

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 this Employees Ethics Policy.

II. DEFINITIONS

As used throughout this Policy, these terms are defined as follows:

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 violate or compromise his or her duty of loyalty to NTTA. An appearance of impropriety may exist even if an employee does not have an actual conflict of interest.

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 violate or compromise his or her duty of loyalty to NTTA. For example, an employee who has any financial interest in a vendor that has a contract with NTTA has a conflict of interest that must be disclosed, as described in this Policy.

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.

A "duty of loyalty to NTTA" means an employee's fiduciary duty to act in the best interest of NTTA in a manner that is honest and prudent and exercises the employee's best skill and judgment for NTTA's benefit.

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

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. Stated simply, "family members" generally refers to family that live with you, and "family relationship" generally refers to family that you would invite to a reunion.

A “family relationship” is the relationship between an employee and any of his or her family members, 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.

A “gift” is any benefit or item of value, including cash and cash equivalents (such as gift cards), food/alcohol, and concert/sporting tickets or other entertainment. “Gift” also includes any business favor, such as free or discounted goods or services, that personally benefits one or more NTTA employees rather than NTTA as a whole. As explained in Section III.D, some gifts are strictly prohibited and other gifts are permitted only in certain circumstances and/or if they are reported in accordance with Section IV.

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.

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.

A “vendor” is any individual or business that NTTA contracts with for the delivery of any good or service.

III. STANDARDS OF CONDUCT

- A. Employees will fulfill their duty of loyalty to NTTA and comply with all applicable laws. To the extent this Ethics Policy is inconsistent with any applicable law, such law will control.
- B. NTTA employees will:
 - 1. perform their NTTA duties in a lawful, professional, and ethical manner; and
 - 2. promptly disclose to and consult with the Ethics Officer regarding any matter involving NTTA that they believe 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 instead, and if both the Ethics Officer and Executive Director may be implicated, contact the Board Chair.

C. NTTA employees will not:

1. disclose confidential or proprietary information or information that is excepted from public disclosure under the Texas Public Information Act;
2. accept other employment, including self-employment, or engage in a business, charity, nonprofit organization, or professional activity that (i) might reasonably require or induce the employee to disclose confidential NTTA information or (ii) creates a conflict of interest or appearance of impropriety;
3. make personal investments that create a conflict of interest or appearance of impropriety;
4. 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;
5. use their official position for financial gain, obtaining privileges, or avoiding consequences of illegal acts;
6. knowingly make misleading statements, either oral or written, or provide false information in the course of their NTTA duties;
7. use NTTA property or personnel for political activity, such as campaigning for a candidate or soliciting political contributions; or
8. purport to commit NTTA to any contract, obligation, or other action without having been properly authorized to do so by the Board.

D. **Gifts**. NTTA employees must comply with Chapter 36 of the Texas Penal Code, which covers the offer, solicitation, and acceptance of gifts by public servants. In some instances, NTTA has adopted rules that are stricter than the criminal laws. Thus, NTTA employees should contact the Ethics Officer before offering or accepting a gift if the employee is uncertain whether the gift complies with this Ethics Policy and/or applicable law.

Regarding gifts, NTTA employees will not:

1. Solicit a gift from a NTTA vendor or customer;

2. Accept a gift that the employee knows or reasonably should know is being offered in exchange for (i) the employee's decision, opinion, recommendation, vote, or other exercise of discretion or (ii) the violation of a duty imposed by law on the employee. This is referred to as a "quid pro quo" and is prohibited, no matter the type of gift;
3. Accept a gift of cash or cash equivalents (e.g., gift cards);
4. Accept a gift that raises a conflict of interest or appearance of impropriety; or
5. Accept any gift from someone that the employee knows is interested in or likely to become interested in any contract, purchase, payment, claim, or transaction over which the employee exercises discretion. This Section does not prohibit gifts that are permitted under Section 36.10 of the Texas Penal Code, such as: (i) a gift conferred on account of kinship or a personal, professional, or business relationship independent of the official status of the recipient; (ii) a non-cash gift with a value of less than \$50 (max. one item per offeror per year); and (iii) food or entertainment accepted by the employee as a guest². Notwithstanding these exceptions, certain gifts are permissible only if they are disclosed pursuant to Section IV of this policy.

