

**CONFLICT OF INTEREST AND CONFIDENTIALITY POLICY**  
**of**  
**GRIFFISS LOCAL DEVELOPMENT CORPORATION**

**Adopted on December 12, 2019**

**ARTICLE I**  
**Purpose**

The purpose of this Conflict of Interest and Confidentiality Policy (this “Policy”) is to protect Griffiss Local Development Corporation (“GLDC”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a GLDC officer, Director (defined below) or Key Person (defined below). This Policy provides guidelines for handling any perceived, potential or actual Conflict of Interest (defined below) and addresses the procedures to be followed, and the disclosures to be made, in cases involving a Related Party Transaction (defined below). This Policy is intended to complement GLDC’s Code of Ethics by providing specific procedures to deal with conflicts of interest; however, if there is a conflict between a provision of the Code of Ethics and a provision of this Policy, the provision of this Policy shall control. This Policy is further intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

**ARTICLE II**  
**Definitions**

**Section 2.1. Definitions.** As used in this Policy, the following underlined, capitalized words shall have the following meanings:

(a) **Affiliate of GLDC.** An Affiliate of GLDC means any entity controlled by, or in control of, GLDC. As of the date hereof, the Affiliates of GLDC are Griffiss Park Landowners Association, Inc., Cardinal Griffiss Realty, LLC, and 99 Otis Street, LLC.

(b) **Board.** The Board is the board of directors of GLDC comprised of its voting directors.

(c) **Conflict of Interest.** A Conflict of Interest exists if an interest (including a Financial Interest) or activity influences or appears to influence the ability of an individual to exercise objectivity or impairs the individual's ability to perform his or her responsibility in the best interests of GLDC.

(d) **Director.** Director means a voting director of GLDC

(e) **Disinterested Director.** A Disinterested Director is any Director who is not an Interested Person.

(f) **Ethics Officer.** GLDC's Secretary shall serve as the Ethics Officer unless the Board designates a different person to serve as the ethics officer.

(g) **Financial Interest.** An individual has a Financial Interest if the individual has, directly or indirectly, through business, investment, or a Relative:

(I) An ownership or investment interest in any entity with which GLDC has a transaction or arrangement;

(II) A compensation arrangement with GLDC or with any entity or individual with which GLDC has a transaction or arrangement; or

(III) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which GLDC is negotiating a transaction or arrangement.

As used in this Section 2.1(f), compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

(h) **Interested Person.** An Interested Person is any Director, officer, or Key Person who (i) has a Conflict of Interest and/or (ii) is a Related Party.

(i) **Key Person.** A Key Person is any person, other than a director or officer, whether or not an employee of GLDC, who (i) has responsibilities, or exercises powers or influence over GLDC as a whole similar to the responsibilities, powers, or influence of Directors and officers; (ii) manages GLDC, or a segment of GLDC that represents a substantial portion of the activities, assets, income or expenses of GLDC; or (iii) alone or with others controls or determines a substantial portion of GLDC's capital expenditures or operating budget.

(j) **Related Party.** A Related Party is:

(I) any Director, officer or Key Person of GLDC or any Affiliate of GLDC;

(II) any Relative of any Director, officer or Key Person of GLDC or any Affiliate of GLDC; or

(III) any entity in which any individual described in clauses (I) and (II) of this Section 2.1(i) has a thirty-five percent (35%) 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 (5%).

(k) **Related Party Transaction.** A Related Party Transaction means any transaction, agreement or any other arrangement in which a Related Party has a Financial Interest and in which the GLDC or any Affiliate of GLDC is a participant, except that a transaction shall not be a Related Party Transaction if:

- (i) the transaction or the Related Party's financial interest in the transaction is de minimus;
- (ii) the transaction would not customarily be reviewed by the Board or boards of similar organizations in the ordinary course of business and is available to others on the same or similar terms; or
- (iii) the transaction constitutes a benefit provided to a Related Party solely as a member of a class of the beneficiaries that GLDC intends to benefit as part of the accomplishment of its mission which benefit is available to all similarly situated members of the same class on the same terms.

(l) **Relative**. A Relative of an individual means (a) his or her spouse or domestic partner as defined in Section 2994-a of the Public Health Law, (b) his or her ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and (c) the spouse or domestic partner of his or her brothers, sisters, children, grandchildren and great-grandchildren.

(m) **Substantial Financial Interest**. A Financial Interest in a Related Party Transaction is a "Substantial Financial Interest" if, in the discretion of the Board, or the Governance Committee, after giving due consideration to the material facts and circumstances of the Financial Interest as presented, the Board, or the Governance Committee, determines that such Financial Interest is substantial.

