



# **LIPA** **Code of Ethics and Conduct**

July 22, 2020

# NEW CODE OF CONDUCT WEBPAGE COMING SOON



MAKE A REPORT • FOLLOW UP ON A REPORT • CODE OF CONDUCT • FAQs •



## Our Commitment

LIPA is an organization with strong values of responsibility and integrity. We are committed to an environment where open, honest communications are the expectation, not the exception.

We encourage current and former employees and the public to report instances of improper conduct or possible fraud against the Authority and its customers. To encourage a culture of ethical service we offer a toll-free Speak-Up Hotline available 24/7/365.

LIPA's Code of Ethics and Conduct addresses changing laws and incorporates best practices to make sure employees and those whom we serve may confidently speak up, raise concerns in a safe, confidential environment without fear of retaliation or adverse action.

In situations where one prefers to place an anonymous report in confidence, you are encouraged to use this hotline, hosted by a third party hotline provider, EthicsPoint.

EthicsPoint allows you to:

- Report 24/7 using a toll-free hotline available 24-hours a day
- Secure protection of anonymity
- Receive digital progress updates on the status of your report
- Obtain a full review and follow up by LIPA and other agencies, as needed

The information you provide will be sent to us by EthicsPoint on a totally confidential and anonymous basis if you should choose. You have our guarantee that your comments will be heard.

See the [EthicsPoint FAQs](#) for more information.

## To Make a Report

You may use either of the following two methods to submit a report:

- Select the **"Make a Report"** link at the top of this web page.  
OR
- Dial toll-free, within the United States, Guam, Puerto Rico and Canada: **844-915-1626**

- To advance LIPA's Board Policy on Responsiveness and Integrity, LIPA will launch a new webpage that allows employees and members of the public to report possible violations of LIPA's Code of Conduct
- Ethics complaints can be filed online 24/7 and you can receive digital progress updates on the status of your report
- Employees and members of the public can raise concerns without any fear of retaliation or adverse action

# NEW CODE OF CONDUCT WEBPAGE COMING SOON

- New webpage utilizes software from NAVEX Global – a leading provider of ethics and compliance services
- Website guides users through the reporting process on a secure platform



**NAVEX**GLOBAL™  
The Ethics and Compliance Experts

You are now in an EthicsPoint Secure Area | [File a Report](#)

You are currently in the confidential and secure reporting structure of EthicsPoint. Below are the choices available to you. Please select the type of report you would like to make.

Accounting	<a href="#">Details</a>
Audit	<a href="#">Details</a>
Competition and Fair Dealing	<a href="#">Details</a>
Confidentiality and Misappropriation	<a href="#">Details</a>
Conflict of Interest	<a href="#">Details</a>
Discrimination or Harassment	<a href="#">Details</a>
Environmental Protection, Health or Safety Law	<a href="#">Details</a>
FERC Regulations	<a href="#">Details</a>
Financial Reporting	<a href="#">Details</a>
Fraud	<a href="#">Details</a>
Gifts and Entertainment	<a href="#">Details</a>
Improper Payments	<a href="#">Details</a>
Misconduct or Inappropriate Behavior	<a href="#">Details</a>
Procurement and Purchasing Practices	<a href="#">Details</a>
Sabotage or Vandalism	<a href="#">Details</a>
Theft	<a href="#">Details</a>
Time Abuse	<a href="#">Details</a>
Violation of Policy	<a href="#">Details</a>

## **BOARD AGENDA SUMMARY SHEET**

<b>Committee or Board:</b> Board	<b>Date:</b> July 10, 2020	<b>Board Meeting Date:</b> July 22, 2020
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**For All Board Voting Items:**

**Title of Agenda Item:** Approval of Amendments to LIPA's Code of Ethics and Conduct

**Consent Agenda:** ☒ Yes ☐ No

**Accompanying Presentation:** ☐ Yes ☒ No

**Recommendation from Committee:** ☐ N/A ☐ F&A; ☒ GP&P; ☐ Oversight & Clean Energy

**LIPA Presenter:** Jim Miskiewicz (presentation at GP&P)

**PSEG Long Island Presenter:** N/A

**Enterprise Risk Management Discussion:** ☐ Yes ☒ No

<b>Requested Action:</b>	The Board is being requested to adopt a Resolution approving certain amendments to the Trustee Code of Ethics and Conduct and the Employee Code of Ethics and Conduct (collectively, the "Code" or "Code of Conduct").
<b>Summary: (include proposed amendments to Board Policies, if applicable)</b>	<p>Pursuant to Section 2824 of the Public Authorities Law, LIPA is required to adopt a code of ethics applicable to each director, officer, and employee. The Code of Conduct sets forth LIPA's policy regarding the ethical conduct of its Trustees and employees, including their responsibilities under Sections 73 and 74 of the Public Officers Law.</p> <p>The Code of Conduct was initially adopted by the Board in October 2007 and has undergone various amendments with respect to changes in laws and other matters. Currently, LIPA has two separate codes of conduct, one for Trustees and another for employees. The proposed amendments are meant to combine the Code into one comprehensive document to cover ethical conduct by both Trustees and employees. Additional amendments are also proposed for clarification and/or to omit outdated or no longer relevant language.</p>

## **FOR CONSIDERATION**

July 22, 2020

**TO:** The Board of Trustees

**FROM:** Thomas Falcone

**SUBJECT:** Approval of Amendments to LIPA's Code of Ethics and Conduct

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### **Requested Action**

The Board of Trustees (the "Board") of the Long Island Power Authority ("LIPA") is being requested to adopt a Resolution approving certain amendments to the Trustee Code of Ethics and Conduct and the Employee Code of Ethics and Conduct (collectively, the "Code" or "Code of Conduct").

### **Discussion**

Pursuant to Section 2824 of the Public Authorities Law, LIPA is required to adopt a code of ethics applicable to each director, officer, and employee. The Code of Conduct sets forth LIPA's policy regarding the ethical conduct of its Trustees and employees, including their responsibilities under Sections 73 and 74 of the Public Officers Law.

The Code contains statements of general principles as well as specific standards and principles that are designed to, among other things, avoid conflicts of interest in order to maintain the highest level of ethical and professional conduct and public trust in LIPA's activities. Among its many provisions, the Code of Conduct sets forth certain standards related to issues such as owning and acquiring certain financial interests and the use of material, nonpublic and confidential information. The Code also establishes restrictions regarding the acquisition and trading of securities of certain companies, the solicitation, acceptance or receipt of gifts, the use of LIPA property, and participation in acts of nepotism. The Code requires LIPA Trustees and employees to certify annually the adherence to the Code of Conduct and absence of a conflict of interest.

The Code of Conduct was initially adopted by the Board in October 2007 and has undergone various amendments with respect to changes in laws and other matters. Currently, LIPA has two separate codes of conduct, one for Trustees and another for employees. The proposed amendments are meant to combine the Code into one comprehensive document to cover ethical conduct by both Trustees and employees. Additional amendments are also proposed for clarification and/or to omit outdated or no longer relevant language.

The Code, although not intended to address all situations or answers related to the ethical conduct of LIPA's Trustees and employees, is intended to promote the highest level of ethical conduct at LIPA.

### **Recommendation**

Based upon the foregoing, it is recommended that the Trustees adopt the resolution in the form attached hereto as **Exhibit “A”**.

### **Attachments**

- Exhibit “A”** Resolution
- Exhibit “B”** LIPA Code of Ethics and Conduct (redline)
- Exhibit “C”** LIPA Code of Ethics and Conduct (clean)

**RESOLUTION APPROVING AMENDMENTS TO LIPA’S CODE OF ETHICS AND CONDUCT**

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**NOW, THEREFORE, BE IT RESOLVED**, that consistent with the accompanying memorandum, the amendments to the LIPA Code of Ethics and Conduct, in the form attached hereto, are hereby approved.

Dated: July 22, 2020

**~~TRUSTEE~~ CODE OF ETHICS AND CONDUCT  
OF THE  
LONG ISLAND POWER AUTHORITY**

~~March 20, 2019~~ July 22, 2020

Long Island Power Authority  
333 Earle Ovington Boulevard  
Uniondale, New York 11553



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# LONG ISLAND POWER AUTHORITY

## TRUSTEE CODE OF ETHICS AND CONDUCT

### I. Introduction

The Long Island Power Authority (~~the~~ “LIPA Authority” ~~or “the Authority”~~), as a public entity, has a responsibility for maintaining the highest level of honesty, ethical conduct, and public trust in all its activities. To meet this responsibility, ~~the Authority~~ LIPA adopted codes of ethics and conduct for its Trustees and Employees. This ~~Trustee~~ Code of Ethics and Conduct (the “Code”) addresses the ethical and professional standards of conduct expected of both the Authority’s LIPA’s Board of Trustees and its Employees.

The Code applies to ~~the Authority~~ LIPA’s current Trustees and Former Trustees and current and Former Employees (hereafter Trustees and Employees) and states in specific form ~~the Authority~~ LIPA’s position on Conflicts of Interest ~~(as defined below)~~. Personal integrity is the cornerstone of the Code. Each Trustee and Employee has the primary responsibility for avoiding Financial Interests and Other Interests which might create a conflict with his or her position as a fiduciary of ~~the Authority~~ LIPA and ~~Authority~~ LIPA property. As ~~the Authority~~ LIPA is a public entity, Trustees and Employees are responsible for conducting Authority business solely in the public interest.

The Code is not intended to address all situations or answer all questions related to daily ethical conduct. Trustees and Employees should inquire of ~~the LIPA’s~~ General Counsel if they have questions as to ~~whether certain conduct might violate any provision of~~ the Code. In addition, Trustees and Employees who have questions as to whether a prospective personal or business Transaction or assumption of a position of responsibility or trust would violate the Code, may request in writing an advance determination on the matter from LIPA’s ~~the~~ General Counsel ~~of the Authority~~ pursuant to Section VIII of the Code.

Violations of the Code or applicable statutory provisions may subject a Trustee or Employee to discipline up to and including removal from the board by the appointing authority, termination of employment at the Authority LIPA and/or expose the Trustee or Employee to civil and/or criminal penalties.

