

UNITED NATIONS DEVELOPMENT CORPORATION
CODE OF ETHICAL CONDUCT

UNDC is committed to maintaining the highest standards of honesty and integrity in all of its operations. Employees must carry out their job responsibilities in a manner that furthers the best interests of UNDC, which includes behavior that embodies the highest standards of ethical and professional conduct. To meet this commitment, (i) each employee must carry out his/her job responsibilities in a lawful and ethical manner and (ii) each employee must avoid conflicts of interest and the appearance of conflicts of interest.

A conflict of interest occurs when an employee allows his/her personal interests to interfere with his/her duty to UNDC or seeks to obtain personal benefit through his/her official capacity. Even behavior which appears to be a conflict of interest violates an employee's duty to UNDC. It is important to keep in mind that the key to avoiding conflict-of-interest problems is disclosure. If an employee is uncertain of the ethical propriety of any action, he/she should consult with UNDC's legal staff before engaging in such action.

The Code of Ethical Conduct set forth below does not attempt to cover every situation that might represent a conflict of interest or the appearance of such. It is designed, generally, to provide a framework for ethical conduct. Therefore, employees should review the Code of Ethical Conduct and raise any questions on its scope and applicability. Failure to follow the rules of the Code of Ethical Conduct can lead to disciplinary action and, with respect to those rules mandated by law, even civil or criminal penalties.

UNDC's Code of Ethical Conduct covers the following specific topics:

- A. The Proper Conduct of Business
- B. Receipt of Gifts/Honoraria
- C. Prohibition Against Use of UNDC Property
- D. When Employees Leave UNDC
- E. Questions and Reporting

The attached Appendix to Code of Ethical Conduct contains (a) the general ethical code applicable under State law to all employees of public benefit corporations like UNDC; and (b) miscellaneous provisions of State law applicable to such employees.

A. Proper Conduct of Business

The awarding of contracts, the establishing of terms for doing business with tenants and other parties, and hiring or employment decisions are three areas which can present conflict-of-interest questions for employees.

It is UNDC's policy to award contracts without favoritism on the basis of best price and quality and other relevant business terms. It is also UNDC's policy to determine the terms of doing business with tenants and other parties on the basis of UNDC's public purpose, market conditions and other economic factors. It is the responsibility of individual employees to ensure that these two policies are implemented without exception. The general rule is that no transaction with an outside individual or business organization that furnishes or desires to furnish services or goods to UNDC, or obtains or desires to obtain anything of value from UNDC, should be influenced, or reasonably appear to be influenced, by an employee's personal interests or relationships. To that end:

1. No employee or "immediate family/household member" of the employee, or entity in which the employee or immediate family/household member is an officer, director or partner, or in which the employee or immediate family/household member owns or controls 10% or more of the stock of such entity, shall sell any goods or services to UNDC. "Immediate family/household member" means a spouse, parent or child of the employee, or other person living in the employee's household.

2. No UNDC employee may take part in any hiring or employment decision relating to a "family member." If a hiring or employment matter arises relating to a family member, then the employee must advise his or her supervisor of the relationship, and the employee must be recused from any and all discussions or decisions relating to the matter.

3. No UNDC employee may take part in any contracting decision: (a) relating to a family member; or (b) relating to any entity in which a family member is an officer, director or partner, or in which a family member owns or controls 10% or more of the stock of such entity. If a contracting matter arises relating to a family member, the employee must advise his or her supervisor of the relationship, and the employee must be recused from any and all discussions or decisions relating to the matter.

4. For the purposes of paragraphs 2 and 3 above, “family member” means any person living in the same household as the employee, and any person related to the employee within the third degree of consanguinity or affinity – that is (a) spouse, child, parent, sibling, half-sibling, or step-relatives in the same relationship; (b) the spouse of the employee’s child, parent, sibling, half-sibling, or step-relative; and (c) the employee’s in-laws, aunt, uncle, niece, nephew, grandparent, grandchild or first cousin.

5. An employee must report any other personal or business relationship with a vendor or potential vendor, tenant or other client, that could reasonably raise a question in light of the general conflict-of-interest policies discussed above. (See Section E below on Reporting.)

