

Title: Code of Business Ethics		Code Number: AA.010.05
Functional Category: Airport Administration	Issuing Department: Executive Office	Effective Date: 08/01/2016

1.0 PURPOSE

- 1.1 To establish policy and procedure which provides standards for acceptable ethical behavior and any exceptions to those standards. Employees shall conduct their business activities with honesty, fairness, and integrity by following the ethical standards for gifts, honoraria, conflicts of interest, outside employment, confidential information, and Board property.

2.0 DEPARTMENTS / PERSONS AFFECTED

- 2.1 All Board employees.

3.0 POLICY

3.1 Code of Business Ethics.

- 3.1.1 Employees shall conduct their business activities with honesty, fairness, and integrity, acting impartially and not giving preferential treatment to any person or organization. Employees shall not make commitments or promises that are beyond the scope of their authority, or which the Board cannot or is unlikely to meet. Employees shall not misrepresent facts, falsify or tamper with records, or destroy records except as permitted under the Board's adopted records policies.
- 3.1.2 Employees shall not use their position with the Board for private gain. Employees shall protect and conserve Board resources and shall not use them for other than authorized purposes. Employees shall comply with all applicable laws and regulations including, but not limited to, laws and regulations that govern health, safety, environmental, and labor issues and activities.
- 3.1.3 Employees shall attempt to avoid any actions that create even the appearance that they are violating the ethical standards in this policy. When in doubt, employees shall share the facts of the situation with their supervisor, management, or the Board's General Counsel.
- 3.1.4 The standards in this policy reflect each employee's responsibility to live up to the expectations of the Board of Directors, management, our stakeholders, our customers, and other employees. These standards will be enforced, and failure to comply with the standards may result in correction action and/or termination of employment.
- 3.1.5 This policy does not control Board employee solicitations of contributions for, or sponsorship of, charitable, civic, marketing, governmental, or industry events, as authorized by the Chief Executive Officer. The Chief Executive Officer shall develop guidelines to ensure that such solicitations by Board employees are conducted appropriately.

3.2 Gifts.

3.2.1 General Rule.

- 3.2.1.1 Except as otherwise provided in this policy, an employee shall not, directly or indirectly, solicit or accept a gift: (1) from, or given at the direction of, a person the employee knows is an outside source; or (2) where a reasonable person would conclude that the gift was being given because of the employee's official position with the Board.

- 3.2.1.2 A gift is solicited or accepted because of the employee's official position if it is from a person other than an employee and would not have been solicited, offered, or given had the employee not held his or her position as a Board employee.
- 3.2.2 **Gifts Not Subject to Exceptions.** While there are specific exceptions that would allow employees to accept certain gifts, employees shall NEVER:
- 3.2.2.1 Solicit a gift (even of minimal value) from an outside source (other than a household or family member).
- 3.2.2.2 Solicit or accept any gift in exchange for the employee's decision, recommendation, opinion, vote, or other exercise of official power or discretion.
- 3.2.2.3 Solicit or accept gifts from the same or different sources on a basis so frequent that a reasonable person would be led to believe that the employee is using his or her position for private gain.
- 3.2.2.4 Solicit or accept any gift in violation of state or federal laws, including grant assurances.
- 3.2.3 **Exceptions.** The general rule against accepting gifts does not apply to the gifts described below.
- 3.2.3.1 **Unsolicited Gifts of Less Than \$50.** An employee may accept unsolicited gifts having a market value of less than \$50. Where the total market value of gifts offered is \$50 or more, the employee may not pay the excess value over \$49.99 in order to accept the gift or gifts.
- 3.2.3.1.1 This exception may not be used to accept gifts of cash; cash equivalents (including, but not limited to, checks, money orders, gift certificates, gift cards, vouchers, or merchandise/service credits); investment interests such as stocks, bonds, or certificates of deposit; gifts of attendance at sporting, recreational, entertainment, or cultural events.
- 3.2.3.1.2 The total market value of all gifts received from any one person in a calendar year (excluding meals accepted as a guest of the donor) must be less than \$50. The total market value of all gifts received from any one person in a calendar year, including meals, must not exceed \$250.
- 3.2.3.1.3 **Example 1.** An outside source gave an employee an antique clock with a market value of \$120, \$70.01 more than the \$49.99 amount that may be accepted. The employee may not accept the clock as a gift, even if she pays the additional \$70.01. She may only keep the clock if she pays its full market value of \$120.
- 3.2.3.1.4 **Example 2.** A purchasing agent routinely deals with suppliers who provide information about new company products. Because of his crowded calendar, the purchasing agent has offered to meet with company representatives during his lunch hours Tuesdays through Thursdays. The representatives routinely arrive at the employee's office bringing a sandwich and a soft drink for the employee. Although the market value of each lunch is less than \$6, and the total value from any one person is less than \$50

annually, the practice of accepting even these modest gifts on a recurring basis is improper.