The Code will be reviewed and updated by the Governance, Planning and Personnel Committee as necessary with a copy distributed to each Trustee and Employee.

### II. Definitions

The following definitions apply to the Code.

~~A. “LIPA” or “the Authority” means the Long Island Power Authority and its wholly owned subsidiary, the Long Island Lighting Company d/b/a LIPA and d/b/a Power Supply Long Island, as well as any other subsidiaries created by the Long Island Power Authority.~~

~~B.A.~~ “Benefit” means any gain or advantage to, or reduction in the liabilities of, the beneficiary and includes any gain or advantage to, or reduction in the liabilities of, a third

person pursuant to the desire or consent of the beneficiary.

~~C.B.~~ “Confidential Information” means information which is available to a Trustee only because of his or her status as a Trustee and is not a matter of public knowledge.

~~D.C.~~ “Conflict of Interest” means a situation in which the financial, familial, or personal interests of a Trustee or ~~Former Trustee~~ Employee conflict, may conflict or could be perceived as conflicting with their responsibilities to ~~the Authority~~ LIPA

D. “Dependent Child” means ~~either (1)~~ any son, daughter, stepson or stepdaughter of a Trustee or Employee who is under age eighteen, unmarried and living in the household of the Trustee; or ~~(2)~~ a “dependent” of the Trustee or Employee within the meaning of section 152 of the Internal Revenue Code ~~of 1954~~.<sup>1</sup>

E. “Employee” means any person employed by or officer of ~~the Authority~~ LIPA ~~and any officer of the Authority~~.

F. “Financial Interest” means any of the following:

2. Ownership or control of 10 percent or more of the stock of any entity (or 1 percent in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity;

3. Ownership of an interest in a business or real property which interest (a) reflects a 10 percent or more ownership of the business, or (b) in the case of a ~~Trustee or a Trustee’s~~ Spouse or Dependent Child, constitutes 10 percent or more of the net worth of the person owning such interest, or the combined net worth of the Trustee and his or her Spouse and Dependent Child. In determining net worth, the value of any interest in the Trustee or Employee’s personal residence(s) shall be excluded. In determining the value of an interest, debts, mortgages, liens or other encumbrances thereon are to be disregarded; or

4. Liability or indebtedness to a person or business in excess of \$5,000, excluding liabilities owed to ~~R~~relative(s) and excluding mortgages, liens or other encumbrances on or secured by real property which constitutes the Trustee or Employee’s personal residence(s) or furniture or appliances therein.

G. “Former Trustee” and “Former Employee” means persons who are no longer Trustees or Employees of ~~the Authority~~ LIPA but were ~~Trustees~~ at any time following ~~the Authority~~ LIPA’s adoption of this Code or any predecessor code of ethics and conduct.

H. “Gift” means a payment, advance, forbearance, rendering, or deposit of money, or anything of more than nominal value, unless the donor receives consideration of equal or greater value. Nominal value ~~is interpreted means~~ as an item or service with a fair market value of \$15 or

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<sup>1</sup> The definition of “Dependent Child” includes adopted children, who under New York State law have the same rights and privileges of biological children. See, *New York Estates, Powers and Trusts Law Section 2-1.3(a)*

less.

I. Trustee's or Employee's "Independent Business" means, for the purposes of Section IV (B) (~~42~~11) of the Code: (1) any entity, including but not limited to a firm, partnership or association of which a Trustee or Employee, or a Trustee's or Employee's Spouse or Dependent Child ~~is a member~~ serves as an employee, consultant or contractor, or is entitled to receive income, dividends or anything of value; or (2) a corporation, 10% or more of the stock of which is owned or controlled directly or indirectly by a Trustee or Employee or a Trustee's or Employee's Spouse or Dependent Child.

J. "LIPA" ~~or "the Authority"~~ means the Long Island Power Authority and its wholly owned subsidiary, the Long Island Lighting Company d/b/a LIPA and d/b/a Power Supply Long Island, as well as any other subsidiaries created by the Long Island Power Authority.

~~J.K.~~ "Operations Services" means the management of the daily operation of LIPA's ~~the Authority's~~ electric transmission and distribution system and the management of ~~the Authority~~ LIPA's power supply resources.

~~K.L.~~ "Other Interest" means holding a position in a business such as an officer, director, trustee, partner, proprietor, executor, employee, or a position of management, or acting as a consultant, agent or representative therefore in any capacity.

~~L.M.~~ "Policy-Making Position" means Trustees and Employees in ~~those~~ management and non-management positions ~~(including trustees)~~ designated as Policy-Making positions by ~~the Authority~~ LIPA, because the individual holding the position exercises responsibilities of a broad scope in the formulation of plans for the implementation of goals or policy for ~~the Authority~~ LIPA or acts as an advisor to an individual in such a position.

~~M.N.~~ "Relative" shall mean a Trustee or Employee's Spouse, domestic partner as defined by N.Y. Public Health Law § 2961(6-a), child, stepchild, stepparent, or any person who is a direct descendant of the grandparents of the Trustee or Employee, or of the Trustee or Employee's Spouse.

~~N.O.~~ "Spouse" shall mean the husband or wife of the Trustee or Employee unless living separate and apart from the Trustee with the intention of terminating the marriage or providing for permanent separation or unless separated pursuant to: (i) a judicial order, decree or judgment, or (ii) a legally binding separation agreement. Spouse also includes persons in legally recognized marriages as provided in New York's Marriage Equality Act of 2011. Individuals who enter into same sex marriages legally performed in jurisdictions within or outside of New York are "Spouses" of one another for the purposes of this definition.

~~O.P.~~ "Trading" means, in reference to securities, the buying and selling of securities, or the buying and selling of options, calls, puts, or any other right relating to a security.

~~P.Q.~~ "Transaction" means buying, selling, renting (as lessor or lessee), or otherwise acquiring or disposing of services, materials, supplies, equipment, or property having a value of

one hundred dollars or more or an interest having a value of one hundred dollars or more in such services, materials, supplies, equipment or property; borrowing or investment of money; preparing, requisitioning, ordering, approving, advising on, administering or otherwise acting in reference to a contract having a value of one hundred dollars or more; or the promulgation of rules and regulations affecting such activities.

Q.R. “Trustee” means the Trustees of ~~the Authority~~ LIPA appointed ~~or elected, as the case may be,~~ pursuant to Public Authorities Law §~~1020-b (21).~~ § 1020-d.

### ~~III.~~ **Recusal Procedure**

~~If a Trustee has or has reason to believe the Trustee may have a Conflict of Interest, then the Trustee shall:~~

~~A.—— Promptly disclose the Trustee’s potential Conflict of Interest to the Chair of the Board of Trustees and the Authority’s General Counsel and describe all material facts concerning the potential Conflict of Interest known to the Trustee. After such disclosure, the Chair of the Board of Trustees, in consultation with the Authority’s General Counsel, shall make a record of such disclosure and advise appropriate staff that they are prohibited from communicating with such Trustee about such matter. Further, if after such disclosure such matter is on an agenda for or is otherwise raised at a Board meeting, the Trustee shall recuse him/herself from all consideration and voting on such matter and such recusal and the reason therefore shall be recorded in the minutes of such Board meeting. As a best practice, the Trustee should leave the Board meeting while the other Trustees complete their discussion, consideration and vote.~~

~~B.—— After full disclosure to the Chair of the Board of Trustees and the Authority’s General Counsel, nothing contained herein shall be construed or applied to prohibit any firm, association, corporation or entity, in which the Trustee is a member, associate, retired member, of counsel, shareholder or owner, from appearing, practicing, communicating or otherwise rendering services in relation to any matter before, or transacting business with the Authority or its service provider where such Trustee does not participate in any way on behalf of the party conducting such business, does not participate in the decision to award the contract, and does not share in the net revenues resulting therefrom, or, acting in good faith, it is reasonably believed that such Trustee would not share in the net revenues therefrom, and where such Trustee otherwise complies with all other directives provided by the Authority’s General Counsel.~~

### ~~IV.~~III. **Standards and Principles of Conduct**

The following standards and principles of conduct are to be followed to assure compliance with the Code. A breach of these standards and principles constitutes a violation of the Code.

#### A. General Standards

2. Trustees and Employees are subject to New York State Ethics Laws including New York Public Officers Law Sections 73-a, 74 and the rules and regulations promulgated thereunder. Employees are further subject to Public Officers Law Section

73, and the rules and regulations promulgated thereunder, ~~as may be amended or modified by the New York State Legislature. (Public Officers Law Section 73, 73-a and 74 are annexed as Appendices A, B and C, respectively).~~

3. Trustees and Employees should endeavor to pursue a course of conduct ~~which~~ that will not raise suspicion among the public that he or she is likely to engage in acts that are in violation of the public trust.

## B. Specific Standards and Principles

### *Personal or Financial Interests/Independence/Privileges*

2. ~~A~~ Trustees and Employees shall not have any interest or incur any obligation, financial or otherwise, direct or indirect, or engage in any business or Transaction or professional activity, which ~~is in conflict with~~ conflicts with the proper discharge of ~~his or her~~ their duties in the public interest.

3. ~~A~~ Trustees and Employees shall avoid any action, whether or not specifically prohibited by the Code, which might result in or create the appearance of:

- (a) using his or her official position for private gain;
- (b) giving preferential treatment to any person, including himself or herself or any Relative
- (c) lacking independence or impartiality;
- (d) affecting adversely the confidence of the public in the integrity of ~~the~~ Authority LIPA; or,
- (e) violating any provision of the Code.

4. ~~A~~ Trustees and Employees should abstain from making personal investments in enterprises ~~which that may require his or her~~ he or she has reason to believe may be directly involve ment d in decisions affecting the Authority LIPA to be made by him or ~~which that~~ will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest.

5. (a) If any Trustee shall have a Financial Interest, either direct or indirect, in any Transaction to which ~~the Authority~~ LIPA is, or is to be, a party, such interest shall be promptly disclosed in writing to the ~~General Counsel of the Authority. Chair or Vice Chair of the Board of Trustees as well as the Authority~~ LIPA's General Counsel as provided in Section X of this Code.

