

Lessee Code of Ethics

IT ALL RIDES ON INTEGRITY



Table of Contents

Introduction	1
Definitions and Scope	2
Our Standards	4
<i>Compliance with Applicable Laws and Regulations</i>	<i>4</i>
<i>Books and Records</i>	<i>4</i>
<i>Gifts, Gratuities and Favors</i>	<i>4</i>
<i>Fair Employment Practices and Interactions with the Public and Other Workers on Port Authority Premises</i>	<i>5</i>
<i>Treatment of Protected Information</i>	<i>6</i>
<i>Intellectual Property</i>	<i>6</i>
<i>Port Authority Information Technology</i>	<i>7</i>
<i>Employment of Former Port Authority Employees</i>	<i>8</i>
Lessees' Duties	9
<i>Duty with Respect to Violations of This Code by Lessee's Employee</i>	<i>9</i>
<i>Duty with Respect to Lessee Policies and Procedures</i>	<i>9</i>
<i>Incorporation of Terms</i>	<i>9</i>
Duty to Report Misconduct and to Cooperate	10
<i>How to report?</i>	<i>10</i>
<i>No Retaliation</i>	<i>11</i>
Consequences of Violations of the Lessee Code	12
<i>To make a report</i>	<i>12</i>

Introduction

The Port Authority of New York and New Jersey is committed to maintaining the highest standards of ethics and integrity as it continues to work on its core mission: keeping the region moving on behalf of the hundreds of millions of people and businesses who rely on us each year. We also expect our business partners (and their directors, officers, employees or agents) to comply with all laws and regulations applicable to their business dealings with the Port Authority. We also expect them to conduct business with the Port Authority with integrity. To that end, the Port Authority issued a Vendor Code of Ethics in 2017. At that time, the Port Authority announced that a Lessee Code of Ethics would subsequently be issued.

This Lessee Code of Ethics (the “Lessee Code”) applies to a broad range of contractual relationships that allow third party business entities to occupy, use or access Port Authority property for the purpose of conducting their businesses, including but not limited to leases, sub-leases, concessions agreements, space and privilege permits, and easements at transportation facilities operated by the Aviation, Rail, Port, Real Estate, and Tunnels, Bridges, and Terminals Departments. Because all such entities play critical roles in maintaining the orderly and safe operation of Port Authority facilities and properties, the Board of Commissioners of the Port Authority has issued the Lessee Code pursuant to its authority to issue rules and regulations for the operation of Port Authority facilities and properties.

Because it has been issued as a Board-approved facility rules and regulations, compliance with the Lessee Code is required for all current parties to leases and similar agreements. Prospective parties to leases and other agreements should review the Lessee Code carefully. If the Port Authority enters into, consents to, renews, extends or amends an existing lease or other agreement, it is on the understanding that the Lessee Code will be incorporated into the agreement.

Definitions and Scope

Port Authority means The Port Authority of New York and New Jersey and any of its subsidiaries, including but not limited to the Port Authority Trans-Hudson Corporation (PATH).

Port Authority Premises means land, appurtenances, facilities, buildings, or other structures owned, occupied, or controlled by the Port Authority at transportation facilities managed by its Aviation, Rail, Port, Real Estate, and Tunnels, Bridges, and Terminals Departments. Examples include:

- ▶ Improved and unimproved land;
- ▶ Airports, aviation, marine, air and bus terminals, including docks, hangars and gates;
- ▶ Rail stations, rail cars, railroad tunnels, structures and bridges, railroad tracks and railway easements;
- ▶ Tunnels and bridges;
- ▶ Fuel and cargo storage facilities;
- ▶ Office buildings and office space;
- ▶ Security and other operational centers;
- ▶ Retail space located in office buildings, shopping concourses and terminals; and
- ▶ Parking space or parking garages.

Lease means a binding legal agreement that allows a third party the use, occupation, operation, control or access to Port Authority Premises, or portions thereof, including but not limited to:

- ▶ Leases;
- ▶ Subleases;
- ▶ Easements;
- ▶ Rights of way, including those relating to advertisements, gas, electricity and telecommunications;
- ▶ Licenses;
- ▶ Space and privilege permits;
- ▶ Consents;
- ▶ Concessions agreements; and
- ▶ Concessions management agreements.