3.2.3.1.5 **Example 3.** Three different employees of a company that is an outside source offered gifts to a Board employee that were otherwise permissible under this policy. Each gift had a market value of \$20; none of the gifts were meals. The Board employee may only accept the first two gifts, since accepting the third gift would cause the total value of gifts (other than meals) that may be received from one person in a calendar year (\$49.99) to be exceeded. The outside source (the company as a whole) is considered a person, and it cannot circumvent the annual limit on gift giving to a Board employee by channeling the gifts through several employees of the company.

3.2.3.2 **Gifts Based on a Personal Relationship.** An employee may accept a gift given under circumstances where a reasonable person would conclude that the gift is motivated by a family relationship or personal friendship, rather than the employee's position with the Board. The employee should consider the history of the relationship (e.g., whether the friendship existed prior to employment with the Board, or prior to the friend becoming an outside source), the value of the gift in relation to the length and closeness of the friendship, and whether the friend or family member was likely to have personally paid for the gift. The employee must disclose in writing to the Chief Executive Officer or his or her designee, within 10 days of the acceptance from an outside source (other than a household or family member), any such gift worth more than \$250.

3.2.3.2.1 **Example 1.** An employee of the Energy, Transportation and Asset Management Department (ETAM) is a friend of an administrative assistant employed by an ETAM consultant (an outside source). For Administrative Professionals Week, the consulting company has given each administrative assistant two tickets to the symphony. Under the circumstances, the ETAM employee may accept his friend's invitation to the symphony. Although the consulting company initially purchased the tickets, they were given without reservation to the administrative assistant to use as she wished, and her invitation to the employee was motivated by their personal friendship.

3.2.3.2.2 **Example 2.** Three partners in a construction company that handles commercial construction and is seeking to do business with the Board (an outside source) have invited the Vice President of Design, Code and Construction (DCC) to join them in a golf tournament at a private club at the firm's expense. The entry fee is \$500 per foursome. The employee cannot accept the gift of one-quarter of the entry fee even though he and the three partners have developed an amicable relationship as a result of the firm's past dealings with DCC. As evidenced in part by the fact that the fees are to be paid by the firm, it is not a personal friendship but a business relationship that is the primary motivation behind the partners' gift.

- 3.2.3.3 **Gifts Based on Outside Business or Employment Relationships.** An employee may accept meals, lodging, transportation, and other benefits:
- 3.2.3.3.1 Resulting from the business or employment activities of an employee's family or household member where a reasonable person would conclude that such benefits have not been offered or enhanced because of the employee's position with the Board;
- 3.2.3.3.1.1 **Example 1.** An employee whose wife is a computer programmer working for a Customer Experience Department contractor may attend the company's annual retreat, held at a resort facility, for all of its employees and their families. However, the employee may be disqualified from performing official duties affecting his wife's employer.
- 3.2.3.3.1.2 **Example 2.** The husband of a Human Resources Department employee is a clerical worker at a Board contractor. If the spouses of other clerical workers have not been invited, the Board employee may not attend the contractor's annual retreat in Hawaii for corporate officers and members of the board of directors, even though her husband received a special invitation for himself and his spouse (the employee).
- 3.2.3.3.1.3 **Example 3.** The wife of a Board employee works for a major airline at the Airport (an outside source). As part of her benefits package (which is customary for the industry), the airline employee and her family are able to travel standby on the airline for a significantly reduced price. As long as the wife's benefits were not offered or enhanced because of her husband's position with the Board, the employee may accept the flight benefits. This example would apply to other customary (unenhanced) benefits (e.g., salary, bonuses, stock options, pension payments) received by a family or household member working for an outside source.
- 3.2.3.3.2 Resulting from the employee's outside business or employment activities where a reasonable person would conclude that such benefits have not been offered or enhanced because of the employee's position with the Board; or
- 3.2.3.3.3 Customarily provided by a prospective employer in connection with bona fide employment discussions. (See also Section 3.5.)
- 3.2.3.4 **Widely Attended Gatherings.** An employee may accept an unsolicited gift of free attendance at a widely attended business gathering (e.g., a trade show, vendor exhibition, or industry conference) from the sponsor

