FREEPORT ECONIMIC DEVELOPMENT CORPORATION
ETHICS POLICY AND CODE OF CONDUCT

I. PURPOSE

This policy has been adopted by the Freeport Economic Development Corporation ("FEDC") for the following purposes: (a) to encourage high ethical standards in official conduct of FEDC directors, officers, and employees; and (B) to establish guidelines for such ethical standards of conduct.

II. POLICY

It is the policy of the FEDC that FEDC officials shall conduct themselves in a manner consistent with sound business and ethical practices; that the public interest shall always be served in conducting FEDC business; that the appearance of impropriety shall be avoided to ensure and maintain public confidence in the FEDC; and that the officials of the FEDC shall control and manage the affairs of the FEDC fairly, impartially, and without discrimination, and in accordance with the stated purpose of the FEDC.

III. STANDARDS OF CONDUCT

A director, officer, or employee of the FEDC should not:

(1) accept or solicit any gift, favor, or service that might reasonably tend to influence the director, officer, or employee in the discharge of official duties or that the director, officer, or employee knows or should know is being offered with the intent to influence the director's, officer's, or employee's official conduct;

(2) accept other employment or engage in a business or professional activity that the director, officer, or employee might reasonably expect would require or induce the director, officer, or employee to disclose confidential information acquired by reason of the official position;

(3) accept other employment or compensation that could reasonably be expected to impair the director's, officer's, or employee's independence of judgment in the performance of the director's, officer's, or employee's official duties;

(4) make personal investments that could reasonably be expected to create a substantial conflict between the director's, officer's, or employee's private interest and the interest of the FEDC; or

(5) intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised the director's, officer's, or employee's official powers or performed the director's, officer's, or employee's official duties in favor of another.

IV. CONFLICTS OF INTEREST

A. An official of the FEDC is prohibited by Chapter 171 of the ***LOCAL GOVERNMENT CODE*** from participating, directly or indirectly, in a vote or decision or from acting as a surety on any matter involving a business entity in which the official has substantial interest, if it is reasonably foreseeable that an action on the matter would confer an economic or any other benefit on the business entity.

B. In cases of conflicts of interest, FEDC officials shall disclose such conflicts and shall file with the secretary of the Board of Directors an affidavit stating the nature and extent of the conflict of interest. Thereafter, that FEDC official shall abstain from participation in the matter as provided by the law.

C. FEDC officials shall not disclose, without written legal authorization, confidential information to advance the financial or other private interests of himself or others regarding any contract or transactions that is or may be the subject of an official action of the FEDC.

D. The FEDC may not contract for the purchase of services or personal property directly with an FEDC official or with a business entity, in which an FEDC official has a substantial interest, except as permitted by law.

E. The Board of Directors shall take a separate vote on any budget item specifically dedicated to a contract with a business entity in which a director has a substantial interest. The director having the substantial interest may not participate in that separate vote, but may vote on a final budget if the separate budget item voted on does not exceed ten percent (10%) of the total budget.

V. USE OF FEDC PROPERTY

No FEDC director, officer, or employee shall permit any unauthorized use of FEDC-owned or FEDC-controlled equipment, materials, supplies, or property.