Lessee means any entity (other than a government agency) that has entered into a Lease, as defined above, including but not limited to:

- ▶ Air, marine or ground transit terminal operators;
- ▶ Office tenants;
- ▶ Concessions managers or operators;
- ▶ Concessions, food and beverage providers, duty-free shops and retail vendors;
- ▶ Kiosks operators;
- ▶ Transportation providers;
- ▶ Garage operators; and
- ▶ Ground handlers.

Lessee Employees means those officers, directors, employees or agents of a Lessee either working for the Lessee while on Port Authority Premises or undertaking off-site tasks that are directly related to the Lessee's use of Port Authority Premises.

Port Authority Employees are directors, officers, employees or agents of the Port Authority or its subsidiaries.

In its sole discretion, the Port Authority may also require compliance with this Lessee Code by entities that are participants in a joint venture, general or limited partnership, consortium or other entity organized for the purpose of entering into a Lease for Port Authority Premises.

Our Standards

Compliance with Applicable Laws and Regulations

Lessees and Lessee Employees must follow all requirements of the federal, state, and local statutes and regulations applicable to the Lessee's business operations under the Lease. This includes, but is not limited to, laws and regulations regarding taxation (including customs and duties), commercial or governmental bribery, money laundering, environmental protection, drugs, safety, security or access for the disabled. Lessees and Lessee Employees must also comply with any relevant rules and regulations issued by the Port Authority, including this Lessee Code, regarding the Port Authority Premises used, occupied or accessed by the Lessee.

Books and Records

All records created or compiled by a Lessee and provided, directly or indirectly, to the Port Authority must be accurate and complete to the best of the Lessee's knowledge. Such records must contain no misrepresentations or material omissions. This includes reports as to compliance with minority, women-owned, small and disadvantaged business enterprise (MWSDBEs) obligations and commitments. If a Lessee determines that any records previously provided directly or indirectly to the Port Authority were not accurate and complete at the time of their submission, or have become inaccurate thereafter, the Lessee must immediately explain the reason(s) for the inaccuracy in writing and submit corrected records. Any intentionally false statement or representation contained in any report submitted to the Port Authority, including those related to MWSDBE compliance, may result in adverse consequences, including termination of a Lease and investigation by the Port Authority's Office of Inspector General.

Lessees must maintain their books and records related to Port Authority matters (including records of any corrections to inaccurate documents) in an organized and accessible fashion that permits the Port Authority to conduct a prompt, comprehensive audit as to whether the Lessee has properly performed its obligations under the Lease or this Lessee Code.

All Lessee records submitted to or otherwise in possession of the Port Authority are subject to disclosure in response to open records requests by members of the public, although exemptions from disclosure may apply.

Gifts, Gratuities and Favors

The Port Authority Employee Code of Ethics imposes a strict, bright-line gift policy — a Zero Tolerance Policy — on all Port Authority Employees. Port Authority Employees are prohibited from soliciting or accepting gifts, gratuities or favors from third parties with whom the Port Authority does or is likely to do business. This same Zero Tolerance Policy applies to Lessees and Lessee Employees, who may not offer or provide gifts, gratuities, favors or benefits to Port Authority Employees, or to any member of the Port Authority Board of Commissioners.

What is a gift or gratuity? A gift or gratuity **is anything of value**. This includes, but is not limited to, items for personal use, cash or gift certificates, special discounts, offers of employment (to both Port Authority Employees and their family members), meals, alcoholic beverages, entertainment, sports tickets, hotel accommodations or transportation. The Zero Tolerance Policy applies regardless of actual intentions. In other words, even if a gift or gratuity does not, or is not intended to, influence an action or decision by a Port Authority Employee, it is prohibited.

There are a few limited items which do not constitute “anything of value” and therefore are not subject to the Zero Tolerance Policy on gifts and gratuities:

- ▶ It is generally permissible to publicly present a modest award, plaque or small ceremonial item to mark a special achievement or retirement;
- ▶ It is generally permissible to occasionally offer an item of nominal or trivial value — such as a cup of coffee on the job, card on a birthday or small branded items such as pencils or pens;
- ▶ It is generally permissible to offer Port Authority Employees discounts that are broadly and widely available to the general public or to all employees of any entity located at a particular Port Authority facility, as provided in a concessions agreement or other Lease;
- ▶ And, finally, at a business meeting being held for a bona fide business purpose, nominal refreshments can generally be offered to Port Authority Employees, such as non-alcoholic beverages and modest snacks.

