2) years following employment with EOHWC, consistent with the provisions of Public Officers Law.

Required Disclosure

No interested person shall engage in any activity prohibited above or acquire a financial interest, or engage in any other activity either directly or indirectly, which conflicts in any manner with the best interests of the Corporation or which interferes with

or impedes an interested person's ability to perform his or her duties in good faith and in the best interest of the Corporation unless:

- A. The material facts as to such interested person's financial interest are disclosed in good faith or known to the Board of Directors; and
- B. The Board authorizes or approves such contract or transaction by a vote sufficient for such purpose without counting the vote of the interested person.

Procedures for Addressing a Conflict of Interest

1. An interested person may make a presentation at the Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest. The interested person shall not attempt to otherwise influence the deliberation or voting on the matter giving rise to such potential conflict.

2. The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3. After exercising due diligence, the Board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to the conflict of interest.

4. If a more advantageous transaction or arrangement is not reasonably possible under the circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

Required Records

1. The minutes of the Board and all committees with Board delegated powers shall contain:

- A. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed; and
- B. The names of persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any

alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Implementation of Code of Ethics

This Code of Ethics shall be provided to all directors and employees upon commencement of employment or appointment and shall be reviewed annually by the Governance Committee.

The Board shall designate an Ethics Officer, who shall report to the Board and shall have the following duties:

1. Counsel in confidence EOHWC directors and employees who seek advice about ethical behavior.
2. Receive and investigate complaints about possible ethics violations.
3. Dismiss complaints found to be without substance.
4. Prepare an investigative report of their findings for action by the Executive Director or the board.
5. Record the receipt of gifts or gratuities of any kind received by a director or employee, who shall notify the Ethics Officer within 48 hours of receipt of such gifts and gratuities.
 - a. If the Board, committee or Ethics Officer has reasonable cause to believe a potentially interested person has failed to disclose actual or possible conflicts of interest, it shall inform the potentially interested person of the basis for such belief and afford and afford the potentially interested person an opportunity to explain the alleged failure to disclose.
 - b. If, after hearing the potentially interested person's response and after making further investigation as warranted by the circumstances, the Board, committee or Ethics Officer determines the potentially interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.
 - c. Any contract or transaction entered into in violation of this provision shall be voidable by the Board.

Annual Statement

Each Director and employee shall, prior to initial election as a Director or commencement of employment and annually thereafter, sign and submit to the secretary of the Corporation a written statement which:

1. identifies, to the best of the person's knowledge, any entity of which the Director or employee is an officer, director, trustee, member, owner (either as sole proprietor or partner), or employee and with which the Corporation has a relationship, and any transaction in which the Corporation is a participant and in which the person might have a conflicting interest; and
2. affirms such person: (i) has received a copy of the conflicts of interest policy, (ii) has read and understands the policy (iii) has agreed to comply with the policy, and (iv) understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purpose.
3. The secretary of the Corporation shall provide a copy of all completed statements to the Board and the Ethics Officer.

Penalties

In addition to any penalty contained in any other provision of law, an EOHWC director or employee who knowingly and intentionally violates any of the provisions of this code may be removed in the manner provided for in law, rules or regulations.

Reporting Unethical Behavior

Employees and directors are required to report possible unethical behavior by a director or employee of EOHWC to the Ethics Officer. Employees and directors may file ethics complaints anonymously.

No director or employee shall retaliate against any person for the disclosure of potential wrongdoing, whether through threat, coercion, or abuse of authority; and, no director or employee shall interfere with the right of any other director or employee by any improper means aimed at deterring disclosure of potential wrongdoing. Any attempts at retaliation or interference are strictly prohibited.