

NTTA EMPLOYEES ETHICS POLICY

I. OVERVIEW

Pursuant to Section 366.033(a)(1) of the Texas Transportation Code, NTTA's Board of Directors ("Board") adopts the following as its Employees Ethics Policy.

II. STANDARDS OF CONDUCT

Employees have a fiduciary duty to act in the best interest of NTTA. They shall act honestly and according to the standard of a prudent person, exercising their best skill and judgment for NTTA's benefit. Employees shall comply with all applicable laws. To the extent this Ethics Policy is inconsistent with any applicable law, such law shall control.

A. An employee shall:

1. perform his or her duties in a lawful, professional, and ethical manner;
2. promptly report to and consult with the Ethics Officer regarding any ethics issues pertaining to his or her service as an employee or any activity regarding NTTA that the employee believes to be in violation of this Ethics Policy or law; if an employee believes that the Ethics Officer may be implicated in alleged impropriety, the employee may contact the Executive Director, in lieu of the Ethics Officer, and if both the Ethics Officer and Executive Director may be implicated, contact the Board Chair.

B. Except as permitted under Section II.C, an employee shall not:

1. solicit, accept, or agree to accept any gift or other benefit (i) as consideration for the employee's decision, opinion, recommendation, vote, or other exercise of discretion, (ii) as consideration for a violation of a duty imposed by law on the employee, (iii) that the employee knows or should know is being offered with the intent to influence the employee's exercise of discretion, (iv) that might reasonably tend to influence the employee's discharge of his or her official duties, or (v) from a person the employee knows is interested in or likely to become interested in any contract, purchase, payment, claim, or transaction involving the employee's exercise of discretion;

2. intentionally or knowingly solicit, accept, or agree to accept any benefit for the exercise of his or her powers as an employee or performance of his or her official duties in favor of another;
3. offer or give any gift or other benefit to:
 - (i) a public official as consideration for that official's decision, opinion, recommendation, vote, or exercise of discretion or that is intended or reasonably might be expected to influence the public official's discharge of his or her official duties;
 - (ii) any person with an intent to avoid the detection of a violation of law or NTTA rules or polices; or
 - (iii) any person with an intent to gain a benefit that conflicts with NTTA's or the public's interest.
4. disclose confidential or proprietary information or information that is excepted from public disclosure under the Texas Public Information Act;
5. accept other employment, including self-employment, or engage in a business, charity, nonprofit organization, or professional activity that (i) the employee might reasonably expect would require or induce the employee to disclose confidential NTTA information or (ii) could reasonably be expected to impair the employee's independence of judgment in the performance of his or her official duties;
6. make personal investments that could reasonably be expected to create a substantial conflict between the employee's private interest and NTTA's interest;
7. use NTTA property for any purpose other than official NTTA business, unless such use is reasonable and incidental and does not result in any direct cost to NTTA, interfere with the employee's official duties, or interfere with NTTA functions;
8. use his or her official position for financial gain, obtaining privileges, or avoiding consequences of illegal acts;
9. knowingly make misleading statements, either oral or written, or provide false information in the course of conducting NTTA business;

10. use NTTA property or personnel for political activity, such as campaigning for a candidate or soliciting political contributions; or
 11. purport to commit NTTA to any contract, obligation, or other action without having been properly authorized to do so by the Board.
- C. Subsections 1-3 of Section II.B do not apply to a gift or other benefit allowed under Section 36.10 of the Texas Penal Code, including (i) a gift or other benefit conferred on account of kinship or a personal, professional, or business relationship independent of the official status of the recipient, (ii) an item with a value of less than \$50 (excluding cash), (iii) a political contribution as defined by Title 15, Texas Election Code; (iv) an expenditure made and reported in accordance with the lobbying provisions of Chapter 305, Texas Government Code; and (v) food, lodging, transportation, or entertainment accepted by the employee as a guest, though certain of these benefits may require disclosure under Part III of this policy.