All acts of extortion, commercial or governmental bribery, or kickbacks involving Lessees or Lessee Employees on Port Authority Premises or in connection with Port Authority business are strictly prohibited, *regardless* of whether Port Authority Employees are involved. Any act of extortion, commercial or governmental bribery, or kickback threatens public safety and security as well as the orderly administration of Port Authority Premises. Such acts may also be violations of federal, state or local law. Lessees and Lessee Employees who become aware of instances of extortion, bribery or kickback must report them immediately to the Port Authority’s Office of Inspector General.

Fair Employment Practices and Interactions with the Public and Other Workers on Port Authority Premises

In conducting business on or relating to Port Authority Premises, Lessees and Lessee Employees must comply with all applicable federal, state, and local laws and regulations prohibiting:

- ▶ Discrimination based on any legally protected characteristic, including age, disability, ethnicity, gender, genetic information, marital status, national origin, political affiliation, pregnancy, race, religion, sexual orientation, gender identity, veteran status, military status or union membership;
- ▶ Sexual harassment;
- ▶ Charging their workers for recruitment fees or knowingly employing workers through an agency that charges workers such fees; or
- ▶ Failure to promptly pay wages and benefits as due.

Lessees and Lessee Employees must treat all members of the public with whom they come into contact with respect and dignity, and must take no action that endangers the safety, health or well-being of any member of the public. Consistent with the need to promote public safety and the orderly administration of Port Authority Premises, Lessees and Lessee Employees must also treat all individuals working on Port Authority Premises (regardless of the individuals' respective employers) with dignity and respect, and must take no action that endangers the safety, health or well-being of any other worker.

Treatment of Protected Information

Lessees and Lessee Employees may be provided by the Port Authority with access to nonpublic information related to the business or operations of the Port Authority, including commercially sensitive information, proprietary information, and information relating to security and public safety. Such non-public information is known as **Protected Information**.

Protected Information may never be used by a Lessee or Lessee Employee for any purposes other than compliance with the terms and provisions of a Lease, applicable law and regulations, or Port Authority rules and regulations. Lessees and Lessee Employees must never disclose Protected Information to any member of the public or to a Lessee's other business partners, unless required to do so by subpoena, public information request or other legal process. If there is a possibility that a Lessee might be required to provide Protected Information in response to subpoena, public access request or governmental request, the Port Authority should be notified promptly.

All Lessees and Lessee Employees given access to Protected Information by the Port Authority must comply with the provisions of the Port Authority Information Security Handbook (the "Handbook") concerning the permitted uses and treatment of Protected Information. The Handbook may be accessed at <http://www.panynj.gov/business-opportunities/pdf/corporateinformation-security-handbook.pdf>.

Nothing in this Lessee Code relieves a Lessee of any contractual obligation set forth in a Lease, a consent or a non-disclosure agreement concerning the permitted and non-permitted uses of Protected Information.

Intellectual Property

In connection with promotional or marketing materials, a Lessee or Lessee Employee cannot use the Port Authority's name, logo or any images of Port Authority Employees or Port Authority Premises without advance written permission from the Port Authority. This prohibition applies equally to the name, logo, employees or premises of any Port Authority subsidiary, including but not limited to PATH.

Port Authority Information Technology

During the course of their respective Leases, some Lessees and Lessee Employees may be given access by the Port Authority to Port Authority information technology (**Port Authority IT**), as necessary for the business purposes of the Port Authority, but only if they comply with applicable rules and regulations. Port Authority IT includes but is not limited to:

- ▶ Servers, desktop computers, software, peripherals, data storage devices, desktop phones (including Voice over IP or VoIP) and smartphones, phone numbers, laptop computers, tablets, kiosks, terminals and other electronic devices;
- ▶ Computer networks, including wi-fi and virtual private networks ("VPN"); and
- ▶ Software, databases and any other means of automated information exchange or data access.

Port Authority IT must be used by Lessees or Lessee Employees only for purposes of carrying out operations required by or permitted by their respective Leases, and for no other purpose. No Lessee or Lessee Employee may conduct personal or non-Port Authority related business using any Port Authority IT.

Lessees and Lessee Employees must not access or attempt to access portions of the Port Authority's computer network, databases, digital records or information, except as necessary for the business purposes for which access was granted by an authorized Port Authority Employee.