(b) If any Employee shall have a Financial Interest, either direct or indirect, in any Transaction to which the Authority LIPA is, or is to be, a party, such interest shall be promptly disclosed in writing to LIPA's ~~the General Counsel of the Authority.~~



6. ~~No Trustee~~No Trustee or Employee shall (1) accept other employment or engage in any business, professional or other activity which will impair his or her independence of judgment in the exercise of his or her official duties or which involves a matter in which ~~the Authority~~LIPA has a substantial interest, or (2) receive or enter into any agreement for any compensation for the appearance or rendition of services against the interest of ~~the Authority~~LIPA in relation to any case, proceeding, or matter.

7. ~~No Trustee~~No Trustee or Employee shall use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself or herself or others.

*Improper Influence/Lobbying*

8. A Trustee or Employee shall not by his or her conduct give reasonable basis for the impression that any person may improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person.

9. A Trustee or Employee shall report to LIPA's~~the Authority's~~ General Counsel any communication directed to him or her~~the Trustee in cases~~ where a reasonable person would infer that the communication was intended to influence the consideration or outcome of an active procurement being conducted by ~~the Authority~~LIPA or its service provider. Attempts by third parties to influence procurements are required to be collected and reported by ~~the Authority~~LIPA and may result in Trustee or Employee's recusal from actions related to the procurement ~~or and elimination~~disqualification of bidders from the procurement.

*Transactions Involving ~~the a~~ Trustee or Employee, Trustee's or Employee's Spouse, Dependent Child or ~~Trustee's~~ Independent Business*

10. ~~No Trustee~~No Trustee or Employee shall be involved in any Transaction as representative or agent of ~~the Authority~~LIPA with, or be involved in any evaluation of, any business entity in which the Trustee or Employee or the Trustee or Employee's,~~the Trustee's~~ Spouse or Dependent Child has a direct or indirect Financial Interest. Prior to becoming involved in any Transaction as representative or agent of ~~the Authority~~LIPA with, or becoming involved in any evaluation of, a business entity in which the Trustee or Employee or Trustee or Employee's,~~the Trustee's~~ Spouse or Dependent Child holds a Financial Interest, the Trustee, Employee,~~the Trustee's~~ Spouse or Dependent Child must sell or transfer such Financial Interest.

11. ~~No Trustee~~No Trustee or Employee's,~~Trustee's~~ Spouse or Dependent Child shall acquire, except by Gift, inheritance or the dissolution of a trust, any Financial Interest in any business entity which the Trustee or Employee has reason to believe may be directly involved in decisions to be made by him or her which will create conflict between his or her duty in the public interest and his or her private interest. If a Trustee or Employee or Trustee or Employee's,~~a Trustee's~~ Spouse or Dependent Child receives such a Financial Interest by Gift, inheritance, operation of an automatic dividend reinvestment plan or the dissolution of a trust, the interest shall be promptly sold or transferred. If a Trustee or Employee's Spouse or Dependent Child receives or retains such a Financial Interest in violation of the foregoing

provisions, it will be deemed to be a violation ~~by the Trustee~~ of this provision.

12. ~~No Trustee~~No Trustee or Employee, Trustee's or their Spouse or Dependent Child, or a Trustee or Employee's Independent Business shall (1) sell any goods or services having a value in excess of twenty-five dollars to ~~the Authority~~LIPA, or (2) contract for or provide such goods or services with or to any private entity where the power to contract, appoint or retain on behalf of such private entity is exercised, directly or indirectly, by ~~the Authority~~LIPA or any of its officers, unless such goods or services are provided pursuant to an award of contract let after public notice and competitive bidding. If a Trustee or Employee's Spouse or Dependent Child engages in the conduct described in the preceding sentence, it will be deemed to be a violation by the Trustee or Employee of this provision.

13. (a) ~~No Trustee~~No Trustee or Employee or their , Trustee's Spouse or Dependent Child shall, directly or indirectly, solicit, accept or receive any Gift having more than a nominal value, whether in the form of money, service, loan, travel, lodging, meals, refreshments, entertainment, hospitality, thing, discount, forbearance or promise, or in any other form, from an "interested source" defined as any person or entity which is (i) regulated by ~~the Authority~~LIPA or (ii) does business or is seeking to do business with ~~the Authority~~LIPA or (iii) a registered lobbyist who lobbies ~~the Authority~~LIPA (or the spouse or emancipated child thereof), (iv) is involved in any ongoing official action or proceeding adverse to ~~the Authority~~LIPA; or (v) has received or applied for funds from ~~the Authority~~LIPA during the last 12 months. A gift from an interested source is presumed to be impermissible unless it is unreasonable to infer that the item or service was intended to influence or reward the Trustee for performing one's job.

(b) No Trustee or Employee, Trustee's or their Spouse or Dependent Child shall, directly or indirectly, solicit, accept or receive any Gift or gratuity of more than nominal value where the circumstances would permit the inference that: (i) the Gift was intended to influence the Trustee or Employee in the performance of official business; or (ii) the Gift constituted a tip, reward, or sign of appreciation for any official act by the Trustee.

(c) No Trustee or Employee or, Trustee's Spouse or Dependent Child shall (i) solicit, accept, or receive any gift, as defined in section one-c of the legislative law, from any person who is prohibited from delivering such gift pursuant to section one-m of the legislative law, attached hereto as Exhibit 1, unless unless under the circumstances it is not reasonable to infer that the gift was intended to influence him, or (ii) permit the solicitation, acceptance or receipt of any gift, as defined in section one-c of the legislative law, from any person who is prohibited from delivering such gift pursuant to section one-m of the legislative law to a third party including a charitable organization, on such official's designation or recommendation or on his or her behalf, under circumstances where it is reasonable to infer that the gift was intended to influence him. A list of exclusions from the definition of gift is ~~attached as Exhibit 2~~located at this link. A Trustee or Employee may not solicit, accept or receive a Gift of any value if to do so would constitute a substantial conflict with the proper discharge of his or her duties in the public interest.

(d) If a Trustee or Employee's Spouse or Dependent Child engages in the conduct prohibited by paragraph (a), (b), or (c) above, it will be deemed to be a violation by



the Trustee ~~or Employee~~ of such provisions.

#### *Decisions Relating to a Relative*

14. (a) ~~No Trustee~~No Trustee or Employee may take part in any hiring or employment decision relating to a Relative including any decision to hire, promote, discipline or discharge a Relative, for any compensated position at, for or within ~~the Authority~~LIPA. If such a Relative is hired, ~~no Trustee~~no Trustee or Employee shall be permitted to supervise such Relative. If a hiring or employment matter arises relating to a Relative, then the Trustee must advise the Chair of the Board of Trustee of the relationship, and must be recused from all discussions or decisions relating to the matter. -An Employee must advise LIPA's the General Counsel of the Authority and must be recused from all discussions or decisions relating to the matter.

(b) ~~No Trustee~~No Trustee or Employee may take part in any contracting decision: (i) relating to a Relative, (ii) relating to any entity in which a Relative is an officer, director or partner, or in which a Relative owns or controls 10% or more of the stock of such entity, (iii) involving the payment of more than \$1,000 dollars to the Trustee ~~or Employee~~, any Relative of ~~that Trustee~~such persons, or any entity in which that Trustee, ~~Employee~~ or any Relative has a Financial Interest, or (iv) to invest public funds in any security of any entity in which that Trustee, ~~Employee~~ or any Relative ~~of that Trustee~~ thereof has a Financial Interest, is an underwriter, or receives any brokerage, origination or servicing fees. If a contracting matter arises relating to a Relative, then the Trustee must advise the Chair of the Board of Trustees of the relationship, and must be recused from all discussions or decisions relating to the contracting matter. If a contracting matter arises relating to a Relative, then the Employee must advise the LIPA's General Counsel of the Authority and must be recused from all discussions or decisions relating to the contracting matter.

#### *Campaign Contributions and Political Activity and Affiliations*

15. Trustees ~~and Employees~~ are prohibited from using ~~Authority~~LIPA's supplies, equipment, computers, personnel and other resources for non-Authority purposes, including for personal purposes or for outside activities of any kind. In addition, no Trustee appointed by the Governor may make campaign contributions to the Governor. See Executive Order No. 7 "Prohibition of Personal Use of State Property and Campaign Contributions to the Governor" (issued by Governor Paterson and continued by Governor Andrew M. Cuomo), attached hereto as Appendix E and incorporated herein by reference.

16. (a) ~~No Trustee~~No Trustee or Employee involved in the awarding of grants or contracts may ask a current or prospective grantee or contractor, or any officer, director or employee thereof, to disclose (i) the party affiliation of such grantee or contractor, or any officer, director or employee thereof; (ii) whether such grantee or contractor, or any officer, director or employee thereof, has made campaign contributions to any party, elected official, or candidate for elective office; or (iii) whether such grantee or contractor, or any officer, director or employee thereof, cast a vote for or against any elected official, candidate or political party.

(b) ~~No Trustee~~No Trustee or Employee may award or decline to award any state grant or contract, or recommend, promise or threaten to do so, in whole or in part, because of a current or prospective grantee's or contractor's refusal to answer any inquiry prohibited by paragraph (a) of this subdivision, or giving or withholding or neglecting to make any contribution of money or service or any other valuable thing for any political purpose.

17. (a) ~~No Trustee~~No Trustee or Employee may during the consideration of an employment decision ask any applicant for public employment to disclose: (i) the political party affiliation of the applicant; (ii) whether the applicant has made campaign contributions to any party, elected official, or candidate for elective office; or (iii) whether the applicant cast a vote for or against any elected official, candidate or political party. ~~The provisions of this paragraph shall not apply where (1) such inquiry is necessary for the proper application of any state law or regulation; or (2) such inquiry is consistent with publicly disclosed policies or practices of any state agency or public authority, whose purpose is to ensure the representation of more than one political party on any multi-member body.~~

(b) ~~No Trustee~~No Trustee or Employee may decline to hire or promote, discharge, discipline, or in any manner change the official rank or compensation of any state official or ~~e~~Employee, or applicant for employment, or promise or threaten to do so, based upon a refusal to answer any inquiry prohibited by paragraph (a) of this subdivision, or for giving or withholding or neglecting to make any contribution of money or service or other valuable thing for any political purpose.

