

**CORTLAND COUNTY BUSINESS DEVELOPMENT CORP.
CONFLICT OF INTEREST POLICY
APPROVED DECEMBER 2015**

Conflicts 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 Corporation. Perceived conflict of interest are situation where there is the appearance that an Board director and/or employee can personally benefit from actions or decisions made in their official capacity, or where an Board director or employee may be influenced to act in a manner that does not represent the best interests of the corporation. The perception of a conflict may occur if circumstances would suggest to a reasonable person that a board member or employee 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 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 affect 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 corporation participates.
- The ability to use his or her position, confidential information or the assets of the corporation, to his or her personal advantage.
- Solicited or accepted a gift of any amount under circumstance in which it could reasonable 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 Corporation'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 corporation.

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, when reasonably feasible, the Governance Committee, otherwise to the corporation members at a meeting of the corporation. Such written disclosure shall be made part of the official record of the proceedings of the corporation.

Determining Whether a Conflict of Interest Exists: The Governance Committee or the directors of the corporation, as applicable, shall advise the individual who appears to have a conflict of interest how to proceed. The Governance Committee or the directors of the corporation, as applicable, should seek guidance from counsel or New York State agencies, such as the Authorities Budget Office, 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 director 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 reason 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 directors 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 directors or employees in the deliberation and voting on the matter.

Records of Conflicts of Interest: The minutes of the corporation'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 directors and employees should promptly report any violations of this policy in accordance with the corporation's Whistleblower Policy.

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

Note: All Board Directors and employees should be provided with this Conflict of Interest Policy upon commencement of employment or appointment and required to acknowledge that they have read, understand and are in compliance with the terms of the policy. Board directors and employees should review on an ongoing basis circumstances that constitute a conflict of interest or the appearance of a conflict of interest, abide by this policy and seek guidance when necessary and appropriate.

This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to public authorities.