

POLICY

CONFIDENTIALITY, COMPETITION AND DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

This policy shall apply to the members of the Board-of Directors of the Saratoga Economic Development Corporation (“SEDC”) (the “Board”). Board members have an obligation to conduct business in a manner that avoids actual, potential or perceived conflicts of interest. This policy establishes a framework within which the SEDC requires its Board members to operate.

An actual, potential or perceived conflict of interest occurs when a Board member is in a position to influence a decision that may result in a personal or professional gain for the Board member or for a relative as a result of SEDC’s work and business.

For the purpose of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the Board member is similar to that of persons who are related by blood or marriage.

It shall be the policy of SEDC to avoid any actual, potential or perceived conflict of interest between the respective personal, professional or business interests of members of the Board of Directors and the interests of the SEDC, in any and all actions taken by them on behalf of the SEDC in their capacity as Board members. Furthermore, no member, while serving as a member of the Board of Directors or in another type of leadership capacity, will take personal advantage of his or her role by allowing a situation to exist that may be construed as a conflict of interest situation.

In the event that any Board member shall have any direct or indirect interest in, or relationship with, any individual or organization which proposes to enter into any transaction with SEDC, including but not limited to transactions involving:

- a. employment, or rendition of services, personal or otherwise;
- b. the award of any grant, contract, or subcontract;
- c. the investment or deposit of any funds of the Board(§);
- d. a lender’s provision of credit or funding;
- e. governmental negotiations and/or deliberations involving SEDC in any capacity;

such person shall give notice of such interest or relationship and shall thereafter refrain from discussing or voting on the particular transaction in which he has an interest, or otherwise attempting to exert any influence on SEDC to affect a decision to participate or not participate in such transaction.

PURPOSE

The purpose of this Policy is to provide general direction so Board members can seek clarification on issues related to the subject of acceptable standards of operation.

It has been the intent of SEDC since its inception to carry on its activities in accordance with the highest ethical standards. Adoption of this Policy by the Board of Directors is, therefore, a reaffirmation of the SEDC's intent that all Board members practice the highest ethical standards and give undivided loyalty to SEDC and its goals. Any activities which do not serve the best interest of SEDC or which favor the personal advantage of another person or corporation are inconsistent with the duties and responsibilities owed to SEDC.

PRACTICE/PROCEDURE

It is therefore resolved that:

All Board members shall scrupulously avoid any conflict, real, potential or perceived, between their own respective individual interests and the interests of SEDC, in any and all actions taken by them on behalf of SEDC in their respective capacities.

In furtherance of the above, all Board members will complete the attached "STATEMENT REGARDING CONFIDENTIALITY, COMPETITION AND DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST"

If a Board member has any influence on, may stand to derive a personal gain or benefit from, or shall have any direct or indirect interest in, or relationship with any individual or organization, or transactions involving SEDC undertakings, purchases, contracts, or leases, or if any other circumstances involving a conflict of interest or potential conflict of interest arise, it is imperative that the Board member:

- disclose to the Chairman of the Board of Directors as soon as possible the existence of any actual, potential or perceived conflict of interest so that safeguards can be established to protect all parties;
- disclose to the Chairman any direct or indirect relationships with organizations, either for-profit or not-for-profit, private, or governmental, that may, during their term of membership, be involved with SEDC in a formal capacity. Examples of such relationships may include, but are not limited to, employer-employee relationships, governance relationships, shareholder relationships, contractor-contractee relationships, etc
- agree to take steps to resolve or avoid the conflict.

Failure to make such disclosure or to take steps required by SEDC shall be grounds for termination from the Board.

To the extent a Board member does not voluntarily recuse him or herself from decision-making in regard to the issue disclosed, then upon disclosure of an actual or potential conflict, or appearance of conflict, the Chairman of the Board will put to the vote of the remaining members of the Board of Directors the issue of whether or not an actual or potential conflict, or the appearance of conflict exists. A one-third vote of the Board will

be sufficient to disqualify the relevant Board member from participation in decisions related to the relevant undertaking, transaction, etcetera.

Minutes of appropriate meetings should reflect that such disclosure was made, and where applicable, that such Board member abstained from voting and absented him or her self from the final review and vote on the matter.

A copy of this Policy shall be provided to newly-elected Board members.

This Policy shall be reviewed periodically for the information and guidance of all individuals who serve the Boards.

Approved: _____

BOARD OF DIRECTORS – SARATOGA ECONOMIC DEVELOPMENT CORPORATION

**STATEMENT REGARDING CONFIDENTIALITY, COMPETITION AND
DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST**

I have been selected to serve on the Board of Directors of SEDC.

I understand that my sources of income and financial interests and/or my business dealings with SEDC may create a real or potential conflict of interest or perceived conflict of interest.

I agree to disclose (1) any significant source of income or other financial interest I or an immediate family member has which may be directly or indirectly affected by a decision of SEDC, and/or (2) any significant interest I or an immediate family member has in an organization with which SEDC is dealing or with which it is considering conducting business, either at the time of my appointment (or when this policy is implemented) or when that information is relevant to matters under consideration by the Board of Directors on which I serve.

I agree that if (1) my income or other financial interest may be directly or indirectly affected by an action or decision of SEDC, or (2) my interest involves an organization with which the SEDC is dealing or considering dealing, I will not vote on the transaction under consideration and will excuse myself from the meeting while the matter is under consideration unless the remaining directors or Board members determine by vote that I may participate in the discussion.

At the present time, I am an employee, partner, director or officer of the following corporations or business entities, or am the beneficial owner of 3% or more of any corporation or business entity, or an individual that has had business transactions with SEDC of an imputed value of \$5,000 or more or with which SEDC is considering transacting business potentially of an actual or imputed value of \$5,000 or more:

(Identify nature of interest, value of transactions. Attach additional sheets, if necessary)

At the present time 5% or more of my income is derived from the following sources that may be directly or indirectly affected by the decisions of SEDC.

(Identify source. Attach additional sheets, if necessary.)

At the present time I am a member of the following governmental entity that may be directly or indirectly involved with transactions or undertakings relevant to SEDC.

I understand that it is my responsibility to update this information if there are changes in the sources of my income, my other financial interests, organizations with which the SEDC is considering business, and/or the impact the SEDC actions may have on these interests.

I further understand that the information that I provide in this statement and/or in supplements to this statement may be provided to other members of the Board.

I further understand that in the course of my duties on the Board of Directors, I will have access to confidential information about SEDC operations. I agree that during and after my service on the Board, I will not disclose any such information to any person or entity, other than the Board, except as the Board specifically authorizes or directs me in writing. I will observe any requirements or procedures that the Board may require for the protection of the confidentiality of such information. I understand that any questions as to what information is confidential will be referred to, and resolved by, the Chairman of the Board and put to a vote of the relevant Board for final resolution.

NAME: _____

ADDRESS: _____

DATE: _____

SIGNATURE: _____

VERIFICATION

STATE OF NEW YORK)
COUNTY OF SARATOGA)

_____, being duly sworn, deposes and says: that
he/she has read and signed the foregoing SEDC Conflict of Interest Policy and
that it is true, accurate and complete, to the best of my knowledge.

Subscribed and Sworn to before me

this _____ day of _____, 20_____.

NOTARY PUBLIC
STATE OF NEW YORK