of the event when the employee's attendance will further Board programs and operations. A gift of free attendance does not include travel expenses or lodging. Gifts of meals and entertainment valued at \$50 or more may only be accepted from outside sources when (1) accepted as a guest, (2) the meals and entertainment are provided to at least 20 attendees, and (3) the meals are not ordered individually by the attendees (i.e., the same meal is served to all attendees). A gathering is widely attended if it is expected that a large number of people will attend, including people with a wide range of views or interests. Widely attended business gatherings do not include—without limitation—sporting, hunting, fishing, boating, or gaming/gambling events.

3.2.3.4.1 **Example 1.** A construction industry association sponsors an industry-wide, two-day seminar for which it charges a fee of \$400 and expects approximately 500 people to attend. A DCC contractor (an outside source) pays \$2,000 to the association so that the association can extend free invitations to five DCC employees specified by the contractor. The DCC employees may not accept the gifts of free attendance. Because the contractor bore the cost of their attendance, the gift of free attendance is considered to be provided by the company and not by the sponsoring association.

3.2.3.4.2 **Example 2.** Along with several other Board employees and a number of individuals from the private sector, a contract administrator has been invited to the premier showing of a new adventure movie. The production company is paying all costs of the showing. The contract administrator may accept the invitation since the production company is not an outside source.

3.2.3.5 **Professional Association Meetings.** An employee may accept from a recognized professional association (e.g., AAAE, ACI, GFOA, and industry associations) unsolicited gifts of free attendance at official association meetings and events when the employee's attendance will further Board programs and operations. An employee may also accept from the association unsolicited gifts of travel, lodging, and collateral entertainment and meals associated with attendance at, and participation in, such a meeting or event. Gifts of meals and entertainment valued at \$50 or more may only be accepted from outside sources when (1) accepted as a guest, (2) the meals and entertainment are provided to at least 20 attendees, and (3) the meals are not ordered individually by the attendees (i.e., the same meal is served to all attendees).

3.2.3.6 **Achievement or Recognition Awards.** The employee must disclose in writing to the Chief Executive Officer or his or her designee, within 10 days of the acceptance from an outside source, any single award worth more than \$250 or individual awards from the same source totaling more than \$250 in any 12-month period. Awards by the Board are not subject to this reporting requirement.

3.2.3.7 **Gifts Accepted by an Employee on Behalf of the Board, and Which Immediately Become Board Property Used for Official Board Purposes.** The gift must remain on Board premises until it is disposed of using normal Board procedures (e.g., by auction).

3.2.3.7.1 **Example.** During a trip to China, the Board's Assistant Vice President of Airline Business Development gives a gift to the CEO of an airline that the Board has been trying to bring to DFW. In return, the CEO presents an expensive gift of Chinese art to the Assistant Vice President. The Assistant Vice President may accept the artwork on behalf of the Board and display it in his or her office, or provide it for display elsewhere on Board property.

3.2.3.8 **Certain Other Gifts to Executive Employees.** Due to factors relating to the conduct of their offices (such as protocol and etiquette), executive employees may on occasion determine that it is in the best interest of the Board (as opposed to being primarily for the benefit of the employee) to accept a gift not otherwise allowed by one of the exceptions above. Under such circumstances, two additional exceptions are available to executive employees:

3.2.3.8.1 Unsolicited gifts of attendance at and/or participation in widely attended events held for community, civic, governmental, or charitable purposes. (When in the best interest of the Board, the Chief Executive Officer or his or her designee may authorize employees other than executive employees to attend a specific event held for a purpose described above.) If the gift of attendance was provided by an outside source, the employee can only accept it as a guest of the donor.