III. CONFLICTS OF INTEREST

- A. **Definitions.** Under this Part III, the following terms are defined as indicated:
1. A “conflict of interest” exists when an employee has a private interest (financial, personal, or otherwise) in a contract, decision, or other matter involving NTTA that might cause the employee to perform his or her duties differently than if the employee had had no such private interest. An employee with a direct or indirect interest in a contract with or a sale of property to NTTA has a per se conflict.
 2. An “appearance of impropriety” exists when a reasonable person would believe that an employee’s private interest (financial, personal, or otherwise) might cause the employee to perform his or her official duties differently than if the employee had had no such private interest.
 3. A “domestic partner” is someone who lives in the same household with an employee and shares the common resources of life in a close, personal, and intimate relationship with the employee.
 4. A “family member” is the employee’s spouse or domestic partner, child, step-child, son-in-law, daughter-in-law, parent, step-parent, mother-in-law, father-in-law, divorced spouse if the employee and the divorced spouse had a child together who is now living, and a parent of the employee’s divorced or

deceased spouse if the employee and such former spouse had a child together who is now living.¹

5. A “family relationship” is the relationship between an employee and anyone described in Section III.A.4. or any of the employee’s brothers, sisters, grandparents, grandchildren, great-grandparents, great-grandchildren, aunts, uncles, nephews, nieces, brothers-in-law, sisters-in-law, spouse’s grandparents, spouse’s grandchildren, grandchildren’s spouses, or grandparents’ spouses.
6. “Gift” means a benefit offered by a person, including lodging, transportation, and entertainment accepted as a guest²; however, for the purposes of disclosures required under Section III.C., the term does not include (i) a benefit offered on account of kinship or a personal, professional, or business relationship independent of the employee’s official status, (ii) a political contribution defined by Title 15 (Section 251.001) Texas Election Code or (iii) food accepted as a guest.
7. A person has a “substantial interest in a business entity” if (i) the person owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more or \$15,000 or more of the fair market value of the business entity or (ii) funds received by the person from the business entity exceed 10 percent of the person’s gross income for the previous year.
8. A person has a “substantial interest in real estate” if the person owns an equitable or legal interest in real estate and the interest has a fair market value of \$2,500 or more.

B. **Application.**

1. Imputed Conflict of Interest of Family Members. Unless an express exception applies, when an employee’s **family member** has an interest in an NTTA matter that would give rise to a conflict of interest if the interest were held by the

¹ “Family members” are persons related within the first degree by either consanguinity or affinity; “family relationship” describes persons related within the third degree by consanguinity or the second degree by affinity, all as defined in Subchapter B, Chapter 573, Texas Government Code.

² As previously noted, accepting food, lodging, entertainment, or food as a guest does not violate the Texas Penal Code. However, the disclosure requirements in this Part III are derived from a different statute (the Texas Local Government Code); therefore, these items (excluding food) may require disclosure under Section III.C if their aggregate value is more than \$100.

employee, then the family member's interest is imputed to the employee, who is, therefore, deemed to have a conflict of interest concerning that matter.

2. Disclosure of Family Relationships. If NTTA is entering into or considering entering into a contract with a person, and an employee has a **family relationship** with that person or his or her agent, the employee must disclose the family relationship, as described below in this Part III.

C. Disclosure Regarding Existing or Potential Relationships With Vendors. If NTTA has entered into, is entering into, or is considering entering into a contract with a business or person (a "vendor"), the employee must file a conflicts disclosure statement in a form approved by NTTA disclosing the following facts, if applicable: (1) the vendor has or has had an employment or business relationship with the employee or the employee's family member through which the employee or family member received over \$2,500 in income (other than investment income) during the previous 12 months, (2) in the previous 12 months, the vendor has given the employee or a family member one or more gifts having an aggregate value of more than \$100, or (3) the vendor or its agent has a family relationship with the employee.

The employee must file the statement (or an amendment or supplement thereto) within seven days after the date he or she becomes aware of facts requiring the statement (or amendment or supplement).

D. Disclosure and Abstention. If an employee or the employee's family member has a substantial interest in: (1) a business entity that is the subject of a vote or decision by the Board that will have a special economic effect on the business entity that is distinguishable from the effect on the public or (2) real estate, where it is reasonably foreseeable the matter will have a special economic effect that is distinguishable from the effect on the public, then, before a vote or other action on the matter is taken by the Board, the employee shall notify his or her department director and the Ethics Officer promptly (but no later than seven days after the employee becomes aware of the need for such disclosure) and the employee shall abstain from all participation in the matter.

