

AUSTIN ECONOMIC DEVELOPMENT CORPORATION ETHICS, CONFLICTS, AND NONDISCLOSURE POLICY

I. OVERVIEW

The Austin Economic Development Corporation ("AEDC") does hereby establish this Ethics Policy (this "Policy") to facilitate the development of procedures and controls for the ethical performance of the mission of AEDC and the detection and prevention of conflicts of interest and fraud against and within AEDC. It is the intent of AEDC to promote consistent organizational behavior by providing the following guidelines and assigning responsibility for the development of controls and the conduct of investigations.

This Policy contains provisions applicable to AEDC's employees, officers, board members, representatives, consultants, vendors, contractors, volunteers, and outside agencies doing business with employees of AEDC, and/or any other parties with a business relationship with AEDC. This Policy does not supersede any applicable federal or Texas law or administrative rule. All AEDC board members, officers, and employees (each an "AEDC Person") are required familiarize themselves with this Policy. AEDC Persons are encouraged to inquire with any questions regarding any aspect of this Policy.

All AEDC Persons must abide by all applicable federal and Texas laws, administrative rules, and AEDC conduct policies, including this Policy. Where violations are determined to have occurred, the offending AEDC Person may be subject to disciplinary action, including but not limited to dismissal or transfer or removal, as applicable. Where violations or infractions are determined to be substantial in nature, the matter may be referred to the appropriate officials for criminal investigation and possible prosecution.

II. GENERAL ETHICAL STANDARDS OF CONDUCT

AEDC is committed to conducting its activities with integrity and in a manner that encourages the confidence of the public and those persons with whom AEDC does business and to prevent conflicts of interest. Each AEDC Person is required to act at all times to preserve the trust of the community, to foster goodwill, and to protect AEDC's reputation. Specifically, each AEDC Person shall abide by the following:

A. *Prohibited Conduct.* An AEDC Person shall not:

- (1) Accept or solicit any gift, favor, or service that might reasonably tend to influence such AEDC Person in the discharge of official duties, or that such AEDC Person knows or should know is being offered with the intent to influence such AEDC Person's official conduct;
- (2) Intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised their official powers or performed their official duties in favor of another;
- (3) Disclose nonpublic or confidential information, information that is excepted from public disclosure under the Texas Public Information Act (Tex. Gov't Code Ann. ch. 552), or information that has been ordered sealed by a court, that was acquired by reason of such AEDC Person's official position, or accept other employment, including self-employment, or engage in a business, charity, nonprofit organization, or professional activity that such AEDC Person might reasonably expect would require or induce such AEDC Person to disclose nonpublic or confidential information, information that is excepted from public disclosure under the Texas Public Information Act, or

information that has been ordered sealed by a court, that was acquired by reason of such AEDC Person's official position;

- (4) Negotiate for or accept other employment, including self-employment, or compensation or engage in any business or professional activity that could reasonably be expected to impair such AEDC Person's independence of judgment in the performance of such AEDC Person's official duties;
- (5) Make personal investments, or have a personal or financial interest, that could reasonably be expected to create a substantial conflict between such AEDC Person's private interest and the public interest;
- (6) Utilize public or AEDC time, property, facilities, or equipment for any purpose other than official state or AEDC business, unless such use is reasonable and incidental and does not result in any direct cost to the state or AEDC, interfere with such AEDC Person's official duties, and interfere with AEDC functions;
- (7) Utilize their official position, or state or AEDC issued items, such as a badge, indicating such position for financial gain, obtaining privileges, or avoiding consequences of illegal acts;
- (8) Knowingly make false or misleading statements, either oral or written, or provide false information, in the course of AEDC business; or
- (9) Engage in any political activity while on AEDC time or utilize AEDC resources for any political activity.