B. Receipt of Gifts/Honoraria

The receipt by an employee of a gift or honorarium may, under certain circumstances, impair the independence of the employee’s judgment, or appear to impair his/her independent judgment. Thus, the following rules apply to receiving gifts/honoraria.

1. No employee shall directly or indirectly solicit, accept or receive any gift or gratuity of more than nominal value, whether in the form of money, goods, services, loan, travel, entertainment, hospitality, promise, or in any other form, under circumstances in which it could be reasonably inferred that the gift was intended to influence the employee, or could reasonably be expected to influence the employee, in the performance of his or her duties on behalf of UNDC, or was intended as a tip, reward or sign of appreciation for any official action on the employee’s part.

2. A business-purpose meal paid for by a current vendor, tenant or other client (not to exceed \$75 in value) may be accepted by an employee only under the following circumstances: the acceptance of such a meal must be an infrequent occurrence; it must be impractical for UNDC to pay for the meal; and the acceptance of the meal must be reported by the employee. (See Section E below on Reporting.)

3. All employees are subject to State law provisions concerning the receipt of "honoraria". Under these regulations, an honorarium is a payment, fee or other compensation for services rendered outside your primary employment, which is made as a thank-you, award or honor (e.g., for giving a speech, writing an article or attending a conference, or payment or reimbursement of travel expenses by other than the employer). The general rule is that an honorarium may be accepted if it does not constitute a conflict of interest with the employee's duties on behalf of UNDC. Because the regulations on accepting, obtaining approval of, and reporting on honoraria are complex, any employee considering the receipt of an honorarium must so inform UNDC's President or Executive Vice-President who will advise on the steps to be taken.

C. Prohibition Against Use of UNDC Property

UNDC supplies, equipment, computers, personnel and other resources may not be utilized for non-UNDC purposes, including for personal purposes or for outside activities of any kind. Examples include, but are not limited to the following:

1. UNDC stationery may not be used for non-UNDC purposes, nor may UNDC resources be used to mail personal correspondence.
2. UNDC postage (including U.S. mail, FedEx and other couriers), internal office mail, or inter-city couriers may not be used for non-UNDC purposes.
3. UNDC's office telephones may not be used for non-UNDC business long-distance calls, except for toll-free calls, collect calls, and calls billed to a personal telephone number. UNDC's office telephones may be used for incidental and necessary personal local calls that are of limited number and duration and do not conflict with the proper exercise of the

duties of the employee. Cellular telephones (including those with email capability) provided by and paid for by UNDC may be used for non-UNDC related calls or email, provided that the charges paid for by UNDC are not increased as a result and such calls or emails do not conflict with the proper exercise of the duties of the employee.

4. UNDC's computers may be used for incidental and necessary personal purposes, such as sending personal electronic mail messages, provided that such use is in a limited amount and duration and does not conflict with the proper exercise of the duties of the employee.

5. UNDC does not currently have, nor has it ever had, company vehicles. However, should UNDC acquire company vehicles in the future, they will be subject to the following requirements: (i) UNDC vehicles can only be used for official business or incidental use associated with official business away from UNDC's offices; and (ii) employees authorized to use a vehicle for personal purposes must keep records of such use, and the value of such personal use will be calculated and reported as personal income for tax purposes.

D. After Leaving Employment

Under State Law, the following rules apply to all employees after they leave the employ of UNDC.

1. No employee shall, within a period of two years after he/she leaves the service of UNDC, receive any compensation for any services rendered on behalf of any person, firm, corporation or association in relation to any matter before UNDC.

2. No employee, after he/she leaves the service of UNDC, shall appear, practice, communicate or otherwise render services before any State agency or receive any compensation for services rendered on behalf of any person, firm, corporation or other entity with respect to any case, proceeding, application or transaction affecting UNDC in which the employee personally participated during the period of service with UNDC or which was under the employee's active consideration during such period of service.

E. Questions and Reporting

1. Questions.

Employees should address any questions regarding this Code of Ethical conduct to the UNDC President or Executive Vice-President.

