

NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY

ETHICS & COMPLIANCE POLICY

I. General Statement of Policy

The North East Texas Regional Mobility Authority (“NET RMA”) is committed to conducting its business in an ethical, honest, and open manner and to maintaining high ethical standards among its officers and employees. In furtherance of that commitment, the NET RMA adopts the Ethics & Compliance Policy set forth herein.

In addition to complying with the requirements of this Ethics & Compliance Policy, NET RMA officers and employees must at all times abide by applicable federal and state laws and regulations, the NET RMA bylaws, and NET RMA policies.

II. Employee Code of Conduct

Employees of the NET RMA are expected to conduct the business of the authority in an open, honest, and ethical manner. Employees must adhere to the highest standards of ethical conduct in the performance of their responsibilities and must refrain from engaging in any activity that could raise questions as to the honesty or integrity of the NET RMA or damage the NET RMA’s reputation or credibility. Additionally, employees must at all times comply with the Employee Code of Conduct set forth in this Section II.

Equal Employment Opportunity

The NET RMA is an equal opportunity employer and is committed to the principles of equal employment opportunity. The NET RMA will not tolerate discrimination based on race, ethnicity, color, creed, religion, ancestry, national origin, sex, gender, sexual orientation, age, disability, or any other status protected by law.

All employment decisions, including but not limited to decisions regarding recruitment, selection, hiring, transfer, compensation, benefits, training, promotion, demotion, discipline, discharge, termination, leave of absence, and other terms, conditions, and privileges of employment, shall be based on individual qualifications without regard to an employee’s status as a member of a protected class. The NET RMA will make reasonable efforts to ensure that all protected classes have equal access to employment with the NET RMA, and all personnel responsible for hiring, managing, and promoting employees are charged to support the NET RMA’s commitment to equal employment opportunity.

The NET RMA will make reasonable accommodations for applicants or employees with disabilities, provided that the individual is otherwise qualified to perform the duties and responsibilities of the position and that any accommodation is not detrimental to the business operations of the NET RMA.

Workplace Harassment

The NET RMA is committed to ensuring a respectful work environment free from sexual harassment or any type of unlawful discrimination or harassment based on race, ethnicity, color, creed, religion, ancestry, national origin, sex, gender, sexual orientation, age, disability, or any other status protected by law. Harassment based on any of the above is considered a form of illegal discrimination. The NET RMA will not tolerate any form of harassment in the workplace.

Prohibited sexual harassment includes any unwelcome sexual advances, requests for sexual favors, or other unwelcome verbal or physical conduct of a sexual nature where submission to such conduct affects an individual's employment; such conduct has the purpose or effect of unreasonably interfering with an individual's work performance; or such conduct creates an intimidating, hostile, or offensive work environment. Other forms of prohibited harassment include unwelcome verbal or physical conduct that belittles, shows hostility, or ridicules an individual because of race, ethnicity, color, creed, religion, ancestry, national origin, sex, gender, sexual orientation, age, disability, or any other characteristic protected by law.

If an employee believes that he or she is or has been subjected to harassment, including but not limited to any of the conduct listed herein, by any manager, other employee, consultant, customer, vendor, or any other person in connection with employment at the NET RMA, the employee should report the incident to the chief administrative officer of the NET RMA, if any, the Chairman of the NET RMA, or, in the absence of a chief administrative officer or Chairman or in the event that the incident involves the Chairman, to the Vice-Chairman. Similarly, an employee who witnesses harassment directed at another employee should immediately report the matter to the chief administrative officer of the NET RMA, if any, the Chairman of the NET RMA, or, in absence of a chief administrative officer or Chairman or in the event that the incident involves the Chairman, to the Vice-Chairman, with or without the permission of the employee involved. All complaints of workplace harassment will be investigated promptly and thoroughly and with as much confidentiality as possible. Retaliation against an employee who reports workplace harassment will not be tolerated.

The NET RMA will take complaints or reports of harassment very seriously and will take appropriate remedial action if an investigation reveals that prohibited harassment, discrimination, or retaliation in violation of this Code of Conduct has occurred. Employees who engage in prohibited harassment will be subject to corrective action, up to and including termination of employment.