(c) No Trustee or Employee shall, directly or indirectly, use his or her official authority to compel or induce any other Trustee or Employee to make or promise to make any political contribution, whether by gift of money, service or other thing of value.

18. (a) Regulation 19 NYCRR Part 932.4 of the Joint Commission on Public Ethics (the "Commission") requires that Trustees, by virtue of holding Policy Making Positions, shall not serve as: (1) officers of any political party or political organization; or (2) members of any political party committee, including political party district leaders or as members of a political party national committee. "Political organization" means any organization affiliated with a political party but does not include a judicial nominating committee, an organization supporting a particular cause with no partisan activities, a campaign or fundraising committee, or serving as a delegate to a state or national party convention. No Trustee or Employee holding a Policy-Making Position within the Authority LIPA, shall serve as an officer of any Political Party or Political Organization; or as members of any Political Party Committee, as those terms are defined in 19 NYCRR §932.2, including Political Party district leaders or as members of a Political Party national committee.

19. An Employee interested in running for elective office shall give written notice of his or her intentions to the President and Chief Executive Office and General Counsel, so that it may be determined whether, and upon what conditions, the Employee would be permitted to seek elective public office.

18:20. Employees shall not conduct political activities during work hours, whether for

themselves or any other person or cause, or at any time from within the AuthorityLIPA's headquarters or Authority-owned or leased locations.

21. Consistent with this Code, Trustees and Employees are otherwise free to participate in the political process on their own time, but there must be a clear separation between their political activities and the discharge of their duties as Trustees and Employees of ~~the Authority~~LIPA.

#### *Outside Employment*

22. Trustees and Employees may not hold outside employment that is in conflict with their AuthorityLIPA duties. See Section II(D) above.~~Conflicts of interest.~~

~~19.~~23. Employees may hold outside employment as long as it is not in conflict with their LIPAAuthority duties, they meet the performance standards of their job with the AuthorityLIPA and have received prior, written approval from the Chief Executive Officer. If An employee designated as a "Policy Maker" is earning in excess of \$4,000 in his or her outside employment, approval is may also require approval from the New York State Joint Commission on Public Ethics.

~~20.~~24. **Honoraria** - Employees must comply with the Commission's regulations concerning limitations on the receipt of Honoraria from outside parties. A detailed statement of all of the circumstances under which an Employee may accept Honoraria from a third party are set forth in Part 930 of the Joint Commission on Public Ethics. ~~(See Appendix F).~~—An Employee cannot accept an Honorarium for services related to his or her AuthorityLIPA duties. The following is a summary of the rules relating to Honoraria:

**Permitted Honoraria.** An Employee may accept an Honorarium under certain circumstances, including where the individual or organization offering the Honorarium is not involved with ~~the Long Island Power AuthorityLIPA~~ in any context other than in ministerial matters.

**Prohibited Honoraria.** Honorarium is not to be received for services rendered for or on behalf of an individual who, or on behalf of an organization, or any of its officers or members of the board of directors, which: (i) is regulated by, or regular negotiates with, appears before in other than a ministerial manner, does business with or has contracts with either LIPA ~~the Authority~~ or the covered individual, or (ii) attempts to lobby or to influence action or positions on legislation or rules, regulation or rate making (iii) is involved in litigation adverse to ~~the AuthorityLIPA~~; or (iv) has received or applied for funds from ~~the AuthorityLIPA~~ during the previous calendar year

**Payment in Lieu of Honoraria.** A payment in lieu of an Honorarium that is offered for services related to an Employee's official duties cannot be accepted by the Employee and must be paid by the granting organization directly to the general fund of the State or to such fund as is appropriate for a public authority.

**Disclosure.** Each year ~~the Authority~~LIPA is required to file a report with the Commission, which lists Honoraria received by its Employees. Therefore, every Employee who has received one or more Honoraria during the reporting period must ~~file a report with the Authority's~~LIPA's Compliance Officer using the form provided by LIPA ~~the provided at Appendix F of this Code.~~

#### *Annual Financial Disclosure Filing*

~~24.25.~~ Section §73-a of the Public Officers Law requires the filing of an annual statement of financial disclosure by Trustees and by Employees who hold Policy-Making Positions or who earn in excess of annual salary requirements set by the Joint Commission on Public Ethics each year. ~~The~~is disclosure statement is an annual disclosure of the financial holdings and associations of filers and their Spouses. The purpose of the financial disclosure is to highlight potential conflicts of interest. ~~(See Appendix B).~~ The Commission can assess penalties for late and delinquent filings.

#### Employee Post-Authority Employment

26. (a) employees may not solicit a post-government employment opportunity with any entity or individual that has a specific pending matter before the Employee; and only may, 30 days from the time a matter is closed or the Employee has no further involvement because of recusal or reassignment, solicit an employment opportunity.

(b) Employees who receive an unsolicited employment-related communication from such an entity or individual (i) cannot pursue employment with the entity or individual or (ii) must recuse themselves from the matter and any further official contact with the entity or individual and wait 30 days from such recusal before entering into post-government employment communications with the entity or individual.

(c) Employees must promptly notify their superiors and ethics officers of such employment-related communications whether or not they intend to pursue the employment opportunity.

#### **IV. Restrictions on Post-Employment Activities of Former Employees**

The post-employment activities of persons who are Former Employees are governed by the restrictions set forth in Section 73(8) of the Public Officers Law. **These restrictions consist of a two year bar and a lifetime bar and apply to virtually all Employees.**

##### Two Year Bar

Former Employees may not, within a period of two years after leaving State service, appear or practice before their former agency or receive compensation for any services rendered in relation to any case, proceeding, application or other matter before their former agency. The Joint Commission on Public Ethics defines "appear" to include making a telephone call, as well as sending a letter, fax or e-mail. For the two--year bar, the determining inquiry is whether the appearance is before the Former Employee's former

agency, regardless of the nature or subject of the appearance.

### Lifetime Bar

Former Employees may not appear, practice, communicate or otherwise render services before any State agency, or receive compensation for such services in relation to any case, proceeding, application or transaction with which they were directly concerned and in which they personally participated while in public service, or which was under their active consideration.

### Exceptions

1. The government-to-government exception: Allows someone who goes to work for another government entity, at any level, to appear before the former agency, regardless of how much time has elapsed since the individual left State service.
2. Exception for “ministerial matters”: i.e. matters that the agency handles by the thousands, if not millions of times a day. For example, a former employee of the Department of Motor Vehicles may still renew his or her driver’s license.

Exception dependent on date of termination: The two-year bar is inapplicable to State officers and employees whose employment is terminated between January 1, 2009 and April 11, 2011 “because of economy, consolidation or abolition of functions, curtailment of activities or other reduction in the state workforce.” On or before the date of such termination of employment, the state agency shall provide to the terminated Employee a written certification that the Employee has been terminated because of economy, consolidation or abolition of functions, curtailment of activities or other reduction in the state work force, and that such employee is covered by the provisions of this paragraph. The written certification shall also contain a notice describing the rights and responsibilities of the Employee pursuant to the provisions of this section. The certification and notice shall contain the information and shall be in the form set forth in Appendix A. An Employee deemed a Policy Maker is required to obtain the approval of the Commission in addition to receiving the required certification from his or her agency.

### Penalties

Individuals who violate certain provisions of Public Officers Law §73 are subject to a civil penalty not to exceed \$40,000, for each appearance. In lieu of a civil penalty, the Commission may refer violations to an appropriate prosecutor for prosecution as a Class A misdemeanor.

### €A. Applicable New York Law

These standards do not replace and are in addition to the requirements of law, particularly Sections 73, 73-a and 74 of the New York Public Officers Law, which, among other things, govern the business activities of Trustees, Employees and Former Trustees or

Former Employees and set forth the State Code of Ethics. ~~Copies of~~ Sections 73, 73-a and 74 of the Public Officers Law are ~~attached to and~~ made a part of this Code ~~as Appendices A, B and C, respectively.~~ The violation of any ethics laws or regulations may also constitute violations of civil or criminal state and federal law.

~~Under the New York Penal Law, it is a felony for Trustees to solicit, accept or agree to accept any Benefit from another person upon an agreement or understanding that their vote, opinion, judgment, action, decision or exercise of discretion as public servants will thereby be influenced. It is also a felony for Trustees to solicit, accept or agree to accept any Benefit from another person for having violated their duties as public servants. It is a misdemeanor for Trustees to solicit, accept or agree to accept any Benefit for having engaged in official conduct which they were required or authorized to perform, and for which they were not entitled to any special or additional compensation.~~

## **V. Trading of Securities of Companies Providing Operations Services to ~~the~~ Authority LIPA and Certain Energy Companies**

The acquisition or trading of securities issued by companies that provide Operations Services to ~~the~~ Authority LIPA, the parent corporations of such companies and other subsidiaries or affiliates of such parent corporations, if any, presents a possible Conflict of Interest for all Trustees and Employees.

To protect against the potential of a Conflict of Interest with respect to Transactions involving companies that provide Operations Services to ~~the~~ Authority LIPA, it is ~~the~~ Authority LIPA's policy that a Trustee or Employee, or a Trustee or Employee's Spouse or Dependent Child may not Trade in or otherwise acquire securities in any companies, including parent corporations and other subsidiaries or affiliates of such parent corporations, if any, that provide Operations Services to ~~the~~ Authority LIPA. A Trustee or Employee, or a Trustee or Employee's Spouse or Dependent Child who has acquired the securities, not including such securities that are included within a mutual fund or pension fund investment, of such companies must sell or transfer the securities within one year of (i) the Trustee or Employee's date of appointment with ~~the~~ Authority LIPA, or (ii) the date of such receipt, whichever is later.