### **ARTICLE III** **Disclosure**

**Section 3.1. Initial Disclosure.** Prior to the initial election of any Director or officer, or engagement of or with any Key Person, the prospective Director, officer or Key Person, shall complete, date, sign and submit to the Secretary of GLDC a written Conflicts of Interest Disclosure Statement, on the form which is attached hereto as **Exhibit A**, identifying, to the best of his or her knowledge, at least the following information:

(a) any entity of which such prospective Director, officer or Key Person is an officer, director, trustee, member, owner (either as a sole proprietor, partner or otherwise), or employee and with which GLDC has a relationship; and

(b) any transaction in which GLDC is a participant and in which the prospective Director, officer or Key Person, might have a Financial Interest that may give rise to a Conflict of Interest or Related Party Transaction.

In addition, such prospective Director, officer Key Person shall affirm in the Conflicts of Interest Disclosure Statement that he or she has received a copy of this Policy, has read and understands this Policy, agrees to comply with this Policy, and understands that GLDC is a tax-exempt charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**Section 3.2 Annual Disclosure.** Each Director, officer and Key Person, shall annually submit to the Secretary of GLDC a written Conflicts of Interest Disclosure Statement, on the form attached hereto as **Exhibit A**, in which such person:

(a) identifies, to the best of his or her knowledge, at least the information specified in Sections 3.1(a) and 3.1(b) hereof; and

(b) affirms that he or she has received a copy of this Policy, has read and understands this Policy, agrees to comply with this Policy, and understands that GLDC is a tax-exempt charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**Section 3.3 Continuing Duty to Disclose.** In connection with any actual or possible Conflict of Interest or Related Party Transaction which may arise in the ordinary course of the year and within Board or committee meetings, an Interested Person must disclose the existence of any Conflict of Interest or Related Party Transaction connection and be given the opportunity to disclose all material facts to the Board or the Governance Committee. Such disclosure may be made in a written statement or orally at a meeting of the Board or the Governance Committee, provided that such oral disclosure must be documented in the minutes of the meeting at which such disclosure is made.

**Section 3.4 Provision of Disclosure Statements to the Board and Governance Committee Chairs.** The Secretary of GLDC shall provide to the Board Chair and the Chair of the Governance Committee copies of all such Conflicts of Interest Disclosure Statements submitted to him or her.

## **ARTICLE IV** **General Procedures**

### **Section 4.1. General Prohibitions.**

(a) An Interested Person Governance is precluded from being present at or participating in any Board or Governance Committee deliberation or vote related to the transaction or arrangement giving rise to a Conflict of Interest or Related Party Transaction. Notwithstanding the foregoing, the Board or Governance Committee may request that the Interested Person present information to the Board or Governance Committee prior to the commencement of deliberations or voting relating thereto.

(b) An Interested Person shall not directly or indirectly attempt to influence improperly the deliberation or voting on the transaction or arrangement giving rise to the Conflict of Interest and/or Related Party Transaction.

**Section 4.2. Determining Whether a Conflict of Interest or Related Party Transaction Exists.**

(a) After the Interested Person's disclosure of the existence of and all material facts relating to his or her Financial Interest as required under Article III hereof, and after any discussion among the remaining members of the Board or the Governance Committee and the Interested Person regarding the facts and circumstances of the Financial Interest has concluded and the Interested Person has absented himself or herself from the proceedings, the Board or the Governance Committee shall discuss and make each of the determinations required by Sections 4.2(b) and 4.2(c) hereof.

(b) Upon discussion, the remaining Board or Governance Committee members shall decide and document in the meeting minutes if the transaction or arrangement constitutes a Related Party Transaction as defined in Section 2(k) hereof. If so, then the Board or the Governance Committee must also determine and document in the meeting minutes whether the Related Party has a Substantial Financial Interest, as defined in Section 2(m) hereof, in the proposed Related Party Transaction. Regardless of whether or not the Financial Interest is a Substantial Financial Interest, a Related Party Transaction is subject to the procedures set forth in Article V hereof.

(c) If the transaction or arrangement does not constitute a Related Party Transaction as defined in Section 2(k) hereof, then the remaining Board or Governance Committee members in their discretion shall decide if a Conflict of Interest, as defined in Section 2(c) hereof, exists nonetheless, after giving due consideration to the material facts and circumstances presented. If the Board or the Governance Committee determines that the transaction or arrangement involves a Conflict of Interest, then such transaction or arrangement is subject to the procedures set forth in Article V hereof.