Without explicit and specific permission from an authorized Port Authority Employee:

- ▶ Passwords provided to a Lessee or Lessee Employee may not be shared with any other entity or person;
- ▶ No external device may be plugged into or connected to a Port Authority computer network;
- ▶ No data may be removed from the Port Authority's computer network; and
- ▶ No Port Authority electronic data may be removed from Port Authority Premises.

The Port Authority reserves the right to inspect, monitor and/or log all activities conducted using Port Authority IT without providing prior notice or subsequent notification that it has done so. Lessees or Lessee Employees have no expectation of privacy when using or accessing Port Authority IT.

Employment of Former Port Authority Employees

Current and former employees are obligated under the Employee Code of Ethics and Port Authority policies to avoid work on certain Port Authority-related matters on behalf of subsequent employers or clients, as follows:

- ▶ For a period of one year following their departure from the Port Authority, they may not work, as an employee, agent, consultant, principal or expert witness, on behalf of any third party on any transaction or other matter in which the Port Authority is a party or has a direct and substantial interest; and
- ▶ For a period of two years following their departure from the Port Authority, they may not act as an employee, agent, consultant or principal on behalf of any third party in connection with a solicitation, bid or proposal for any new contract or business arrangement with the Port Authority. The two-year bar applies only to solicitation activities; and
- ▶ They may never work, as an employee, agent, consultant, principal or expert witness, on behalf of any third party on any transaction or other matter in which
 - (a) the Port Authority is a party or has a direct and substantial interest; and
 - (b) they participated, directly or indirectly, while employed by the Port Authority.

Lessees are of course free to hire current or former Port Authority Employees. However, Lessees are prohibited by this Code from requiring a current or former Port Authority employee to perform work that the Lessee knows or has reason to know would cause the employee to breach the ethical obligations described above. Any waiver of a current or former Port Authority employee's post-employment ethical obligations must be obtained by that employee through the Port Authority Ethics Board's waiver process. If the Lessee has any questions about this process, or wants to confirm that waivers have been appropriately obtained, they may write to the General Counsel of the Port Authority or his or her designee prior to the commencement of work which could cause a breach.

For the purpose of the above, "employment" includes any full-time, or part-time, consultant or contract work undertaken for the benefit of the Lessee, or under the direction or control of the Lessee.

Lessee Duties

Duty with Respect to Violations of this Code by Lessee Employees

Because violations of this Lessee Code may threaten public safety and the orderly administration of Port Authority Premises, a Lessee must immediately contact the Port Authority if it becomes aware that one or more of its employees has violated the Lessee Code, Port Authority rules and regulations, or applicable law.

Upon learning that any of its employees has violated this Code, a Lessee must immediately remove the pertinent employee(s) from any assignment that involves work on or relating to Port Authority Premises, unless and until the Port Authority states otherwise.

Duty with Respect to Lessee Policies and Procedures

Lessees are expected to have procedures and policies in place that are designed to promote compliance with this Lessee Code, their respective Leases, and all laws and regulations applicable to their operations under the Lease. Upon request by the Port Authority, a Lessee must provide a written description of the policies and procedures that govern its business operations relating to the Lease. The Port Authority will assess the Lessee's program, with due regard to the size of the Lessee, the nature of relevant Lease and any integrity risks that are specific to the industry in which the Lessee is operating. Subsequent to such review, the Port Authority reserves the right to request changes to enhance the Lessee's program to assure that it is sufficiently rigorous.

Incorporation of Terms

The requirements and restrictions set forth herein constitute rules and regulations relating to Port Authority Premises, authorized by the Port Authority Board of Commissioners pursuant to the Board's powers under the Port Authority by-laws. As such, these rules and regulations are binding on Lessees under existing Leases throughout the remainder of their terms. If the Port Authority enters into an agreement with a Lessee, or consents to, renews, extends or amends an existing agreement, it is on the understanding that the Lessee has read and agreed to abide by the Lessee Code, and the Lessee Code will be made a part of any such agreement.

Duty to Report Misconduct and to Cooperate

Lessees and Lessee Employees are required to immediately report to the Port Authority any information they acquire indicating a violation of the Lessee Code, other Port Authority rules and regulations, or applicable law. Lessees and Lessee Employees also have a duty to immediately report to the Port Authority if they become aware of any activities on Port Authority Premises involving any person or persons that might constitute a crime or other violation of law, or which might threaten public safety, including but not limited to physical violence or harm.