No Trustee or Employee ~~of the Authority~~ may Trade in or, except as permitted below, otherwise acquire securities in any company engaged in the generation, transmission or sale of electric energy or gas or the provision of fuel to generation facilities, if that Trustee or Employee's responsibilities include the (i) representing ~~the~~ Authority LIPA in Transactions involving such companies; (ii) participating in the evaluation of, or Authority decisions with respect to, Transactions with such companies, or (iii) representing ~~the~~ Authority LIPA before regulatory agencies or independent system operators (or their successors) on matters in which such companies have a potential financial interest. Excepted from this provision are those securities that are included within a mutual fund or pension fund investment.

There is no prohibition against the ownership or Trading of Authority LIPA bonds and notes which are publicly held and traded subject to the limitations set forth below in Section VI.

## **VI. Use of Material, Nonpublic and Confidential Information**



It is the policy of ~~the Authority~~ LIPA to prohibit all Trustees and Employees, and Former Trustees and Former Employees from (1) Trading in securities based on material, nonpublic information derived from or relating to Authority activities and (2) disclosing Confidential Information to unauthorized third parties.

A. Trading of Securities Based on Material, Nonpublic Information

1. Trustees, Employees and Former Trustees and Former Employees shall not Trade in bonds or other securities issued by ~~the Authority~~ LIPA based on material, nonpublic information derived from any source and shall not disclose such information for the purpose of allowing third parties to profit from Trading in Authority securities.

2. Trustees, Employees and Former Trustees and Former Employees shall not Trade in stocks, bonds or other securities issued by other business entities based on material, nonpublic information obtained in the course of their duties for ~~the Authority~~ LIPA and shall not disclose such information for the purpose of allowing third parties to profit from Trading in securities issued by other business entities based on such information.

Information is material if there is a substantial likelihood that a reasonable investor would consider the information important in making his or her investment decision concerning the securities in question.

Information is nonpublic if, in the case of Authority securities, it has not been publicly disseminated by ~~the Authority~~ LIPA. Information is nonpublic if, in the case of securities issued by other business entities, it has not been publicly disseminated by those business entities.

B. Disclosure or Use of Confidential Information

Trustees, Employees and Former Trustees and Former Employees shall not disclose Confidential Information to any third party not authorized to receive such information and shall not profit from the use of such information or use such information to further his or her personal interests of the interests of any Relative.

If a Trustee, Employee or Former Trustee or Employee has a question concerning the confidential status of any information, he or she should consult with the LIPA's General Counsel of regarding such information prior to disclosing it to a third party.

Trustees, Employees, ~~and~~ Former Trustees and Former Employees who violate the provisions of this section may be subject to civil and criminal penalties under Federal and State laws, including fines and/or imprisonment. In addition, Trustees and Employees who violate the provisions of this section may be subject to disciplinary action ~~by the Authority~~, including removal and/or termination of employment, as appropriate.

VII. **Annual Certification of Absence of Conflict of Interest**

All Trustees and Employees are required to certify annually that they have read the Code, that they understand and agree to comply with the provisions thereof and that they have no known conflict of interest. LIPA shall supply t~~The Annual Certification Form is attached hereto as Appendix F.~~ These certifications shall be timely submitted to ~~the Authority~~LIPA's General Counsel or Compliance Officer.

Any Trustee or Employee who knowingly fails to complete, sign and submit the required Annual Certification Form is in violation of the Code and may be subject to disciplinary action.

## **VIII. Requests for Interpretation, Clarification or Waiver of the Code**

### **a. Interpretation and Clarification**

A Trustee or Former Trustee may submit a written request to ~~the~~LIPA's General Counsel of ~~the Authority~~ for an interpretation or clarification of one or more provisions of the Code.

### **b. Waivers**

A Trustee or Former Trustee may submit a written request to the Chair of the Board of Trustees for a waiver of any restriction contained in the Code, provided that the restriction is not otherwise required by State or Federal law. All waiver requests shall include a description of the nature of the restriction or prohibition for which waiver is sought; the nature of the Trustee's or Former Trustee's interest involved; the effect on the Trustee or Former Trustee or ~~the Authority~~LIPA of the restriction or prohibition for which the waiver is sought; and the reasons why the waiver should be granted. A copy of the written request shall be provided to ~~the~~LIPA's General Counsel ~~of the Authority~~.

## **IX. Remedies for Breaches of the Code**

In addition to any other remedies, civil or otherwise, which ~~the Authority~~LIPA may have, a Trustee, Employee, ~~or~~ Former Trustee or Former Employee who violates the Code may be disciplined under the Code. Remedies or disciplinary action may be imposed only upon the basis of a written statement of findings and recommendations by ~~the~~LIPA's General Counsel ~~of the Authority~~, and may include one or more of the following:

1. issuance of written warnings;
2. direction of corrective action to eliminate and/or ameliorate the conflict of interest;  
~~or~~
3. restitution; and
- 3.4. in the case of an Employee, changes in assigned duties, suspension or termination of employment; provided, however, that solely the Chief Executive Officer or the Trustees, as applicable, may impose the remedies specified in this subdivision.

A Former Trustee or Employee found to have violated the Code is subject to one or



more of the following in addition to any other remedies, civil or otherwise, that ~~the Authority~~LIPA may have: warnings; termination of existing Transactions involving the individual in question to the extent permitted by law; disqualification or suspension from future Transactions of the Former Trustee or Employee and/or the person on whose behalf he or she is participating in Transactions with ~~the Authority~~LIPA; and notification to appropriate persons that a conflict exists.

## **X. Reporting of Violations of the Code and Whistleblower Protection**

Trustees, Employees, and Former Trustees, and Former Employees are encouraged to promptly report any violations of the Code to the Chair of the Board of Trustees or LIPA's General Counsel ~~of the Authority~~ and shall cooperate in any official investigation of such violations. LIPA shall also maintain an ethics hotline. Ethics complaints may currently be filed by calling (844) 915-1626 or online at [lipower.ethicspoint.com](http://lipower.ethicspoint.com).

The identify of a Trustee, Employee, Former Trustee, or Former Trustee who reports a violation of the Code and the substance of his or her allegations shall be kept confidential to the extent possible.

Retaliation against Trustees, Employees, and Former Trustees, and Former Employees ~~or Former Trustees~~ who in good faith report violations of the Code, other provisions of law or policies, or the public trust, is prohibited. ~~(See the Authority's Anti-Retaliation Policy, attached hereto as Appendix G.)~~

~~The~~ LIPA's General Counsel ~~of the Authority~~ will inform ~~the Authority~~LIPA's Governance, Planning and Personnel Committee of the Board of Trustees about the status and disposition of official investigations and issues thereof raised under the Code.

## **XI. Recusal Procedure for LIPA Trustees**

If a Trustee has ~~or has~~ reason to believe ~~the~~ he or she ~~Trustee~~ may have a Conflict of Interest, then the Trustee shall:

a. Promptly disclose the ~~Trustee's~~ potential Conflict of Interest to the Chair of the Board of Trustees, or the Vice Chair if appropriate, and ~~the Authority~~LIPA's General Counsel and describe all material facts concerning the potential Conflict of Interest known to the Trustee. After such disclosure, the Chair of the Board of Trustees, in consultation with ~~the Authority~~LIPA's General Counsel, shall make a record of such disclosure and advise appropriate staff that they are prohibited from communicating with such Trustee about such matter. Further, if after such disclosure such matter is on an agenda for, or is otherwise raised at a Board meeting, the Trustee shall recuse him/herself from all consideration and voting on such matter and such recusal and the reason therefore shall be recorded in the minutes of such Board meeting. As a best practice, the Trustee should leave the Board meeting while the other Trustees complete their discussion, consideration and vote.

b. After full disclosure to the Chair of the Board of Trustees and ~~the Authority~~LIPA's General Counsel, nothing contained herein shall be construed or applied to prohibit any firm, association, corporation or entity, in which the Trustee is a member, associate, retired member, of counsel, shareholder or owner, from appearing, practicing, communicating or otherwise rendering services in relation to any matter before, or transacting business with ~~the Authority~~LIPA or its service provider where such Trustee does not participate in any way on behalf of the ~~party conducting~~party conducting such business, does not participate in the decision to award the contract, and does not share in the net revenues resulting therefrom, or, acting in good faith, it is reasonably believed that such Trustee would not share in the net revenues therefrom, and where such Trustee otherwise complies with all other directives provided by ~~the Authority~~LIPA's General Counsel.

**CODE OF ETHICS AND CONDUCT OF THE  
LONG ISLAND POWER AUTHORITY**

**July 22, 2020**

Long Island Power Authority  
333 Earle Ovington Boulevard  
Uniondale, New York 11553

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# **LONG ISLAND POWER AUTHORITY**

## **CODE OF ETHICS AND CONDUCT**

### **I. Introduction**

The Long Island Power Authority (“LIPA”), as a public entity, has a responsibility for maintaining the highest level of honesty, ethical conduct, and public trust in all its activities. To meet this responsibility, LIPA adopted codes of ethics and conduct for its Trustees and Employees. This Code of Ethics and Conduct (the “Code”) addresses the ethical and professional standards of conduct expected of both LIPA’s Board of Trustees and its Employees.

The Code applies to the LIPA's current Trustees and Former Trustees and current and Former Employees (hereafter Trustees and Employees) and states in specific form LIPA's position on Conflicts of Interest. Personal integrity is the cornerstone of the Code. Each Trustee and Employee has the primary responsibility for avoiding Financial Interests and Other Interests which might create a conflict with his or her position as a fiduciary of LIPA and LIPA property. As LIPA is a public entity, Trustees and Employees are responsible for conducting LIPA business solely in the public interest.

The Code is not intended to address all situations or answer all questions related to daily ethical conduct. Trustees and Employees should inquire of the General Counsel of LIPA if they have questions as to any provision of the Code. In addition, Trustees and Employees who have questions as to whether a prospective personal or business Transaction or assumption of a position of responsibility or trust would violate the Code, may request in writing an advance determination on the matter from LIPA’s General Counsel pursuant to Section VIII of the Code.