## **ARTICLE V**

### **Procedures for Addressing Conflicts of Interest & Related Party Transactions.**

#### **Section 5.1. Consideration of Alternatives.**

(a) If the transaction or arrangement is a Related Party Transaction in which the Related Party has a Substantial Financial Interest, then consideration of alternatives in accordance with this Article V is mandatory. For Conflicts of Interest which do not involve a Substantial Financial Interest, consideration of alternatives is within the discretion of the Board or the Governance Committee.

(b) After disclosure and discussions with the Interested Person, the Board or the Governance Committee may appoint a Disinterested Director or committee of Disinterested Directors to investigate alternatives to the proposed transaction or arrangement. Alternatives must be presented to the Governance Committee and must be documented in the minutes of the meeting at which the determination is made.

(c) If alternatives are investigated and presented to the Board or the Governance Committee, then after exercising due diligence and giving due consideration for any such alternative transactions presented, the Board or the Governance Committee shall determine whether GLDC can obtain with reasonable efforts a more advantageous transaction or arrangement

from a person or entity that would not give rise to a Conflict of Interest or Related Party Transaction.

### **Section 5.2. Board or Governance Committee Decision.**

(a) If alternatives are considered, whether mandatory or discretionary, and if the Board or the Governance Committee determines that a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a Conflict of Interest or Related Party Transaction, the Board or the Governance Committee shall determine by a majority vote of the Board or the Governance Committee members present at the meeting (where there is a quorum present) whether the transaction or arrangement is fair and reasonable to GLDC and in GLDC's best interest at the time of such determination.

(b) In conformity with the above determination, in accordance with GLDC's Bylaws, the Governance Committee shall make its decision as to whether to enter into the transaction or arrangement.

(c) If the transaction or arrangement involves a Related Party Transaction in which the Related Party has a Substantial Financial Interest, then a majority of the Board or the Governance Committee members present at the meeting (where there is a quorum present) is required in order to approve such transaction.

**Section 5.3. Documentation Required.** In connection with all actual or possible Conflicts of Interest and Related Party Transactions, the Board or the Governance Committee shall document in the minutes of the meeting at which such determinations are made the following:

(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 or Related Party Transaction, the nature of the Financial Interest, any action taken to determine whether a Conflict of Interest or Related Party Transaction was present, and the Board or the Governance Committee's decision as to whether a Conflict of Interest, Related Party Transaction or Substantial Financial Interest in a Related Party Transaction in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussions at the meeting regarding the proposed transaction or arrangement, including the alternatives to the proposed transaction or arrangement considered, if any.

(c) The determination as to whether the transaction or arrangement is fair and reasonable to GLDC and in GLDC's best interest at the time of such determination.

(d) The determination as to whether to enter into the transaction or arrangement which gives rise to the Conflict of Interest or Related Party Transaction. If the Board or the Governance Committee approves a Related Party Transaction in which the Related Party has a Substantial Financial Interest, then the minutes must also include the basis for such approval.

- (e) A record of any votes taken in connection with the proceedings.

## **ARTICLE VI** **Oversight & Reviews**

**Section 6.1. Oversight Responsibility.** The Governance Committee shall oversee the adoption of, implementation of, and compliance with this Policy in accordance with the procedures contained herein and within the process and authority granted to it by the Board under GLDC's Bylaws and the Governance Committee Charter.

### **Section 6.2. Violation of the Conflict of Interest Policy.**

(a) If the Board or the Governance Committee has reasonable cause to believe a prospective Director, Director, officer or Key Person has failed to disclose an actual or possible Conflict of Interest or Related Party Transaction, it shall inform such person of the basis for such belief and afford such person an opportunity to explain the alleged failure to disclose.

(b) If, after hearing the response of the prospective Director, Director, officer or Key Person and after making further investigation as warranted by the circumstances, the Board or the Governance Committee determines that the prospective Director, Director, officer or Key Person has failed to disclose an actual or possible Conflict of Interest or Related Party Transaction, it shall take or recommend appropriate disciplinary and corrective action, up to and including dismissal or termination.

**Section 6.3. Periodic Reviews.** To ensure that GLDC operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, the Board or the Governance Committee shall conduct periodic reviews. The periodic reviews shall, at a minimum, include the following subjects:

(a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

(b) Whether partnerships, joint ventures, and arrangements with other organizations conform to GLDC's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in impermissible or excessive benefit.

**Section 6.4. Use of Outside Experts.** When conducting the periodic reviews as provided for in Section 6.3 hereof, the Board or the Governance Committee may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board or the Governance Committee or the Board of their responsibility for ensuring periodic reviews are conducted.