3.2.3.8.1.1 **Example 1.** A law firm that does business with the Board (an outside source) has offered a ticket to a professional football game to one of the Board's executive vice presidents. The ticket has a face (market) value of \$60. Because the gift of attendance was not to an event held for community, civic, governmental, or charitable purposes, the executive vice president may not accept the ticket unless he or she pays its full face value of \$60.

3.2.3.8.1.2 **Example 2.** An investment management firm that does business with the Board (an outside source) has offered a ticket to an annual golf tournament to one of the Board's executive vice presidents. The tournament is held primarily to benefit a local charity, and the employee believes that it is in the best interest of the Board to support the event through his or her attendance. Because the gift of attendance is to an event held for a community, civic, governmental, or charitable purpose, and because it is in the best interest of the Board for the employee to attend, the executive vice president may accept the ticket and attend the event. As required below, the employee must disclose to the Chief Executive Officer, in writing, the acceptance of this gift.

- 3.2.3.8.2 Unsolicited gifts of airline upgrades when traveling on official Board business, and received as a guest of the airline.
 - 3.2.3.8.3 Employees must disclose in writing to the Chief Executive Officer or his or her designee, within 10 days, any gift accepted under the authority of this exception.
 - 3.2.4 **Disposition of Gifts.** An employee who has received a gift that cannot be accepted under this policy shall:
 - 3.2.4.1 Promptly return any tangible item to the donor, or pay the donor its market value, or donate the item to a recognized tax-exempt charitable organization authorized in writing by the Chief Executive Officer or his or her designee (e.g., for a United Way raffle). Providing a reciprocal gift to the donor does not meet the requirement for paying the donor.
 - 3.2.4.2 When it is not practical to return a tangible item because it would spoil (e.g., food or flowers), the item may, if the employee's supervisor agrees, be given to an appropriate charity, shared within the recipient's office, or destroyed.
 - 3.2.4.3 For any favor, service, benefit or other intangible, promptly reimburse the donor the market value. Providing a reciprocal gift to the donor does not meet the requirement for reimbursement.
 - 3.2.5 **Requirement to Disclose Offers of Gifts.** An employee who reasonably believes that he or she has been offered a gift that would violate this Code of Business Ethics shall disclose the offer either verbally or in writing. Board employees shall disclose any such offers to their supervisor, other management within their chain of command, the Director of Audit Services, or the Board's General Counsel. Employees of any Board agents, contractors, consultants, or others, who, by contract, are required to comply with the Board's Code of Business Ethics, shall disclose any such offers to the Board's General Counsel.
 - 3.2.6 **Employees Having Duties Related to Federally-Funded Contracts.** Notwithstanding the above exceptions, employees, officers, or agents of the Board having responsibilities that include the review, selection, award, or administration of contracts funded in whole or in part with federal funds shall neither solicit nor accept any gratuity, favor, or thing of monetary value from any contractor or subcontractor who has or is pursuing a Board contract or subcontract funded in whole or in part with federal funds. Unsolicited items with a fair market value of \$20 or less (other than the items listed in Section 3.2.3.1.1) are exempted from this prohibition. Also, the exceptions listed in Section 3.2.3.2 through 3.2.3.7 are available to employees having duties related to federally-funded contracts.
- 3.3 **Honoraria.**
 - 3.3.1 Board employees shall not solicit, accept, or agree to accept an honorarium for services they were asked to provide only because of their position or duties as a Board employee. This ban includes payments accepted indirectly, if the payment was made in exchange for such services.
 - 3.3.2 If not provided or paid for by an outside source, an employee may accept transportation and lodging in connection with a conference or similar event in which the employee renders services, such as addressing an audience or engaging in a seminar, to the extent that those services are more than merely perfunctory, and may also accept meals in connection with such an event.
 - 3.3.3 Honoraria do not include payments received in the course of outside employment. (See also Section 3.5.)