Violations of the Code or applicable statutory provisions may subject a Trustee or Employee to discipline up to and including removal from the board by the appointing authority, termination of employment at LIPA and/or expose the Trustee or Employee to civil and/or criminal penalties.

The Code will be reviewed and updated by the Governance, Planning and Personnel Committee as necessary with a copy distributed to each Trustee and Employee.

### **II. Definitions**

The following definitions apply to the Code.

A. “Benefit” means any gain or advantage to, or reduction in the liabilities of, the beneficiary and includes any gain or advantage to, or reduction in the liabilities of, a third person pursuant to the desire or consent of the beneficiary.

B. “Confidential Information” means information which is available to a Trustee only because of his or her status as a Trustee and is not a matter of public knowledge.

C. “Conflict of Interest” means a situation in which the financial, familial, or personal interests of a Trustee or Employee conflict, may conflict or could be perceived as conflicting with

their responsibilities to LIPA

D. “Dependent Child” means any son, daughter, stepson or stepdaughter of a Trustee or Employee who is under age eighteen, unmarried and living in the household of the Trustee; or a “dependent” of the Trustee or Employee within the meaning of section 152 of the Internal Revenue Code.

E. “Employee” means any person employed by or any officer of LIPA.

F. “Financial Interest” means any of the following:

1. Ownership or control of 10 percent or more of the stock of any entity (or 1 percent in the case of a corporation whose stock is regularly traded on an established securities exchange); or serves as an officer, director or partner of that entity;

2. Ownership of an interest in a business or real property which interest (a) reflects a 10 percent or more ownership of the business, or (b) in the case of a Spouse or Dependent Child, constitutes 10 percent or more of the net worth of the person owning such interest, or the combined net worth of the Trustee and his or her Spouse and Dependent Child. In determining net worth, the value of any interest in the Trustee or Employee’s personal residence(s) shall be excluded. In determining the value of an interest, debts, mortgages, liens or other encumbrances thereon are to be disregarded; or

3. Liability or indebtedness to a person or business in excess of \$5,000, excluding liabilities owed to Relative(s) and excluding mortgages, liens or other encumbrances on or secured by real property which constitutes the Trustee or Employee’s personal residence(s) or furniture or appliances therein.

G. “Former Trustee” and “Former Employee” mean persons who are no longer Trustees or Employees of LIPA but were at any time following LIPA’s adoption of this Code or any predecessor code of ethics and conduct.

H. “Gift” means a payment, advance, forbearance, rendering, or deposit of money, or anything of more than nominal value, unless the donor receives consideration of equal or greater value. Nominal value means an item or service with a fair market value of \$15 or less.

I. Trustee’s or Employee’s “Independent Business” means, for the purposes of Section IV (B) (11) of the Code: (1) any entity, including but not limited to a firm, partnership or association of which a Trustee or Employee, or a Trustee’s or Employee’s Spouse or Dependent Child serves as an employee, consultant or contractor, or is entitled to receive income, dividends or anything of value; or (2) a corporation, 10% or more of the stock of which is owned or controlled directly or indirectly by a Trustee or Employee or a Trustee or Employee’s Spouse or Dependent Child.

J. “LIPA” means the Long Island Power Authority and its wholly owned subsidiary, the Long Island Lighting Company d/b/a LIPA and d/b/a Power Supply Long Island, as well as any other subsidiaries created by the Long Island Power Authority.

K. “Operations Services” means the management of the daily operation of LIPA’s electric transmission and distribution system and the management of LIPA’s power supply resources.

L. “Other Interest” means holding a position in a business such as an officer, director, trustee, partner, proprietor, executor, employee, or a position of management, or acting as a consultant, agent or representative therefore in any capacity.

M. “Policy-Making Position” means Trustees and Employees in management and non-management positions designated as Policy-Making positions by LIPA, because the individual holding the position exercises responsibilities of a broad scope in the formulation of plans for the implementation of goals or policy for the LIPA or acts as an advisor to an individual in such a position.

N. “Relative” shall mean a Trustee or Employee’s Spouse, domestic partner as defined by N.Y. Public Health Law § 2961(6-a), child, stepchild, stepparent, or any person who is a direct descendant of the grandparents of the Trustee or Employee, or of the Trustee or Employee’s Spouse.

O. “Spouse” shall mean the husband or wife of the Trustee or Employee unless living separate and apart from the Trustee with the intention of terminating the marriage or providing for permanent separation or unless separated pursuant to: (i) a judicial order, decree or judgment, or (ii) a legally binding separation agreement. Spouse also includes persons in legally recognized marriages as provided in New York’s Marriage Equality Act of 2011.

P. “Trading” means, in reference to securities, the buying and selling of securities, or the buying and selling of options, calls, puts, or any other right relating to a security.

Q. “Transaction” means buying, selling, renting (as lessor or lessee), or otherwise acquiring or disposing of services, materials, supplies, equipment, or property having a value of one hundred dollars or more or an interest having a value of one hundred dollars or more in such services, materials, supplies, equipment or property; borrowing or investment of money; preparing, requisitioning, ordering, approving, advising on, administering or otherwise acting in reference to a contract having a value of one hundred dollars or more; or the promulgation of rules and regulations affecting such activities.

R. “Trustee” means the Trustees of LIPA appointed pursuant to Public Authorities Law §§ 1020-d.

### **III. Standards and Principles of Conduct**

The following standards and principles of conduct are to be followed to assure compliance with the Code. A breach of these standards and principles constitutes a violation of the Code.

A. General Standards

1. Trustees and Employees are subject to New York State ethics laws including Public Officers Law Sections 73-a, 74 and the rules and regulations promulgated thereunder. Employees are further subject to Public Officers Law Section 73, and the rules and regulations promulgated thereunder.

2. Trustees and Employees should endeavor to pursue a course of conduct that will not raise suspicion among the public that he or she is likely to engage in acts that are in violation of the public trust.

B. Specific Standards and Principles

*Personal or Financial Interests/Independence/Privileges*

1. Trustees and Employees shall not have any interest or incur any obligation, financial or otherwise, direct or indirect, or engage in any business or Transaction or professional activity, which conflicts with the proper discharge of their duties in the public interest.

2. Trustees and Employees shall avoid any action, whether or not specifically prohibited by the Code, which might result in or create the appearance of:

- (a) using his or her official position for private gain;
- (b) giving preferential treatment to any person, including himself or herself or any Relative;
- (c) lacking independence or impartiality;
- (d) affecting adversely the confidence of the public in the integrity of LIPA; or
- (e) violating any provision of the Code.

3. Trustees and Employees should abstain from making personal investments in enterprises that may require his or her direct involvement in decisions affecting LIPA or that will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest.

4. (a) If any Trustee shall have a Financial Interest, either direct or indirect, in any Transaction to which LIPA is, or is to be, a party, such interest shall be promptly disclosed in writing to the Chair or Vice Chair of the Board of Trustees as well as the LIPA's General Counsel as provided in Section X of this Code.

(b) If any Employee shall have a Financial Interest, either direct or indirect, in any Transaction to which LIPA is, or is to be, a party, such interest shall be promptly



disclosed in writing to LIPA's General Counsel.

5. No Trustee or Employee shall (1) accept other employment or engage in any business, professional or other activity which will impair his or her independence of judgment in the exercise of his or her official duties or which involves a matter in which LIPA has a substantial interest, or (2) receive or enter into any agreement for any compensation for the appearance or rendition of services against the interest of LIPA in relation to any case, proceeding, or matter.

6. No Trustee or Employee shall use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself or herself or others.

*Improper Influence/Lobbying*

7. A Trustee or Employee shall not by his or her conduct give reasonable basis for the impression that any person may improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person.

8. A Trustee or Employee shall report to LIPA's General Counsel any communication directed to him or her where a reasonable person would infer that the communication was intended to influence the consideration or outcome of an active procurement being conducted by LIPA or its service provider. Attempts by third parties to influence procurements are required to be collected and reported by LIPA and may result in Trustee or Employee's recusal from actions related to the procurement and disqualification of bidders from the procurement.

*Transactions Involving a Trustee or Employee, Trustee's or Employee's Spouse, Dependent Child or Independent Business*

9. No Trustee or Employee shall be involved in any Transaction as representative or agent of LIPA with, or be involved in any evaluation of, any business entity in which the Trustee or Employee or the Trustee or Employee's, Spouse or Dependent Child has a direct or indirect Financial Interest. Prior to becoming involved in any Transaction as representative or agent of LIPA with, or becoming involved in any evaluation of, a business entity in which the Trustee or Employee or Trustee or Employee's Spouse or Dependent Child holds a Financial Interest, the Trustee, Employee, Spouse or Dependent Child must sell or transfer such Financial Interest.

10. No Trustee or Employee's Spouse or Dependent Child shall acquire, except by Gift, inheritance or the dissolution of a trust, any Financial Interest in any business entity which the Trustee or Employee has reason to believe may be directly involved in decisions to be made by him or her which will create conflict between his or her duty in the public interest and his or her private interest. If a Trustee or Employee or Trustee or Employee's, Spouse or Dependent Child receives such a Financial Interest by Gift, inheritance, operation of an automatic dividend reinvestment plan or the dissolution of a trust, the interest shall be promptly sold or transferred. If a Trustee or Employee's Spouse or Dependent Child

receives or retains such a Financial Interest in violation of the foregoing provisions, it will be deemed to be a violation of this provision.

11. No Trustee or Employee or their Spouse or Dependent Child, or a Trustee or Employee's Independent Business shall (1) sell any goods or services having a value in excess of twenty-five dollars to LIPA, or (2) contract for or provide such goods or services with or to any private entity where the power to contract, appoint or retain on behalf of such private entity is exercised, directly or indirectly, by LIPA or any of its officers, unless such goods or services are provided pursuant to an award of contract let after public notice and competitive bidding. If a Trustee or Employee's Spouse or Dependent Child engages in the conduct described in the preceding sentence, it will be deemed to be a violation by the Trustee or Employee of this provision.