Conflicts of Interest

Employees are prohibited from engaging in any activity that could create a conflict of interest or even the appearance of a conflict of interest with the employee's duties and responsibilities to the NET RMA. Activities that could create a conflict of interest include, but are not limited to:

1. Transaction of NET RMA business with any entity in which the employee is an officer, agent, member, or owner of a controlling interest;
2. Participation in a NET RMA project in which the employee has a direct or indirect monetary interest;
3. Outside business or professional activities that could interfere with the employee's performance of duties on behalf of the NET RMA or impair the employee's independence of judgment with respect to the employee's performance of NET RMA duties;
4. Personal investments that are likely to create a substantial conflict between the employee's private interest and the interest of the NET RMA; and
5. Any activity that could result in the disclosure of confidential or sensitive information that the employee has access to as a result of the employee's position with the NET RMA.

If an employee is uncertain as to whether a particular activity could create a conflict of interest, the employee should consult the NET RMA's General Counsel prior to engaging in the activity.

Gifts and Honoraria

Employees are prohibited from accepting gifts, favors, benefits, or other compensation, whether in the form of money or other thing of value, which could influence them or even have the appearance of influencing them in the performance of their official duties. Employees may accept meals offered in the course of normal business relationships. Additionally, employees may accept promotional items that do not exceed an estimated \$25 in value and are distributed as a normal means of advertising.

Employees may not accept an honorarium for appearing at a conference, workshop seminar, or symposium as a representative of the NET RMA other than reimbursement for food, transportation, or lodging.

If an employee is uncertain as to whether he or she may accept a gift, favor, or benefit, the employee should consult the NET RMA's General Counsel prior to acceptance.

Use of NET RMA Property

Computers, including all software, hardware, internet, and email systems; modems; printers; telephones; cellular phones; fax machines; copy machines; and other electronic and communications equipment owned or leased by the NET RMA may be used for official NET RMA purposes only. Employees may, however, make brief personal telephone calls for which the NET RMA does not incur any additional charges. Employees do not have an expectation of privacy when using NET RMA electronic and communications equipment, and all emails, computer files, and telephone records are the property of the NET RMA and are subject to

disclosure under the Texas Public Information Act, discovery in litigation, and/or examination by managers or supervisors.

Employees must immediately report lost or stolen NET RMA property to the chief administrative officer of the NET RMA, if any, the Chairman of the NET RMA, or, in the absence of a chief administrative officer or Chairman, to the Vice-Chairman. Misuse or theft of NET RMA property may result in disciplinary action, including criminal prosecution.

Criminal Activity

The NET RMA will perform criminal background checks on all final applicants for any position involving the disbursement of NET RMA funds or the handling of cash, checks or credit cards; negotiable documents and materials; or highly confidential or sensitive information. All applicants admitting a felony conviction on their application materials will also be subject to a criminal background check. Additionally, the NET RMA may at its discretion perform criminal background checks on applicants for any other position.

If an employee is charged with a felony or a misdemeanor other than a traffic violation, the employee is required to immediately inform the chief administrative officer of the NET RMA, if any, the Chairman of the NET RMA, or, in the absence of a chief administrative officer or Chairman, the Vice-Chairman. The NET RMA may take steps to respond to criminal violations consistent with Section V below, up to and including termination of employment.

Maintenance of Agency Records, Fraud, & Public Information

Employees must maintain all NET RMA records for at least the minimum amount of time prescribed by the records retention schedules applicable to local governmental entities adopted by the Texas State Library and Archives Commission. In the event that litigation is filed against the NET RMA or is reasonably anticipated to be filed, the NET RMA's General Counsel may determine that it is necessary to implement a litigation hold in order to ensure the preservation of all records related to the lawsuit. Employees must refrain from destroying any records that are the subject of a litigation hold. Additionally, Employees must comply with the NET RMA's Policies and Procedures for Retention of Records.

Given the need for accurate and honest business records, any false or misleading report or record (including but not limited to financial documents; resumes; employment applications; contracts; and reports) will be taken very seriously. Employees who become aware of any suspected fraudulent act or falsification of NET RMA records must immediately report the concern to the chief administrative officer of the NET RMA, if any, the Chairman of the NET RMA, or, in the absence of a chief administrative officer or Chairman, to the Vice-Chairman, who shall respond to the evidence by taking appropriate remedial action. Discovery of a fraudulent act related to a person's employment or job responsibilities may result in corrective action, up to and including termination of employment.