B. Required Conduct. An AEDC Person shall:

- (1) Perform their official duties in a lawful, professional, and ethical manner befitting AEDC;
- (2) Be good stewards of AEDC's reputation and shall not make any representation in public or private, orally or in writing, that states, or appears to state, an official position of AEDC unless authorized to do so;
- (3) Follow established channels of communication pertaining to the reporting of information and circumstances pertaining to AEDC and its interests, except in cases described in Paragraph (4) below;
- (4) Actively report to the Executive Committee or to AEDC's legal counsel any practices, behavior, or instances of unethical or illegal activity, or any other violations of this Policy by an AEDC Person;
- (5) Be fair, impartial and ethical in business dealings and shall not use their authority to unfairly or illegally influence the decisions of other AEDC Persons;
- (6) Ensure that their personal or business activities, relationships and other interests do not conflict or appear to conflict with the interests of AEDC and disclose any potential conflicts;
- (7) Transact AEDC business effectively and efficiently and act in good faith to protect AEDC's assets from waste, abuse, theft or damage;
- (8) Adhere to the highest standards of personal integrity, fairness, honesty, courtesy, respectfulness, and compliance with both the spirit and the letter of the law and this Policy;

- (9) Endeavor to create and foster a safe, dignified and respectful work environment that is free from all forms of harassment and from unlawful and unfair discrimination;
- (10) Conduct and discuss matters of public interest openly and in compliance with all applicable laws, resolving doubtful cases in favor of transparency; and
- (11) Respect and protect the privileged and confidential information to which they have access; including information provided and lawfully discussed in closed session.

III. CONFLICTS OF INTEREST

- A. *Generally.* AEDC and each AEDC Person shall avoid, neutralize or mitigate actual or potential conflicts of interest so as to prevent fraud, unfair competitive advantage, or the existence of conflicting roles that might impair the actions of AEDC. AEDC Persons are expected to deal at arms-length in any transaction on behalf of AEDC and avoid and disclose actual conflicts of interest under the law or this Policy and any circumstance which could impart the appearance of a conflict of interest.
- B. *Defining a Conflict of Interest.* A conflict of interest exists when an AEDC Person is in a position in which any official act or action taken by them is, may be, or appears to be influenced by considerations of personal gain rather than the general public trust.
- C. *Prohibited Conduct.* Each AEDC Person shall abide by the following:
 - (1) For procurement of goods and services, no AEDC Person shall participate in the deliberation, evaluation, selection, award, or administration of any contract if they have a real or apparent conflict of interest. Such a conflict could arise if AEDC Person; any member of his/her/their immediate family; his/her/their partner; or an organization which employs or is about to employ any parties, has a financial or other interest in, or receives a tangible personal benefit, in excess of \$50 from a firm being considered for a contract with the Corporation. "Immediate family" means a spouse, domestic partner, parent, child, or spouse of a parent, child, brother, sister, or spouse of a child, brother or sister.
 - (2) No AEDC Person shall solicit or accept gratuities, favors or anything of monetary value from contractors or firms, potential contractors or firms, or parties to sub-agreements with regard to any contract, except where (i) the financial interest is not substantial, (ii) the gift is an unsolicited item of nominal intrinsic value, or (iii) such solicitation or acceptance is otherwise subject to an exception set forth in the Texas Penal Code.
 - (3) For all other cases, no AEDC Person who is in a position to participate in a decision-making process or gain inside information about a contract, may obtain a financial interest or benefit from such contract.
 - (4) Each AEDC Person shall ensure that their personal or business activities, relationships and other interests do not conflict or appear to conflict with the interests of AEDC and shall affirmatively disclose any potential conflicts.

- (5) No board member or other AEDC Person shall participate in a matter involving a business, contract or real property transaction in which the board member or other AEDC Person has a Substantial Interest if it is reasonably foreseeable that an action on the matter would confer a special economic benefit on the business, contract or real property that is distinguishable from its effect on the public.
- (6) A board member or other AEDC Person must disclose a Substantial Interest in a business, contract, or real property that would confer a benefit by their vote or decision. The board member or other AEDC Person may not participate in the consideration of the matter subject to the vote or decision. Prior to the vote or decision, a board member or other AEDC Person shall file an affidavit citing the nature and extent of their interest with AEDC's Chief Operating Officer in accordance with Tex. Loc. Govt. Code, § 171.004.