12. (a) No Trustee or Employee or their Spouse or Dependent Child shall, directly or indirectly, solicit, accept or receive any Gift having more than a nominal value, whether in the form of money, service, loan, travel, lodging, meals, refreshments, entertainment, hospitality, thing, discount, forbearance or promise, or in any other form, from an "interested source" defined as any person or entity which is (i) regulated by LIPA or (ii) does business or is seeking to do business with LIPA or (iii) a registered lobbyist who lobbies LIPA (or the spouse or emancipated child thereof), (iv) is involved in any ongoing official action or proceeding adverse to LIPA; or (v) has received or applied for funds from LIPA during the last 12 months. A gift from an interested source is presumed to be impermissible unless it is unreasonable to infer that the item or service was intended to influence or reward the Trustee for performing one's job.

(b) No Trustee or Employee or their Spouse or Dependent Child shall, directly or indirectly, solicit, accept or receive any Gift or gratuity of more than nominal value where the circumstances would permit the inference that: (i) the Gift was intended to influence the Trustee or Employee in the performance of official business; or (ii) the Gift constituted a tip, reward, or sign of appreciation for any official act by the Trustee.

(c) No Trustee or Employee or Spouse or Dependent Child shall (i) solicit, accept, or receive any gift, as defined in section one-c of the legislative law, from any person who is prohibited from delivering such gift pursuant to [section one-m of the legislative law](#) unless under the circumstances it is not reasonable to infer that the gift was intended to influence him, or (ii) permit the solicitation, acceptance or receipt of any gift, as defined in section one-c of the legislative law, from any person who is prohibited from delivering such gift pursuant to section one-m of the legislative law to a third party including a charitable organization, on such official's designation or recommendation or on his or her behalf, under circumstances where it is reasonable to infer that the gift was intended to influence him. A list of exclusions from the definition of gift is located at this [link](#). A Trustee or Employee may not solicit, accept or receive a Gift of any value if to do so would constitute a substantial conflict with the proper discharge of his or her duties in the public interest.

(d) If a Trustee or Employee's Spouse or Dependent Child engages in the conduct prohibited by paragraph (a), (b), or (c) above, it will be deemed to be a violation

by the Trustee or Employee of such provisions.

*Decisions Relating to a Relative*

13. (a) No Trustee or Employee may take part in any hiring or employment decision relating to a Relative including any decision to hire, promote, discipline or discharge a Relative, for any compensated position at, for or within LIPA. If such a Relative is hired, no Trustee or Employee shall be permitted to supervise such Relative. If a hiring or employment matter arises relating to a Relative, then the Trustee must advise the Chair of the Board of Trustee of the relationship and must be recused from all discussions or decisions relating to the matter. An Employee must advise LIPA's General Counsel and must be recused from all discussions or decisions relating to the matter.

(b) No Trustee or Employee may take part in any contracting decision: (i) relating to a Relative, (ii) relating to any entity in which a Relative is an officer, director or partner, or in which a Relative owns or controls 10% or more of the stock of such entity, (iii) involving the payment of more than \$1,000 dollars to the Trustee or Employee, any Relative of such persons, or any entity in which that Trustee, Employee or any Relative has a Financial Interest, or (iv) to invest public funds in any security of any entity in which that Trustee, Employee or any Relative thereof has a Financial Interest, is an underwriter, or receives any brokerage, origination or servicing fees. If a contracting matter arises relating to a Relative, then the Trustee must advise the Chair of the Board of Trustees of the relationship and must be recused from all discussions or decisions relating to the contracting matter. If a contracting matter arises relating to a Relative, then the Employee must advise LIPA's General Counsel and must be recused from all discussions or decisions relating to the contracting matter.

*Campaign Contributions and Political Activity and Affiliations*

14. Trustees and Employees are prohibited from using LIPA's supplies, equipment, computers, personnel and other resources for non-LIPA purposes, including for personal purposes or for outside activities of any kind. In addition, no Trustee appointed by the Governor may make campaign contributions to the Governor. [See Executive Order No. 7 "Prohibition of Personal Use of State Property and Campaign Contributions to the Governor" \(issued by Governor Paterson and continued by Governor Andrew M. Cuomo\)](#), incorporated herein by reference.

15. (a) No Trustee or Employee involved in the awarding of grants or contracts may ask a current or prospective grantee or contractor, or any officer, director or employee thereof, to disclose (i) the party affiliation of such grantee or contractor, or any officer, director or employee thereof; (ii) whether such grantee or contractor, or any officer, director or employee thereof, has made campaign contributions to any party, elected official, or candidate for elective office; or (iii) whether such grantee or contractor, or any officer, director or employee thereof, cast a vote for or against any elected official, candidate or political party.

(b) No Trustee or Employee may award or decline to award any state grant

or contract, or recommend, promise or threaten to do so, in whole or in part, because of a current or prospective grantee's or contractor's refusal to answer any inquiry prohibited by paragraph (a) of this subdivision, or giving or withholding or neglecting to make any contribution of money or service or any other valuable thing for any political purpose.

16. (a) No Trustee or Employee may during the consideration of an employment decision ask any applicant for public employment to disclose: (i) the political party affiliation of the applicant; (ii) whether the applicant has made campaign contributions to any party, elected official, or candidate for elective office; or (iii) whether the applicant cast a vote for or against any elected official, candidate or political party.

(b) No Trustee or Employee may decline to hire or promote, discharge, discipline, or in any manner change the official rank or compensation of any state official or employee, or applicant for employment, or promise or threaten to do so, based upon a refusal to answer any inquiry prohibited by paragraph (a) of this subdivision, or for giving or withholding or neglecting to make any contribution of money or service or other valuable thing for any political purpose.

(c) No Trustee or Employee shall, directly or indirectly, use his or her official authority to compel or induce any other Trustee or Employee to make or promise to make any political contribution, whether by gift of money, service or other thing of value.

17. No Trustee or Employee holding a Policy-Making Position within LIPA, shall serve as an officer of any Political Party or Political Organization; or as members of any Political Party Committee, as those terms are defined in 19 NYCRR §932.2, including Political Party district leaders or as members of a Political Party national committee.

18. An Employee interested in running for elective office shall give written notice of his or her intentions to the Chief Executive Office and General Counsel, so that it may be determined whether, and upon what conditions, the Employee would be permitted to seek elective public office.

19. Employees shall not conduct political activities during work hours, whether for themselves or any other person or cause, or at any time from within the LIPA's headquarters or LIPA-owned or leased locations.

20. Consistent with this Code, Trustees and Employees are otherwise free to participate in the political process on their own time, but there must be a clear separation between their political activities and the discharge of their duties as Trustees and Employees of LIPA.

#### *Outside Employment*

21. Trustees and Employees may not hold outside employment that is in conflict with their LIPA duties. See Section II(D) above.

22. Employees may hold outside employment as long as it is not in conflict

with their LIPA duties, they meet the performance standards of their job with LIPA and have received prior, written approval from the Chief Executive Officer. An employee designated as a “Policy Maker” may also require approval from the New York State Joint Commission on Public Ethics.

23. **Honoraria** - Employees must comply with the Commission’s regulations concerning limitations on the receipt of Honoraria from outside parties. A detailed statement of all of the circumstances under which an Employee may accept Honoraria from a third party are set forth in [Part 930 of the Joint Commission on Public Ethics](#). An Employee cannot accept an Honorarium for services related to his or her LIPA duties. The following is a summary of the rules relating to Honoraria:

**Permitted Honoraria.** An Employee may accept an Honorarium under certain circumstances, including where the individual or organization offering the Honorarium is not involved with LIPA in any context other than in ministerial matters.

**Prohibited Honoraria.** Honorarium is not to be received for services rendered for or on behalf of an individual who, or on behalf of an organization, or any of its officers or members of the board of directors, which: (i) is regulated by, or regular negotiates with, appears before in other than a ministerial manner, does business with or has contracts with either LIPA or the covered individual, or (ii) attempts to lobby or to influence action or positions on legislation or rules, regulation or rate making (iii) is involved in litigation adverse to LIPA; or (iv) has received or applied for funds from LIPA during the previous calendar year

**Payment in Lieu of Honoraria.** A payment in lieu of an Honorarium that is offered for services related to an Employee’s official duties cannot be accepted by the Employee and must be paid by the granting organization directly to the general fund of the State or to such fund as is appropriate for a public authority.

**Disclosure.** Each year LIPA is required to file a report with the Commission, which lists Honoraria received by its Employees. Therefore, every Employee who has received one or more Honoraria during the reporting period must file a report with LIPA’s Compliance Officer using the form provided by LIPA.

#### *Annual Financial Disclosure Filing*

24. Section §73-a of the Public Officers Law requires the filing of an annual statement of financial disclosure by Trustees and by Employees who hold Policy-Making Positions or who earn in excess of annual salary requirements set by the Joint Commission on Public Ethics each year. The disclosure statement is an annual disclosure of the financial holdings and associations of filers and their Spouses. The purpose of the financial disclosure is to highlight potential conflicts of interest. The Commission can assess penalties for late and delinquent filings.

### *Employee Post-LIPA Employment*

25. (a) Employees may not solicit a post-government employment opportunity with any entity or individual that has a specific pending matter before the Employee; and only may, 30 days from the time a matter is closed or the Employee has no further involvement because of recusal or reassignment, solicit an employment opportunity.

(b) Employees who receive an unsolicited employment-related communication from such an entity or individual (i) cannot pursue employment with the entity or individual or (ii) must recuse themselves from the matter and any further official contact with the entity or individual and wait 30 days from such recusal before entering into post-government employment communications with the entity or individual.

(c) Employees must promptly notify their superiors and ethics officers of such employment-related communications whether or not they intend to pursue the employment opportunity.

## **IV. Restrictions on Post-Employment Activities of Former Employees**

The post-employment activities of persons who are Former Employees are governed by the restrictions set forth in [Section 73\(8\) of the Public Officers Law](#). **These restrictions consist of a two year bar and a lifetime bar and apply to virtually all Employees.**

### *Two Year Bar*

Former Employees may not, within a period of two years after leaving State service, appear or practice before their former agency or receive compensation for any services rendered in relation to any case, proceeding, application or other matter before their former agency. The Joint Commission on Public Ethics defines “appear” to include making a telephone call, as well as sending a letter, fax or e-mail. For the two-year bar, the determining inquiry is whether the appearance is before the Former Employee’s former agency, regardless of the nature or subject of the appearance.