Under the Port Authority's False Claims Policy, the Port Authority has expressed its commitment as a public agency to safeguard the public's money. If Lessees or Lessee Employees help to identify a financial fraud affecting the Port Authority, the agency is prepared to recognize and reward that help by sharing any financial recovery that the Port Authority achieves.

How to report?

In the case of concerns that violence or physical injury may be imminent, immediately call 911.

Concerns involving possible fraud, waste or abuse should be raised by promptly calling or emailing the Port Authority's Office of Inspector General. Reports to the Office of Inspector General will be treated as confidential to the maximum extent possible consistent with the need to conduct a prompt and thorough investigation. The Office of Inspector General also accepts anonymous reports.

Cases not involving alleged fraud, waste or abuse, such as discrimination or harassment, may be reported via the Port Authority's Voice of the Employee (VOICE) helpline or webpage; VOICE reports may be made anonymously, if preferred. Such complaints may also be made directly to the Office of Ethics and Compliance.

Contact information for making reports to the Port Authority is set out on the final page of this Lessee Code.

Questions as to how the Lessee Code applies in a particular circumstance should be directed in the first instance to the Port Authority's Office of Inspector General or the Office of Ethics and Compliance.

Lessees and Lessee Employees must actively cooperate in any investigations or audits conducted by the Port Authority.

No Retaliation

To facilitate reporting of misconduct, the Lessee Code strictly prohibits all Lessees, Lessee Employees and Port Authority Employees from taking any retaliatory action against a Lessee Employee who:

- ▶ Has made a good faith report of misconduct to the Port Authority, or to federal, state or local law enforcement officials; or
- ▶ Has cooperated in any investigation of misconduct conducted by the Port Authority or federal, state or local law enforcement officials.

As used in this section, **Retaliatory Action** is any adverse job-related action taken by, or at the direction or request of, a Lessee, Lessee Employee or Port Authority Employee directed at a Lessee Employee as a result of good faith reports of misconduct or cooperation in investigations, as described below.

Misconduct includes actual or alleged violations of the Port Authority's Lessee Code, Vendor Code of Ethics, Commissioner Code of Ethics, Employee Code of Ethics, or applicable laws and regulations.

Adverse job-related action includes, without limitation:

- ▶ Any material alteration to existing terms, conditions and privileges of employment, such as dismissal, demotion, suspension, compulsory leave, reduction in compensation, denial of benefits or disciplinary action;
- ▶ Creation of a hostile work environment or negative performance evaluation;
- ▶ Changes in responsibilities, assignment or location against the wishes of the employee; and/or
- ▶ Failure to appoint, failure to promote, any transfer or assignment, or failure to transfer or assign against the wishes of the affected employee.

Any Retaliatory Action as defined above be treated as a violation of the Lessee Code at least as serious as the underlying issue reported, if not more so.

Consequences of Violations of the Lessee Code

Violations of the Lessee Code may prompt the Port Authority to pursue any available remedy, including determining that a Lessee is in breach of its Lease, that a Lease should be terminated, that the Port Authority may refuse to enter into future Leases or other commercial agreements with the Lessee, and/or that a Lessee be required to retain an integrity monitor. Integrity monitors are selected by, and report to, the Port Authority Inspector General, and their fees are paid by Lessees. The integrity monitor serves to inspect and report on the Lessee's Ethics & Compliance Program, and other issues, as directed by the Port Authority. Violations of the Lessee Code may be reported to federal, state or local law enforcement officials as appropriate.

To make a report:

OFFICE OF INSPECTOR GENERAL

5 Marine View Plaza - Suite 502
Hoboken, New Jersey 07030
InspectorGeneral@panynj.gov

HOTLINE: 973-565-4340
FAX: 973-565-4307

THE VOICE OF THE EMPLOYEE ("VOICE") HELPLINE

Available 24/7, administered by a third-party vendor
to ensure anonymity, if preferred

PHONE: 866-279-6844
ONLINE: <https://panynjvoice.tnwreports.com>

OFFICE OF ETHICS AND COMPLIANCE

4 World Trade Center
150 Greenwich Street
New York, New York 10007

PHONE: 212-435-6607
EthicsCompliance@panynj.gov

4 World Trade Center
150 Greenwich Street
New York, NY 10007

www.panynj.gov

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