2. Reporting.

Any circumstances under this Code of Ethical Conduct requiring the employee to “report” should be reported as follows:

- The report should be in writing, and
- Addressed to the UNDC President or Executive Vice-President.

APPENDIX TO CODE OF ETHICAL CONDUCT

ETHICAL STANDARDS

The Appendix contains the General Ethical Standards applicable under State law to all employees of State public benefit corporations, and miscellaneous State law provisions applicable to all such employees and not addressed in the body of UNDC's Code of Ethical Conduct.

1. General Ethical Standards under Section 74 of the New York State Public Officers Law

- a. No officer or employee of a state agency should accept other employment which will impair his/her independence of judgment in the exercise of his/her official duties.
- b. No officer or employee of a state agency should accept employment or engage in any business or professional activity which will require him/her to disclose confidential information which he/she has gained by reason of his/her official position or authority.
- c. No officer or employee of a state agency should disclose confidential information acquired by him/her in the course of his/her official duties nor use such information to further his/her personal interests.
- d. No officer or employee of a state agency should use or attempt to use his/her official position to secure unwarranted privileges or exemptions for himself/herself or others.
- e. No officer or employee of a state agency should engage in any transaction as representative or agent of the state with any business entity in which he/she has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his/her official duties.
- f. An officer or employee of a state agency should not by his/her conduct give reasonable basis for the impression that any person can improperly influence him/her or unduly enjoy his/her favor in the performance of his/her official duties, or that he/she is affected by the kinship, rank, position or influence of any party or person.
- g. An officer or employee of a state agency should abstain from making personal investments in enterprises which he/she has reason to believe may be directly or indirectly involved in decisions to be made by him/her or which will otherwise create substantial conflict between his/her duty in the public interest and his/her private interest.

h. An officer or employee of a state agency should endeavor to pursue a course of conduct which will not raise suspicion among the public that he/she is likely to be engaged in acts that are in violation of his/her trust.

i. No officer or employee of a state agency employed on a full-time basis nor any firm or association of which such an officer or employee is a member nor corporation, a substantial portion of the stock of which is owned or controlled directly or indirectly by such officer or employee, should sell goods or services to any person, firm, corporation or association which is licensed or whose rates are fixed by the state agency in which such officer or employee serves or is employed.

j. If any officer or employee of a state agency shall have a financial interest, direct or indirect, having a value of ten thousand dollars or more in any activity which is subject to the jurisdiction of a regulatory agency, he/she should file with the secretary of state a written statement that he/she has such a financial interest in such activity, which statement is open to public inspection.

2. **Other Miscellaneous Requirements**

a. No full-time salaried state officer or employee shall receive, directly or indirectly, or enter into any agreement, express or implied, for any compensation, in whatever form, for the appearance or rendition of services by himself/herself or another against the interest of the state in relation to any case, proceeding, application or other matter before, or the transaction of business by himself/herself or another with, the court of claim.

b. No state officer or employee, other than in the proper discharge of official duties, shall receive, directly or indirectly, or enter into any agreement, express or implied, for any compensation, in whatever form, for the appearance or rendition of services by himself/herself or another against the interest of the state in relation to any case, proceeding, application or other matter before a state agency where such appearance or rendition of services is in connection with:

- (i) the purchase, sale, rental or lease of real property, goods or services, or a contract therefor, from, to or with any such agency;
- (ii) any proceeding relating to ratemaking;
- (iii) the adoption or repeal of any rule or regulation having the force and effect of law;
- (iv) the obtaining of grants of money or loans;
- (v) licensing; or

(vi) any proceeding relating to a franchise provided for in the public service law.

c. No employee, firm or association of which such person is a member, or corporation, ten percent or more of the stock of which is owned or controlled directly or indirectly by such person, shall (i) sell any goods or services having a value in excess of \$25 to any state agency (other than UNDC*) or (ii) contract for or provide goods or services to a private entity where the power to contract, appoint or retain on behalf of such entity is exercised, directly or indirectly, by a state agency or agency officer, unless such goods or services are provided pursuant to an award of contract let after public notice and competitive bidding.

* See more restrictive rules on sale of goods/services by employee to UNDC in Section A(1) of the Code of Ethical Conduct.