### *Lifetime Bar*

Former Employees may not appear, practice, communicate or otherwise render services before any State agency, or receive compensation for such services in relation to any case, proceeding, application or transaction with which they were directly concerned and in which they personally participated while in public service, or which was under their active consideration.

### *Exceptions*

1. The government-to-government exception: Allows someone who goes to work for another government entity, at any level, to appear before the former agency, regardless of how much time has elapsed since the individual left State service.

2. Exception for “ministerial matters”: i.e. matters that the agency handles by the thousands, if not millions of times a day. For example, a former employee of the Department of Motor Vehicles may still renew his or her driver’s license.

### Penalties

Individuals who violate certain provisions of Public Officers Law §73 are subject to a civil penalty not to exceed \$40,000, for each appearance. In lieu of a civil penalty, the Commission may refer violations to an appropriate prosecutor for prosecution as a Class A misdemeanor.

### Applicable New York Law

These standards do not replace and are in addition to the requirements of law, particularly Sections 73, 73-a and 74 of the New York Public Officers Law, which, among other things, govern the business activities of Trustees, Employees and Former Trustees or Former Employees and set forth the State Code of Ethics. [Sections 73](#), [73-a](#) and [74](#) of the Public Officers Law are made a part of this Code. The violation of any ethics laws or regulations may also constitute violations of civil or criminal state and federal law.

## **V. Trading of Securities of Companies Providing Operations Services to the LIPA and Certain Energy Companies**

The acquisition or trading of securities issued by companies that provide Operations Services to LIPA, the parent corporations of such companies and other subsidiaries or affiliates of such parent corporations, if any, presents a possible Conflict of Interest for all Trustees and Employees.

To protect against the potential of a Conflict of Interest with respect to Transactions involving companies that provide Operations Services to LIPA, it is the Authority’s policy that a Trustee or Employee, or a Trustee or Employee’s Spouse or Dependent Child may not Trade in or otherwise acquire securities in any companies, including parent corporations and other subsidiaries or affiliates of such parent corporations, if any, that provide Operations Services to LIPA. A Trustee or Employee, or a Trustee or Employee’s Spouse or Dependent Child who has acquired the securities, not including such securities that are included within a mutual fund or pension fund investment, of such companies must sell or transfer the securities within one year of (i) the Trustee or Employee’s date of appointment with LIPA, or (ii) the date of such receipt, whichever is later.

No Trustee or Employee may Trade in or, except as permitted below, otherwise acquire securities in any company engaged in the generation, transmission or sale of electric energy or gas or the provision of fuel to generation facilities, if that Trustee or Employee’s responsibilities include the (i) representing LIPA in Transactions involving such companies; (ii) participating in the evaluation of, or LIPA decisions with respect to, Transactions with such companies, or (iii) representing LIPA before regulatory agencies or independent system operators (or their successors) on matters in which such companies have a potential financial interest. Excepted from this provision are those securities that are included within a mutual

fund or pension fund investment.

There is no prohibition against the ownership or Trading of LIPA bonds and notes which are publicly held and traded subject to the limitations set forth below in Section V.

## **VI. Use of Material, Nonpublic and Confidential Information**

It is the policy of LIPA to prohibit all Trustees and Employees, and Former Trustees and Former Employees from (1) Trading in securities based on material, nonpublic information derived from or relating to LIPA activities and (2) disclosing Confidential Information to unauthorized third parties.

### **A. Trading of Securities Based on Material, Nonpublic Information**

1. Trustees, Employees and Former Trustees and Former Employees shall not Trade in bonds or other securities issued by LIPA based on material, nonpublic information derived from any source and shall not disclose such information for the purpose of allowing third parties to profit from Trading in LIPA securities.

2. Trustees, Employees and Former Trustees and Former Employees shall not Trade in stocks, bonds or other securities issued by other business entities based on material, nonpublic information obtained in the course of their duties for LIPA and shall not disclose such information for the purpose of allowing third parties to profit from Trading in securities issued by other business entities based on such information. Information is material if there is a substantial likelihood that a reasonable investor would consider the information important in making his or her investment decision concerning the securities in question. Information is nonpublic if, in the case of LIPA securities, it has not been publicly disseminated by LIPA. Information is nonpublic if, in the case of securities issued by other business entities, it has not been publicly disseminated by those business entities.

### **B. Disclosure or Use of Confidential Information**

Trustees, Employees and Former Trustees and Former Employees shall not disclose Confidential Information to any third party not authorized to receive such information and shall not profit from the use of such information or use such information to further his or her personal interests of the interests of any Relative.

If a Trustee, Employee or Former Trustee or Employee has a question concerning the confidential status of any information, he or she should consult with LIPA's General Counsel regarding such information prior to disclosing it to a third party.

Trustees, Employees, Former Trustees and Former Employees who violate the provisions of this section may be subject to civil and criminal penalties under Federal and State laws, including fines and/or imprisonment. In addition, Trustees Employees who violate the provisions of this section may be subject to disciplinary action, including removal and/or termination of employment, as appropriate.



## **VII. Annual Certification of Absence of Conflict of Interest**

All Trustees and Employees are required to certify annually that they have read the Code, that they understand and agree to comply with the provisions thereof and that they have no known conflict of interest. LIPA shall supply the Annual Certification Form. These certifications shall be timely submitted to LIPA's General Counsel or Compliance Officer.

Any Trustee or Employee who knowingly fails to complete, sign and submit the required Annual Certification Form is in violation of the Code and may be subject to disciplinary action.

## **VIII. Requests for Interpretation, Clarification or Waiver of the Code**

### **a. Interpretation and Clarification**

A Trustee or Former Trustee may submit a written request to LIPA's General Counsel for an interpretation or clarification of one or more provisions of the Code.

### **b. Waivers**

A Trustee or Former Trustee may submit a written request to the Chair of the Board of Trustees for a waiver of any restriction contained in the Code, provided that the restriction is not otherwise required by State or Federal law. All waiver requests shall include a description of the nature of the restriction or prohibition for which waiver is sought; the nature of the Trustee's or Former Trustee's interest involved; the effect on the Trustee or Former Trustee or LIPA of the restriction or prohibition for which the waiver is sought; and the reasons why the waiver should be granted. A copy of the written request shall be provided to LIPA's General Counsel.

## **IX. Remedies for Breaches of the Code**

In addition to any other remedies, civil or otherwise, which LIPA may have, a Trustee, Employee, Former Trustee or Former Employee who violates the Code may be disciplined under the Code. Remedies or disciplinary action may be imposed only upon the basis of a written statement of findings and recommendations by LIPA's General Counsel, and may include one or more of the following:

1. issuance of written warnings;
2. direction of corrective action to eliminate and/or ameliorate the conflict of interest; restitution; and
3. in the case of an Employee, changes in assigned duties, suspension or termination of employment; provided, however, that solely the Chief Executive Officer or the Trustees, as applicable, may impose the remedies specified in this subdivision.

A Former Trustee or Employee found to have violated the Code is subject to one or more of the following in addition to any other remedies, civil or otherwise, that LIPA may have: warnings; termination of existing Transactions involving the individual in question to

the extent permitted by law; disqualification or suspension from future Transactions of the Former Trustee or Employee and/or the person on whose behalf he or she is participating in Transactions with LIPA; and notification to appropriate persons that a conflict exists.

## **X. Reporting of Violations of the Code and Whistleblower Protection**

Trustees, Employees, Former Trustees and Former Employees are encouraged to promptly report any violations of the Code to the Chair of the Board of Trustees or LIPA's General Counsel and shall cooperate in any official investigation of such violations. LIPA shall also maintain an ethics hotline. Ethics complaints may currently be filed by calling (844) 915-1626 or online at [lipower.ethicspoint.com](http://lipower.ethicspoint.com).

The identify of a Trustee, Employee, Former Trustee, or Former Trustee who reports a violation of the Code and the substance of his or her allegations shall be kept confidential to the extent possible.

Retaliation against Trustees, Employees, and Former Trustees and Former Employees who in good faith report violations of the Code, other provisions of law or policies, or the public trust, is prohibited.

LIPA's General Counsel will inform the LIPA's Governance, Planning and Personnel Committee of the Board of Trustees about the status and disposition of official investigations and issues thereof raised under the Code.

## **XI. Recusal Procedure for LIPA Trustees**

If a Trustee has reason to believe he or she may have a Conflict of Interest, then the Trustee shall:

a. Promptly disclose the potential Conflict of Interest to the Chair of the Board of Trustees, or the Vice Chair if appropriate, and LIPA's General Counsel and describe all material facts concerning the potential Conflict of Interest known to the Trustee. After such disclosure, the Chair of the Board of Trustees, in consultation with LIPA's General Counsel, shall make a record of such disclosure and advise appropriate staff that they are prohibited from communicating with such Trustee about such matter. Further, if after such disclosure such matter is on an agenda for, or is otherwise raised at a Board meeting, the Trustee shall recuse him/herself from all consideration and voting on such matter and such recusal and the reason therefore shall be recorded in the minutes of such Board meeting. As a best practice, the Trustee should leave the Board meeting while the other Trustees complete their discussion, consideration and vote.

b. After full disclosure to the Chair of the Board of Trustees and LIPA's General Counsel, nothing contained herein shall be construed or applied to prohibit any firm, association, corporation or entity, in which the Trustee is a member, associate, retired member, of counsel, shareholder or owner, from appearing, practicing, communicating or otherwise rendering services in relation to any matter before, or transacting business with LIPA or its service provider where such Trustee does not participate in any way on behalf of the party

conducting such business, does not participate in the decision to award the contract, and does not share in the net revenues resulting therefrom, or, acting in good faith, it is reasonably believed that such Trustee would not share in the net revenues therefrom, and where such Trustee otherwise complies with all other directives provided by LIPA's General Counsel.