D. *Substantial Interests.* AEDC will not enter into a contract with a business in which a board member or employee or a Family Member of a board member or employee has a Substantial Interest except in case of emergency or if the business is the only available source for essential goods and services or property.

E. *Conflicts Disclosure Statement.*

- (1) A Local Government Officer of AEDC must file a Conflicts Disclosure Statement (FORM CIS) with AEDC'S Chief Operating Officer if:
 - i. The person or a Family Member of such person received at least \$2,500 in taxable income (other than investment income) from a vendor or potential vendor in the last twelve (12) months through an employment or other business relationship;
 - ii. The person or certain Family Members received gifts from a vendor or potential vendor with an aggregate value greater than \$100 in the last 12 months; or the vendor (or an employee of the vendor) has a Family Relationship with the Local Government Officer; or
 - iii. The person has a family relationship with respect to a vendor.
- (2) A vendor doing business with AEDC or seeking to do business with AEDC is required to file a completed questionnaire (FORM CIQ) disclosing the vendor's affiliations or business relationship with any board member or local government officer or their Family Member.

F. *Defined Terms.* As used in this Article III:

"Family Member" is a person related within the first degree by consanguinity or the second degree by affinity as defined by Tex. Govt. Code, Ch. 573.

"Family Relationship" is a relationship between a person and another person within the third degree by consanguinity or the second degree by affinity as defined by Tex. Govt. Code, Ch. 573, Subchapter B.

"Local Government Officer" is defined by Tex. Loc. Govt. Code § 176.001(4). A Local Government Officer is:

- (1) A member of the Board of Directors;
- (2) The President/CEO; or

- (3) A third party agent of AEDC, including an employee, who exercises discretion in the planning, recommending, selecting or contracting of a vendor.

"Substantial Interest" is defined by Tex. Loc. Govt. Code, § 171.002. A person has a Substantial Interest in:

- (1) A business entity if the person owns ten percent (10%) or more of the voting stock or shares of the business entity or owns either 10% or more or \$15,000 or more of the fair market value of the business entity OR funds received by the person from the business entity exceed 10% of the person's gross income for the previous year; or
- (2) Real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more.

IV. CONFIDENTIALITY AND NONDISCLOSURE

- A. *Nondisclosure of Confidential Information.* Except as otherwise required by law, all AEDC Persons shall be prohibited from disclosing, use or permit access to any Confidential Information in any manner or for any purpose other than the in exercise of their duties and responsibilities in carrying out the interests of AEDC. Upon the expiration or termination of an AEDC Person's employment or service with AEDC, such person shall, at AEDC's request, return to AEDC or destroy all Confidential Information in their possession.

For purposes of this Article IV, "Confidential Information" means all non-public, proprietary, or confidential information developed by or disclosed to any AEDC Person in the performance of their duties or related to the business of AEDC, in oral, visual, written, electronic, or other tangible or intangible form, whether or not marked or designated as "confidential," and all notes, analyses, summaries, and other materials prepared by an AEDC Person that contain, are based on, or otherwise reflect, to any degree, any of the foregoing; provided, however, that Confidential Information does not include any information that: (i) is or becomes generally available to the public other than as a result of an AEDC Person's act or omission; (ii) is obtained by an AEDC Person on a non-confidential basis from a third party that was not legally or contractually restricted from disclosing such information; or (iii) was previously in an AEDC Person's possession prior to becoming an AEDC Person, as established by documentary evidence.

- B. *Public Disclosure.* If at any time an AEDC Person receives a request for disclosure of Confidential Information pursuant to the Texas Public Information Act (Ch. 552, Tex. Gov't Code), such AEDC Person shall promptly inform AEDC's designated public information coordinator of such request.
- C. *Exceptions.* Notwithstanding the foregoing, no AEDC Person shall be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that:
- (1) Is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or
 - (2) Is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer of reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (i) files any document containing the trade secret under seal; and, (ii) does not disclose the trade secret, except pursuant to court order.