- 3.4 **Conflicts of Interest.** Conflicts of interest can occur when an employee's activities, investments, outside employment, or other relationships or interests are at odds with the proper performance of the employee's official Board duties.
- 3.4.1 **General Rule.** To avoid actual or apparent conflicts of interest, an employee shall not participate personally and substantially in any particular matter in which the employee has a personal or financial interest, or in which the employee knows that a person whose interests are imputed to the employee has a personal or financial interest, if a reasonable person with knowledge of the relevant facts would conclude that the particular matter is likely to affect that interest.
- 3.4.1.1 *Personal or financial interest* is any interest arising from a person's outside obligations, commitments, investments, transactions, professional activity, or involvement with any organization, entity, or group other than the Board (whether for profit or not for profit), including the person's paid or unpaid service as director, trustee, board member, officer, employee, or agent of such outside organization, entity, or group.
- 3.4.1.2 *Particular matters* include, but are not limited to, bids, proposals, sales, purchases, payments, leases, applications, requests for a ruling or other determination, proceedings, controversies, accusations, inspections, investigations, contracts, agreements, and claims. To *participate personally* means to participate directly, including directly supervising another employee in the matter. To *participate substantially* means that the employee's involvement could make a difference in the matter. Personal and substantial participation may occur when, for example, an employee participates by deciding, approving, disapproving, recommending, investigating, or offering advice in a particular matter.
- 3.4.1.3 The financial interests of the following persons are imputed to the employee:
- 3.4.1.3.1 The employee's husband or wife, child, parent, grandparent, grandchild, sibling, parent-in-law, sibling-in-law, or any other family member within the second degree of consanguinity (ancestral relationship) or affinity (relationship by marriage).
- 3.4.1.3.2 A member of the employee's household.
- 3.4.1.3.3 Any other individual with whom the employee would reasonably be considered to have an especially close relationship (e.g., fiancé, girlfriend, boyfriend).
- 3.4.1.3.4 The employee's business partner.
- 3.4.1.3.5 An organization or entity which the employee serves as officer, director, trustee, general partner or employee.
- 3.4.1.3.6 A person with whom the employee is negotiating for or has an arrangement concerning prospective employment.
- 3.4.2 **Requirement to Disclose Conflicts of Interest.** Employees shall promptly disclose, in writing, to the Chief Executive Officer or his or her designee, a complete presentation of the facts giving rise to any actual or apparent conflict of interest, as that term is defined in Section 3.4.1. The disclosure shall be routed to the Chief Executive Officer through the Board's Legal Department. An employee who believes that his or her financial interest is not significant or that his or her involvement in the matter is not likely to affect that interest shall include the rationale for such belief in the written disclosure. The Chief Executive Officer or his or her designee will advise

the employee as to his or her decision regarding the resolution of the conflict of interest, which may include, but is not limited to:

- 3.4.2.1 Employee disqualification to participate in the particular matter;
- 3.4.2.2 Required employee divestiture of the disqualifying financial interest; or
- 3.4.2.3 A determination that the employee's financial interest is not significant, or that his or her involvement in the matter is not likely to affect that interest.

3.4.3 **Requirement to Disclose Involvement with Certain Organizations.** An employee shall promptly disclose in writing to the Chief Executive Officer or his or her designee, the employee's membership or other involvement with any organization, entity, or group other than the Board, including the employee's paid or unpaid service as director, trustee, board member, officer or agent of such outside organization, entity, or group, if a reasonable person with knowledge of the facts would conclude that the interests of that outside organization, entity or group, or of the employee's personal or financial interest in it, could under some circumstances, interfere with the employee's ability to objectively and effectively perform his or her job responsibilities with the Board.

3.4.4 **Mutual Funds.** An interest in a mutual or common investment fund that holds securities or other assets would not be considered a conflict of interest unless the employee influences the management of the fund (e.g., determines the specific securities or assets to be included in the fund).

3.4.5 **Employees Having Duties Related to Federally-Funded Contracts.** No employee, officer, or agent of the Board shall participate in the selection, award, or administration of a contract funded in whole or in part by federal funds if a conflict of interest, real or apparent, would arise.

3.4.6 **Board Employee Financial Interest in Contracts with or Sales to the Board.** Section 11 of the Contract and Agreement between the cities of Dallas and Fort Worth prohibits Board employees from having "a financial interest, direct or indirect, in any contract with the Board," or to be "financially interested, directly or indirectly, in the sale to the Board of any lands, materials, supplies, or services," except on behalf of the Board as an employee thereof. Therefore, Board employees and other persons whose financial interests are imputed to Board employees may not sell items to the Board, provide services to the Board as a vendor, or otherwise have a financial interest in any Board contract.

