

**STANDARDS OF CONDUCT FOR
MEMBERS OF THE PATH RIDERS' COUNCIL**

I. Introduction.

A. Purpose and Scope. These Standards of Conduct are intended to implement a set of ethical standards governing the conduct of members of the Port Authority Trans-Hudson Corporation (hereinafter PATH or Corporation) Riders' Council, and shall govern the conduct of all members of the PATH Riders' Council in all their activities relating to their positions as members of the PATH Riders' Council.

B. Relationship to Other Laws. These Rules and Procedures do not supersede, or relieve any individual from complying with, any laws, rules or regulations of the United States or of applicable state and local governing bodies.

II. Definitions.

- A. "Actual or Prospective Business Relationships with the Corporation" shall mean any actual or prospective arrangement whereby an individual, corporation or other entity has entered into, or has offered or proposed to enter into, or has decided to offer or propose to enter into, a financial transaction with the Corporation wherein the Corporation is to purchase, sell, lease, transfer, receive or convey any interest in real or personal property, or to construct or obtain construction, reconstruction or improvement of any facility, or to furnish or obtain services, including personal and/or consulting services.
- B. "Employ or Is to Employ" shall mean actual present employment and any contact regarding future employment, whether initiated by a Member or a potential employer, and includes, without limitation, an exchange of letters or resumes, and/or telephone or personal conversations, conveying or intended to imply conveyance of an offer of, or request for or interest in, employment, together with any negotiations related thereto.
- C. "Employment" shall mean full-time, part-time, regular or temporary work for compensation, and includes work as an independent contractor.
- D. "Financial Interest" shall mean:
1. ownership of an interest or involvement in a relationship from which or as a result of which a person has received within the past year, or is entitled to receive in any future year, more than \$1,000 or its equivalent; or
 2. ownership of an interest other than in tangible personal property which has a market value in excess of \$1,000. In determining the value of an interest, debts, liens or other encumbrances thereon are not subtracted; or
 3. ownership of an interest other than in tangible personal property other than motor vehicles which has a market value in excess of \$10,000. In determining the value of an interest, debts, liens or other encumbrances thereon are not subtracted; or
 4. liability or indebtedness to a person in excess of \$5,000.
- E. "Financial Transaction" shall mean any arrangement whereby there is an expectation that a party will receive or transfer a benefit, in the form of money or any other thing of pecuniary value, including, but not limited to, arrangements for the purchase, sale,

lease, or other transfer or conveyance of any interest in, real or personal property; construction, reconstruction, or improvement of any facility or property; and procurement of services, both personal and consulting.

- F. "Gratuity(ies)" shall mean any gift, favor, entertainment, hospitality, transportation, loan or other tangible item or any intangible benefits (i.e., discounts, passes or similar consideration) for which the recipient did not pay fair market value and which is not offered to the public generally.
- G. "Immediate Family" shall mean a spouse, children, parents, brothers and sisters of a Member, and any other dependent who resides in the Member's household on other than a temporary basis.
- H. "Member" shall mean a person holding a valid appointment to the PATH Riders' Council.
- I. "Party" shall mean an individual, corporation, partnership or other legal entity.

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III. Policy.

- A. **General.** In all matters, Members must conduct themselves in accordance with the highest ethical standards. To that end, it is imperative that Members of the PATH Riders' Council, in their private financial relationships and in their conduct as a member of the Riders' Council, strictly avoid engaging in actions which create a conflict of interest or the appearance of a conflict of interest. Likewise, it is imperative that Members act, and appear to act, impartially in their conduct as Members of the Riders' Council, by avoiding any actions that give a reasonable basis for the impression that any person, organization, business or other entity can improperly influence the Member or enjoy the Member's favor in the performance of the Member's duties, or which reasonably might lead to the conclusion that the Member is engaged in acts that are in violation of the public trust.
- B. **Affiliations and Financial Interests.** Neither a Member nor the Immediate Family of a Member, singly or in combination, shall be a party, nor shall any or all of them own, control or have the legal or equitable right to control more than a three-percent ownership interest of a Party, with an actual or prospective business relationship with the Corporation, nor participate on behalf of such a Party in an actual or prospective business relationship.
- C. **Financial Transactions.** A Member shall neither vote on, nor participate in, any transaction involving the Riders' Council or the Corporation if the Member or a member of the Immediate Family of the Member, has a Financial Interest, or if an individual or entity that employs, or is a prospective employer of, any of the above, has a Financial Interest in the transaction.
- D. **Gratuities and other valuable benefits.** No Member or member of the Immediate Family of the Member shall solicit anything of value from a Corporation contractor or prospective Corporation contractor, or from the Corporation itself. Members shall not accept a Gratuity from any entity with which the Corporation does business, or is likely to do business with. Members may accept unsolicited Gratuities of nominal or trifling value.

- E. **Use of Position on Riders' Council.** Members shall not use, nor give the appearance that they are using, their position with the Riders' Council, in a manner inconsistent with their responsibilities to the Riders' Council. For example, Members shall not:
- a. Use, or permit others to use, information obtained from the Corporation by the Member by reason of the Member's position with the Riders' Council to further the Member's own monetary interests or the monetary interests of any member of the Member's Immediate Family, or any party to any actual or prospective financial transaction with the Riders' Council or the Corporation.
 - b. Disclose or permit others to disclose to anyone outside the Corporation or the Riders' Council confidential information obtained through their position with the Riders' Council and not generally available to the public, except to the extent necessary to fulfill the Member's responsibility to the public trust.
- F. Members shall not offer money or anything of value for, or in consideration of, obtaining an appointment, promotion or privilege in the Member's position with the Riders' Council.
- G. No Member of the Riders' Council shall speak on behalf of PATH, nor shall any Member represent to the general public, including the media, that his or her personal views on any issue are the position of PATH, without first having been authorized to do so by the PATH Director/General Manager.

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IV. Disqualification.

In any situation where a Member is precluded by these Standards of Conduct or by other applicable laws or regulations from performing the duties of the Member's position with the Riders' Council, including, but not limited to, any matter in which the Member must not participate pursuant to Section III.C. of these Standards of Conduct, the Member shall so notify the Chairman of the Riders' Council and request that the Riders' Council's official records reflect that the Member is recusing from any participation in the matter to which the prohibition applies.

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V. Sanctions.

Any Member who shall willfully violate any provision of these Standards of Conduct shall be subject to removal from the Riders' Council, in accordance with the PATH Riders' Council Rules of Governance.

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VI. Amendment.

Amendments to these Standards of Conduct may be proposed at any meeting of the PATH Riders' Council. The Riders' Council shall receive notice of the proposed changes at least thirty days prior to the regular or special meeting addressing the changes. Such proposed amendments may be overruled by the PATH Director/General Manager.

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VII. Severability.

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The provisions of these Standards of Conduct shall be severable, and if any phrase, clause, sentence or provision is declared invalid, the validity of the remainder shall not be affected thereby.

VIII. Effective Date; Duration; Responsibility.

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These Standards of Conduct shall become effective when adopted by the PATH Director/General Manger and shall continue and remain in effect unless and until revoked by the PATH Director/General Manager. The PATH Director/General Manager is responsible for interpreting and enforcing these rules, and, when necessary, shall seek appropriate legal counsel for assistance.