IV. CONFLICTS OF INTEREST

- A. Imputed Conflict of Interest of Family Members. If an employee's family member has a substantial interest in a business entity or real estate that might affect or be affected by NTTA, the employee is generally considered to have an "imputed" conflict of interest regarding that business entity or real estate. Thus, employees should monitor conflicts of interest that may arise with their family members and disclose such conflicts of interest as described in this Section.
- B. Disclosure by All Employees of Relationships With NTTA Vendors. Pursuant to Texas Local Government Code Chapter 176, if NTTA enters into, or is considering entering into a contract with a vendor, all employees who exercise discretion in the planning, recommending, selecting, or contracting of a vendor must file a

² Frequent and/or costly meals/entertainment accepted as a guest are likely to raise an appearance of impropriety, which is prohibited by this Policy.

conflicts disclosure statement (Texas Ethics Commission Form CIS) if any of the following facts are applicable: (1) the vendor has or had an employment or business relationship with the employee or his or her 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 (other than food accepted as a guest) 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 Form CIS (or an amendment or supplement thereto) within seven days after the date he or she becomes aware of facts requiring the disclosure.

C. Additional Required Disclosures by NTTA Officers. NTTA officers must disclose conflicts covered by Texas Local Government Code Chapter 171 if they or their family members have 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.

D. General Conflicts Disclosure by All Employees. In addition to the conflict disclosures required above, all NTTA employees, including those who do not exercise discretion in connection with procurements, must diligently watch for conflicts of interest and appearances of impropriety that may develop during the course of their NTTA employment.

If a conflict of interest or appearance of impropriety develops, employees must promptly (*i.e.*, no more than seven days after the employee becomes aware of the need for disclosure): (1) inform their department director and the Ethics Officer; (2) fill out the NTTA Conflicts Disclosure Form and provide it to the Ethics Officer; and (3) follow the Ethics Officer's instructions (which may include abstaining from all participation in those matters).

E. Procedures to Address Conflicts of Interest. Employees will make the disclosures and filings required by this Section with their department director as well as the Ethics Officer. Employees who do not make a filing required under this Section will be presumed to have reported that there is no conflict of interest or appearance of impropriety.

The Ethics Officer will confer 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 and/or the proper response thereto will be discussed first between the employee's department director and the Ethics Officer. If they are unable to resolve the matter, the Ethics Officer will apprise the Executive Director, who 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.

E. Personal Financial Statement. The Executive Director will designate the NTTA employees who must file an annual personal financial statement. At a minimum, the following employees will be subject to this 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, including all Assistant Executive Directors
4. General Counsel
5. Manager in charge of procurement services

The designated employees must use the form developed by the Texas Ethics Commission and file the statement with the Board Secretary upon hiring and by April 30 of each subsequent year of employment. The filing deadline may be extended by up to 60 days by the Executive Director.

V. REVOLVING DOOR

After leaving NTTA employment, a former NTTA employee will not participate, on behalf of any third party, in a matter involving NTTA if the employee participated in the same or similar matter 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.

VI. 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 above. NTTA employees may not take any action to circumvent this rule (e.g., an NTTA employee may not agree with another NTTA employee to hire an individual that has a family relationship with the other employee).

VII. CONDUCT OF BUSINESS

NTTA recognizes its obligations under the Texas Open Meetings Act and the Texas Public Information Act. Accordingly, NTTA 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 must not without lawful authority knowingly disclose to third parties the certified agenda or recording of an executive session.

VIII. 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 and was further amended by Resolution 22-78, passed unanimously on July 20, 2022. This version of the Policy was amended by Resolution No. 24-158, passed unanimously on November 20, 2024.