3.5 Other Employment.

3.5.1 **General Rule.** Employees shall not engage in outside employment that conflicts with the proper performance of the employee's official Board duties, including employment or activities that might reasonably:

- 3.5.1.1 Require or induce the employee to disclose confidential information acquired by reason of their official position, or
- 3.5.1.2 Impair the employee's independence of judgment in the performance of the employee's official duties.

3.5.2 **DPS Employees.** Commissioned and fire certified employees in the Department of Public Safety shall be governed by the department's Standard Operating Procedures regarding outside employment activities.

3.5.3 **Seeking Outside Employment.** An employee who is seeking employment shall not participate substantially in matters that would affect the financial interest of the prospective employer. This applies whether or not negotiation of specific terms and conditions of employment have begun, and would include even the submission of a

resume to an organization that would be affected by the employee's performance of their official duties.

- 3.5.4 **Restrictions on Former Employees.** For one year after terminating Board employment, a former employee may not represent another person or organization before the Board, a Board committee, a proposal evaluation team, or any other Board officer or employee who exercises discretion, regarding a type of matter (e.g., contracts, inspections, audits, etc.) to which their previous responsibilities with the Board related. This prohibition does not prevent a former employee from accepting employment with an outside source or becoming a consultant directly to the Board.
- 3.5.5 **Employees Having Duties Related to Federally-Funded Contracts.** No employee of the Board having responsibilities that include the review, selection, award, or administration of contracts funded in whole or in part with federal funds shall, while in the Board's employment, solicit, accept, or maintain employment with any contractor or subcontractor who has or is pursuing a Board contract or subcontract funded in whole or in part with federal funds.
- 3.6 **Confidential Information.** Employees shall not use or disclose information to which they have access by means of their employment with the Board, and that has not been made public, to:
- 3.6.1 Acquire, or aid another to acquire, an economic interest in any property, transaction, or enterprise that may be affected by the information, or
- 3.6.2 Speculate, or aid another to speculate, on the basis of the information, or
- 3.6.3 Obtain, or aid another to obtain, a benefit (i.e., anything reasonably regarded as economic gain or advantage), or
- 3.6.4 Harm or defraud another.
- 3.7 **Board Property and Other Resources.**
- 3.7.1 Employees shall protect and conserve Board property and other resources, and shall not use (or allow others to use) Board property, services, personnel, or other resources for other than authorized purposes.
- 3.7.2 Employees shall not misappropriate or embezzle Board resources; authorize or receive compensation for goods not received or services not performed; forge, falsify, or alter (with the intent of presenting information that is false) records or reports such as invoices, receiving records, contract documents, inspection reports, expense reports, time cards, financial transaction records, or health benefit claims. Employees shall not destroy Board records except as permitted under the Board's adopted records policies.
- 3.8 **Use of Board Position or Board Property in Advertising.**
- 3.8.1 An employee will not permit or authorize the use of his/her official title which identifies the employee as a Board employee, or permit or authorize property of the Board, including the Board logo or anything that would identify the Board, to be used in connection with commercial enterprises, testimonials, or advertisements of any commodity or commercial enterprise without the written approval of the Chief Executive Officer or the Executive Vice President of Administration and Diversity.
- 3.9 **Employees' Duty to Report Unethical Business Activities.**
- 3.9.1 Each employee is responsible for reporting known or suspected unethical business activities. Unethical business activities include, but are not limited to, violations of this Code of Business Ethics; fraud; and violations of health, safety, environmental, labor, employment and other laws or regulations to which the Board or its employees are subject.

- 3.9.2 Employees shall report suspected unethical business activities to a supervisor or manager in their chain-of-command, the Director of Audit Services, the Board's General Counsel, or the DFW Employee Ethics Line.
- 3.9.3 Employees shall cooperate with investigations of alleged unethical business activities and shall answer all questions truthfully and completely.
- 3.9.4 An employee who in good faith reports a suspected violation shall not be subjected to retaliation for having disclosed the suspected violation.
- 3.9.5 Employees shall not make an allegation with the intent to cause harm to an innocent person.

