

Code of Ethics for Directors

I. INTRODUCTION

The members of the Board of Directors of the United Nations Development Corporation (UNDC) are committed to the highest ethical standards in the conduct of their official duties. This Code of Ethics provides an ethical framework for official conduct of Board members in order to foster a culture of honesty, integrity and accountability. It is not a comprehensive listing of every ethical rule or requirement that might apply.

Board members are encouraged to bring questions or concerns about particular circumstances or situations relating to ethics to the UNDC Chairman or President.

II. TRAINING

The Public Authorities Accountability Act of 2005 provides that all individuals appointed to the Board of Directors of UNDC or of other similar entities must participate in State-approved training within one year of appointment addressing their legal, fiduciary, financial and ethical responsibilities as directors. Board members should participate in continuing training as may be required to remain informed of best practices relating to oversight of the management and financial activities of these entities.

III. FINANCIAL DISCLOSURE

Board members are required to file annual financial disclosure statements with the New York State Commission on Public Integrity as provided in Section 73-a of the New York Public Officers Law.

IV. CONFLICTS OF INTEREST

New York Public Officers Law Section 74 establishes the following rule with respect to conflicts of interest: Board members should not have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in conflict with the proper discharge of their duties in the public interest. Board members should also avoid the appearance of conflicts of interest with UNDC.

Board members must promptly notify the Chairman of the Board or the Chairman of the applicable Board Committee of any potential or actual conflict of interest with UNDC on any matter under consideration (and in the case of such a conflict of interest involving the Chairman, a member of the audit committee shall be notified), and, if appropriate, the affected Board member shall be recused from participating in any and all discussions or decisions relating to such matter.

New York Public Officers Law Section 74 also establishes the following standards:

1. Board members shall not disclose confidential information acquired in the course of their official duties, unless disclosure is authorized or legally required, or use such information to further their personal interests.
2. Board members should not use or attempt to use their official position to secure unwarranted privileges or exemptions for themselves or others.
3. Board members' conduct should not give reasonable basis for the impression that any person can improperly influence them or unduly enjoy their favor in the performance of their official duties, or that they are affected by the kinship, rank, position or influence of any party or person.

V. PROHIBITION AGAINST PERSONAL USE OF UNDC PROPERTY

UNDC supplies, equipment, computers, personnel and other similar resources may not be utilized for non-UNDC purposes, including for personal purposes or activities of any kind, except that UNDC telephones and computers may be used for incidental and necessary personal purposes, such as personal local telephone calls and sending personal electronic mail messages, so long as such activities do not conflict with the proper exercise of the duties of the Board member.

VI. PROPER CONDUCT OF BUSINESS

The awarding of contracts, the establishment of terms for doing business with tenants and other parties and employment decisions can present conflict-of-interest issues for Board members.

It is UNDC's policy to award contracts, without favoritism, on the basis of price, quality, and other relevant factors. 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. The general rule is that no transaction with an outside individual, entity or other 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 a Board member's personal interests. To that end:

1. No Board member or "immediate family/household member" of a Board member, or entity in which the Board member or immediate family/household member is an officer, director or partner, or in which the Board member or any immediate family/household members, separately or collectively, own or control 10% or more of the stock of or other ownership interests in such entity, shall sell any goods or provide any services to UNDC. "Immediate family/household member" means a spouse, parent or child of the Board member, or other person living in the Board member's household.
2. No Board member may take part in any hiring or employment decision relating to a family member. For the purposes of this paragraph and paragraph 3 below, "family member" means any person living in the same household as the Board member, and

any person related to the Board member 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 Board member’s child, parent, sibling, half-sibling, or step-relative; and (c) the Board member’s in-laws, aunt, uncle, niece, nephew, grandparent, grandchild or first cousin. If a hiring or employment decision arises relating to a family member, then the Board member must advise the Chairman of the relationship*, and the Board member must be recused from participating in any and all discussions or decisions relating to the matter.

3. No Board member may take part in any contracting decision: (a) relating to a family member; or (b) relating to any entity in which the Board member or any family member is an officer, director or partner, or in which the Board member or any family members, separately or collectively, own or control 10% or more of the stock of or other ownership interests in such entity. In the case of any such contracting decision, the Board member must advise the Chairman of the relationship*, and the Board member must be recused from participating in any and all discussions or decisions relating to the matter.

4. A Board member must advise the Chairman of any personal or business relationship with a vendor, tenant or other party doing or potentially doing business with UNDC that could reasonably raise a question in light of the general conflict-of-interest policies discussed above.

VII. RESTRICTIONS ON OUTSIDE POLITICAL ACTIVITIES

New York State regulations prohibit any Board member from serving as an officer of any political party or political organization or as a member of any political party committee, including political party district leader or member of the national committee of a political party. As defined by such regulations: “Political organization shall mean any organization that is affiliated with or subsidiary to a political party, and shall include, for example, partisan political clubs. Political organization shall not include an organization supporting a particular cause with no partisan inclination, for example, the League of Women Voters, and shall not include campaign or fund-raising committees.”

VIII. GIFTS

No Board member shall directly or indirectly solicit, accept or receive any gift 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 Board member, or could reasonably be expected to influence the Board member in the performance of his or her duties on behalf of UNDC, or was intended as a reward or sign of appreciation for any official action on the Board member’s part.

IX. PROHIBITION OF EXTENSIONS OF CREDIT

The Board shall not, directly or indirectly, extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any officer, Board member or employee of UNDC.

* In the case of such a relationship involving the Chairman, a member of the audit committee shall be notified

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