Members of the public may make written requests for records maintained by the NET RMA. Employees must comply with the NET RMA's Guidelines for Responding to Public Information Act Requests and applicable law and regulations when responding to a request for

records. Employees must refrain from destroying any records that are the subject of a pending public information request.

Employee Acknowledgement

All employees must sign an acknowledgment, in the form attached as Attachment “A”, acknowledging that they have received, read, and understand this Employee Code of Conduct and that they will comply with the requirements set forth herein.

III. Training Regarding Ethics & Compliance Standards

Upon beginning service or employment with the NET RMA, all officers and employees shall be provided with a copy of this Ethics & Compliance Policy and shall receive orientation on ethics laws and policies. Additionally, officers and employees of the NET RMA shall receive periodic training on the requirements of this Ethics & Compliance Policy and on ethics issues generally.

IV. Oversight & Reporting of Suspected Violations

The chief administrative officer of the NET RMA, if any, and the Chairman of the NET RMA are responsible for monitoring and enforcing employee compliance with this Ethics & Compliance Policy.

If an officer or employee becomes aware of a suspected violation of this Ethics & Compliance Policy, a violation of law, or a breach of fiduciary duty by any officer, employee, or agent of the NET RMA, he or she must immediately report the suspected violation to the chief administrative officer of the NET RMA, if any, the Chairman of the NET RMA, or, in the absence of a chief administrative officer or Chairman or in the event that the incident involves the Chairman, to the Vice-Chairman. The chief administrative officer, Chairman, or Vice-Chairman shall respond to evidence of any suspected violation or breach by taking appropriate action, including adopting or enforcing appropriate remedial measures or sanctions. Retaliation against those who come forward to raise concerns or report suspected violations will not be tolerated by the NET RMA.

V. Internal Audits & Monitoring

The NET RMA will conduct annual internal audits and other risk evaluations to monitor compliance and assist in the reduction of identified problem areas.

VI. Enforcement & Response to Offenses

The NET RMA will not tolerate unethical or illegal conduct or conduct that discredits or interferes with the operations of the NET RMA. The NET RMA may discipline employees for any conduct that violates state or federal laws or regulations or the terms of this Ethics & Compliance Policy, up to and including immediate dismissal.

Examples of behavior that may result in an employee's immediate dismissal include, but are not limited to:

- gross negligence of job duties
- theft or misuse of NET RMA property
- fraud, dishonesty, or falsification of NET RMA records
- unlawful use, sale, manufacture, distribution, dispensation, or possession of narcotics, drugs, or controlled substances while on NET RMA premises
- prohibited sexual harassment or offensive or degrading remarks about another person's race, ethnicity, color, creed, religion, ancestry, national origin, sex, gender, sexual orientation, age, disability, or any other characteristic protected by law in violation of the Employee Code of Conduct set forth in Section II
- assault of or verbal threat to a fellow employee, officer, agent, or customer
- criminal conduct
- failure to address a recurring problem for which the employee has already been disciplined
- unprofessional conduct or behavior that negatively impacts the NET RMA's public image, credibility, or integrity.

The NET RMA may, but is not required, to take corrective action to make an employee aware of a problem related to the employee's conduct and to provide an opportunity for the employee to remedy the problem. Such corrective action may include an oral conference, a written warning, and/or suspension. However, nothing herein shall limit the NET RMA's right to terminate an at will employee at any time, for any reason, with or without cause or notice.

Attachment "A"

Employee Acknowledgement

**NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY
EMPLOYEE CODE OF CONDUCT**

Acknowledgement

**I, _____, DO HEREBY ACKNOWLEDGE THAT I
HAVE RECEIVED, READ, AND UNDERSTAND THE NET RMA EMPLOYEE CODE OF
CONDUCT AND THAT I WILL COMPLY WITH THE REQUIREMENTS SET FORTH
THEREIN.**

Employee

Date

ATTEST