## **ARTICLE VII** **Confidentiality**

**Section 7.1. Confidentiality.** Confidential and proprietary information is crucial to the operation of GLDC. Such information includes, but is not limited to, grant or donor information, financial information belonging to GLDC and/or to companies or individuals with whom GLDC is doing business, economic development proposals, criteria or decisions made with regard to the business of GLDC. GLDC, its directors, officers, employees and committee members have an ethical and legal obligation to protect confidential and proprietary information obtained in the course of their duties, and to preserve the restricted nature of this information except where it becomes publicly available, its release is authorized pursuant to court order or by operation of law, or is otherwise lawfully obtained.

(a) Best efforts shall be made by the Board or the Governance Committee ensuring that Conflict of Interest Disclosure Statements containing personal, financial and/or vocational information shall be kept confidential and access to such statements shall be limited to persons who have a reasonable need to know their contents.

(b) Board members, officers, employees and committee members shall be prohibited from utilizing any confidential information acquired in connection with that person's work for GLDC, for their personal benefit or to the detriment of GLDC. If it is discovered that such confidential information has been disclosed for personal benefit and/or to the detriment of GLDC by a Board member, officer, employee or committee member, appropriate disciplinary action may be taken. Such disciplinary action may include the removal of such Board member, officer, employee or committee member from his or her respective position(s), after giving such person notice and a fair opportunity to be heard and the ability to present any material or mitigating facts and other relevant evidence on the matter. Notwithstanding the foregoing, Board members, non-employee officers and committee members shall not be prohibited from utilizing confidential information for their personal benefit after such confidential information becomes publicly available provided, however, that such confidential information did not become publicly available because it was improperly disclosed by GLDC or any of its Board members, committee members, officers, employees, agents or representatives (collectively, the "GLDC Parties") or otherwise became publicly available through some misconduct or wrongdoing on the part of any of the GLDC Parties.

(c) Nothing in this Article shall be deemed to restrict or prohibit the release of information pursuant to a lawful court order or as required by local, state or federal laws.

## **EXHIBIT A**

### **Conflicts of Interest Disclosure Statement**

Capitalized terms used in this Conflicts of Interest Disclosure Statement (the "Disclosure Statement"), but not defined herein, shall have the meanings ascribed to them in GLDC's Conflict of Interest and Confidentiality Policy.

After completing, dating and signing this Disclosure Statement, please return it to

Griffiss Local Development Corporation  
584 Phoenix Drive

Rome, New York 13441

Attn:

Secretary

**Question 1.** Are you aware of any relationship or transaction with GLDC, Griffiss Park Landowners Association, Inc., Cardinal Griffiss Realty, LLC or 99 Otis Street, LLC (including, but not limited to, sales of property, goods or services, loans or lines of credit or other contractual arrangements of any type) that occurred during the three (3) calendar years immediately preceding the current calendar year , or is proposed for the current calendar year , which involves or could benefit:

(a) You;    
Yes No

(b) any Relative of yours; or    
Yes No

(c) any organization (including, but not limited to, for-profit entities, not-for-profit entities, trusts, etc.) in which you or a Relative of yours is a director, trustee, officer, committee member, member, partner, owner, employee or beneficiary?    
Yes No

If yes, please list all such relationships or transactions below, including specific information concerning the essential financial terms thereof (e.g., a description of the property, goods or services in question, the duration of the arrangement, the consideration or price) and whether approval of the relationship or transaction has been obtained from the Board of Directors (or the Governance Committee). Attach additional sheets, if necessary.

Name(s)	Type of Relationship/Transaction	Approved by Board

**Question 2.** Are you aware of any relationship or transaction (other than those which you disclosed in response in Question 1 above) which involves GLDC, Griffiss Park Landowners Association, Inc., Cardinal Griffiss Realty, LLC or 99 Otis Street, LLC and in which you, a Relative of yours or any other Related Party has or might have a Conflict of Interest?    
Yes No

If yes, please provide the details below. Attach additional sheets, if necessary.

---

---

---

---

The answers to the foregoing questions are stated to the best of my knowledge and belief.

I also acknowledge that I have received a copy of, read and understood GLDC's Conflict of Interest and Confidentiality Policy and Whistleblower Policy and agree that I have complied with and will continue to comply with such policies.

Additionally, I understand that in order to maintain its federal tax exemption GLDC must engage primarily in activities that accomplish one or more of its tax exempt purposes.

***REMINDER: If at any time there is a matter under consideration in which you have or may have a Conflict of Interest, it is your obligation to disclose the facts regarding such matter to the Governance Committee, to remove yourself from any deliberations relating to the matter, and otherwise to refrain from using your personal influence on the matter.***

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_