4.0 PROCEDURE

4.1 Additional Restrictions and Exceptions to this Policy.

- 4.1.1 Management may establish more stringent restrictions (e.g., on a departmental, job function, or other basis) regarding issues covered by this policy.
- 4.1.2 Other Board policies, such as the Corrective Action policy, may contain additional standards of conduct with which employees shall comply.
- 4.1.3 The Chief Executive Officer may authorize exceptions to this policy. Requests for exceptions shall be routed to the Chief Executive Officer through the Board's Legal Department. Any exceptions granted shall be in writing and not allow violations of federal or state laws to occur. The Chief Executive Officer must promptly disclose in writing to the Chair of the DFW International Airport Board any exceptions granted.
- 4.1.4 The Chair of the DFW International Airport Board shall authorize any exceptions to this policy applicable to the Chief Executive Officer or the Director of Audit Services. In addition, if the Chief Executive Officer or the Director of Audit Services is a party to a matter that is required by this policy to be disclosed to the Chief Executive Officer or his or her designee, then the matter shall instead be disclosed to the Chair of the DFW International Airport Board.

4.2 Adherence to this Policy.

- 4.2.1 Employees are encouraged to discuss business ethics issues with their supervisors. However, as noted above, only the Chief Executive Officer may authorize exceptions to this policy.
- 4.2.2 When in doubt about an ethics issue, try asking yourself these questions:
 - 4.2.2.1 Would it be legal?
 - 4.2.2.2 Would it be fair and honest?
 - 4.2.2.3 How would the public perceive it?
- 4.2.3 Although one of the exceptions in this policy may allow you to accept a certain gift, it is sometimes wiser for an employee to turn down a gift offered by an outside source or offered because of the employee's official position.
- 4.2.4 You're on thin ethical ice when you tell yourself, or hear others say:
 - 4.2.4.1 "Well, maybe just this once..."
 - 4.2.4.2 "No one will ever know..."
 - 4.2.4.3 "Everybody does it."
 - 4.2.4.4 "No one will get hurt."
 - 4.2.4.5 "They owe me."

4.2.5 When additional guidance or interpretation of this policy is necessary, employees shall contact the Board's General Counsel for clarifications and official interpretations.

4.3 Annual and Initial Certifications

4.3.1 Each September, the Vice President of Human Resources shall request that all employees in the Executive structure and in band 6, and other identified Board employees, complete the Board's *Code of Business Ethics Annual Certification* form via the LearningHub.

4.3.2 The Vice President of Human Resources or his/her designee shall, by September 30, confirm completion of the *Code of Business Ethics Annual Certification* forms for the respective employees and notify the Board's Chief Executive Officer, Executive Vice President of Administration and Diversity, General Counsel, and Director of Audit Services as to any employees who did not complete the form or who completed the form with modifications or disclosures.

4.3.3 The Human Resources Department shall provide *Code of Business Ethics Initial Certification* forms to new and newly-transferred or -promoted Board employees who are subject to completing the forms. Such employees shall provide completed and signed *Code of Business Ethics Initial Certification* forms to the Vice President of Human Resources or his/her designee no later than their first day of employment or new position.

4.4 **Code of Business Ethics Training.** All Board employees shall receive an overview of the Board's ethics requirements during new hire orientation. Within the first month of their hire date, all Board employees are required to complete the Code of Business Ethics course via the LearningHub. All Board employees are required to complete a Code of Business Ethics refresher course via the LearningHub during the third quarter of every other fiscal year (even-numbered years).

5.0 RESPONSIBILITIES

5.1 **Airport Board Chair.** Authorized to issue exceptions to this policy applicable to the Chief Executive Officer or the Director of Audit Services.

5.2 **Chief Executive Officer.** Authorized to issue exceptions to this policy concerning any employee other than the Chief Executive Officer or the Director of Audit Services.

5.3 **Executive Vice Presidents.**

5.3.1 Identify to the Vice President of Human Resources or his/her designee those Board employees (other than executive employees) in their divisions who should complete *Code of Business Ethics Initial and Annual Certification* forms.

5.3.2 Support the Vice President of Human Resources or his/her designee's efforts to obtain completed *Code of Business Ethics Initial and Annual Certification* forms from employees in their divisions.

5.4 **Vice President of Human Resources or His/Her Designee.**

5.4.1 Ensure that executive and other identified employees complete and submit *Code of Business Ethics Initial and Annual Certification* forms.

5.4.2 Notify employees of required ethics training, provide ethics training opportunities, and maintain employee training records which document the ethics training provided.