Nothing in this Policy will or is intended to prohibit any communication by any Party with the United States Securities and Exchange Commission with respect to any possible violation by the Corporation or any affiliate of the Corporation of any United States securities laws or the rules and regulations promulgated thereunder.

V. COMPLAINTS AND GRIEVANCES

A. *Complaint Procedures:* The following are the formal complaint and grievance procedures:

- (1) A person who has a complaint or grievance about any services or activities of an AEDC Person may during regular business hours submit such complaint or grievance, in writing to the President of AEDC.
- (2) The President of AEDC shall cause an investigation of the complaint or grievance to be completed, if practicable, and provide an update regarding the administration of such investigation to the person who made the complaint or grievance.
- (3) The person reporting the violation of this Policy shall not attempt to personally conduct investigations or interviews related to any suspected fraudulent act.

B. *Confidentiality.* To the extent allowed by law, any person reporting or investigating reports is required to keep reports and all information relating to the investigation confidential, except as necessary to report the violation of this Policy or to conduct a complete and fair investigation. Any person who learns of any investigation shall keep all matters relating to the investigation strictly confidential to the extent allowed by law.

C. *Non-Retaliation.* No person who reports a violation of this Policy in good faith shall suffer harassment, retaliation or employment consequence. Retaliation in any form will not be tolerated. Any act of alleged retaliation should be reported immediately and will be promptly investigated.

VI. MISCELLANEOUS PROVISIONS

A. This Policy shall be construed liberally to effectuate its purposes and policies and to supplement such existing laws as they may relate to the conduct of AEDC Persons.

B. Within sixty (60) days of the effective date for the adoption of this Policy each employee, officer and board member will receive a copy of this Policy and shall be required to sign a statement in the form of Exhibit A hereto acknowledging that they have read, understand and will comply with AEDC's Ethics, Conflicts, and Nondisclosure Policy. A copy of this Policy shall be provided to each employee, officer, and board member of AEDC no later than three (3) days after such person has joined AEDC in such position. AEDC shall keep in its files a copy of the acceptance and acknowledgment in the form attached hereto as Exhibit A executed by each such employee, officer and board member.

C. AEDC Persons shall participate in regular training related to ethical conduct, this Ethics Policy and related laws and policies.

**AUSTIN ECONOMIC DEVELOPMENT CORPORATION
ETHICS, CONFLICTS AND NONDISCLOSURE POLICY**

Acknowledgment and Acceptance

- 1) By signing below, I acknowledge and certify the following that I have (i) received a copy of Austin Economic Development Corporation's Ethics, Conflicts and Nondisclosure Policy (the "Policy"), (ii) I have read and understand the Policy, and (iii) I agree to comply with the Policy.
- 2) Check if applicable:
☐ I elect to withhold public access to the information in the custody of AEDC that relates to my home address, home telephone number, emergency contact information, or social security number, or that reveals whether I have family members.

Signature

Date

Printed Name

Title

**AUSTIN ECONOMIC DEVELOPMENT CORPORATION
ETHICS, CONFLICTS AND NONDISCLOSURE POLICY**

Acknowledgment and Acceptance

- 1) By signing below, I acknowledge and certify that I have (a) received a copy of Austin Economic Development Corporation's Ethics, Conflicts and Nondisclosure Policy (the "Policy"), (b) I have read and understand the Policy, and (c) I agree to comply with the Policy.
- 2) Check the box as applicable:
My primary residence ☐ IS ☐ IS NOT in the City of Austin.
- 3) Check if applicable:
☐ I elect to withhold public access to the information in the custody of AEDC that relates to my home address, home telephone number, emergency contact information, or social security number, or that reveals whether I have family members.

Signature

Date

Printed Name

Title