An employee who reasonably believes that his or her consideration of or participation in a matter may give rise to an appearance of impropriety shall submit a disclosure in the same manner and likewise abstain from all participation in the matter. The disclosure described in this Section III.D is in addition to a conflicts disclosure statement, if any, required under Section III.C.

- E. Procedures to Address Conflicts of Interest. Employees shall make the disclosures and filings required by Sections III.C and III.D with his or her department director as well as the Ethics Officer. An employee who does not make a filing required under Section III.C and/or Section III.D shall be presumed to have reported that he or she has no conflict of interest or appearance of impropriety pertaining to known vendor relationships.

The Ethics Officer shall proactively interact with employees regarding possible conflicts of interest and/or appearances of impropriety. Disputes involving the existence of a conflict of interest or an appearance of impropriety or the proper response thereto will be first discussed by the employee's department director and the Ethics Officer. If they are unable to resolve the matter, the Executive Director shall be apprised and may take any appropriate action allowed by law. This process does not relieve individual employees of their personal obligation to comply with this Ethics Policy.

- F. Regular Reporting. Employees shall diligently and in a timely manner review and complete the conflict of interest disclosure forms, if any, provided to them in advance of every Board or Board Committee meeting. The Executive Director shall designate which employees are subject to this reporting requirement, provided that at a minimum the following employees shall be subject to that requirement:

1. Executive Director
2. Deputy Executive Director
3. All non-support staff employees who are direct reports to the Executive Director or Deputy Executive Director
4. General Counsel
5. Manager in charge of procurement services

- G. Annual Reporting. Each employee subject to the reporting requirements above shall file with the Board Secretary a personal financial statement on the form developed by the Texas Ethics Commission upon hiring and by April 30 of succeeding each year. The filing date may be extended by up to 60 days by the Executive Director.

- H. Procurement Disclosures. Each NTTA employee or agent who exercises discretion in the planning, recommending, selecting, or contracting of or with a person or business with whom NTTA is entering into or considering entering into a contract must file a Procurement Disclosure Statement provided by Procurement Services, which will include, in addition to the disclosures described in Section III.C and III.D above, a statement whether the employee or agent has a family relationship with the vendor or the vendor's agent.

IV. REVOLVING DOOR

An employee after leaving NTTA employment shall not participate on behalf of any third party in a matter involving NTTA in which the employee participated while employed by NTTA. For purposes of this subsection, an employee participated in a matter if the employee made a decision or recommendation on the matter, approved, disapproved, or gave advice on the matter, conducted an investigation related to the matter, or took a similar action related to the matter.

V. NEPOTISM

An employee may not (A) appoint or hire, (B) recommend the appointment or hiring of, or (C) encourage others to appoint or hire an individual to an NTTA position that is to be directly or indirectly compensated from NTTA funds if the individual has a family relationship with the employee, as defined in Section III.A.5. Nor shall an employee take any of these actions on behalf of a person with whom another employee has a family relationship, if such action was carried out in whole or partial consideration for the other employee's taking a similar action regarding an individual with whom the first has a family relationship.

VI. CONDUCT OF BUSINESS

NTTA recognizes its obligations under the Texas Open Meetings Act and the Texas Public Information Act and its employees will conduct NTTA business and report on its activities in a manner that apprises the public of the matters under consideration by NTTA and the decisions it makes. Pursuant to Section 551.146 of the Texas Open Meetings Act, employees shall not without lawful authority knowingly disclose to third parties the certified agenda or recording of an executive session.

VII. ADOPTION

The Board adopted this Ethics Policy by Resolution No. 12-87, passed unanimously on May 16, 2012. This Ethics Policy was amended by Resolution No. 16-127, passed unanimously on October 19, 2016. By Resolution No. 12-05, passed unanimously on January 18, 2012, the Board appointed the NTTA General Counsel to serve as the Ethics Officer under this Ethics Policy. This Ethics Policy was amended by Resolution No. 22-78, passed unanimously on July 20, 2022.