5.5 **Employees.**

5.5.1 Responsible to live up to the expectations of the Board of Directors, management, our stakeholders, our customers, and other employees by following the ethical standards in this policy. Responsible to disclose any gifts offered that would violate this policy.

Responsible to disclose any conflict of interest as defined in this policy. Responsible to report any unethical business activities.

5.5.2 Upon request, promptly complete *Code of Business Ethics Initial and Annual Certification* forms and submit the signed forms to the Vice President of Human Resources or his/her designee.

5.5.3 Complete classroom-based ethics training within three months of their date of hire, and a refresher course (online or classroom-based) every two years.

6.0 DEFINITIONS

- 6.1 **Accepted Indirectly.** A gift that is accepted indirectly by an employee includes a gift, of which the employee has knowledge, given to:
- 6.1.1 A member of the employee's household.
 - 6.1.2 The employee's husband or wife, child, parent, grandparent, grandchild, sibling, parent-in-law, sibling-in-law, or any other family member within the second degree of consanguinity (ancestral relationship) or affinity (relationship by marriage).
 - 6.1.3 The employee's business partner.
 - 6.1.4 Any other individual with whom the employee would reasonably be considered to have a very close relationship (e.g., fiancé, girlfriend, boyfriend).
 - 6.1.5 Any other person designated, recommended, or specified by the employee to receive the gift in lieu of the employee.
- 6.2 **Employee.** All Board employees and the employees of any agents, contractors, consultants, or others, who, by contract, are required to comply with the Board's Code of Business Ethics.
- 6.3 **Executive Employee.** Board employee at the assistant vice president level position and above.
- 6.4 **Gift.** Any cash, investment interest, item, privilege, favor, discount, entertainment, hospitality, loan, forgiveness of an obligation, or other item having monetary value. It includes services as well as gifts such as training, transportation, travel, lodging, and meals, whether provided directly or by purchasing a ticket for the employee, paying for the gift in advance, or reimbursing the employee afterward. It does not include:
- 6.4.1 Modest items of food and refreshments, such as soft drinks, coffee, and donuts, offered other than as part of a meal.
 - 6.4.2 Greeting cards and items of little intrinsic value, such as plaques, certificates, and trophies.
 - 6.4.3 Benefits, including discounts and lower rates, available to the public or to all Board employees.
 - 6.4.4 Rewards and prizes won in contests, including random drawings, which a reasonable person would not conclude were intended to influence the employee.
 - 6.4.5 Items provided through the Owner Cities Program.
 - 6.4.6 Anything which is properly authorized and paid for directly by the Board.
 - 6.4.7 Anything for which market value is paid by the employee at or before the time the item or service is received.
 - 6.4.8 Training, transportation, meals, lodging, and other items or services provided to employees by an outside source that is obligated by contract with the Board to provide such items to employees.
- 6.5 **Honoraria.** Monetary awards received for voluntary services.

- 6.6 **Market Value.** The retail amount that the employee would pay to purchase the gift. An employee who can't find out the market value of a gift may estimate its market value by finding out the retail cost of similar items. The market value of a ticket for food, refreshments, entertainment, or any other benefit shall be the amount printed on the ticket.
- 6.6.1 **Example.** An employee who has been given a crystal figurine may decide its market value by finding that a similar crystal figurine generally sells for about \$20.
- 6.7 **Outside Source.** Any person who:
- 6.7.1 Is seeking official action by the Board (including, but not limited to, action by Board staff, management, hearing examiners, adjudicators, the Board of Directors, or consultants/contractors representing the Board).
- 6.7.2 Does business, or seeks to do business, with the Board.
- 6.7.3 Has business that may reasonably be expected to be regulated or subjected to inspection or investigation by the Board.
- 6.7.4 Has an interest that may be substantially affected by performance or nonperformance of a Board employee's official duties.
- 6.7.5 Has litigation pending against the Board or such litigation is reasonably contemplated.
- 6.7.6 Is an organization whose members are described in the above paragraphs.
- 6.8 **Person.** An individual, corporation and subsidiaries it controls, company, association, firm, partnership, society, joint stock company, or any other organization or institution, including any officer, employee, or agent of such person or entity. The term includes both commercial and nonprofit organizations.

7.0 RESOURCES / FORMS

- 7.1 **Code of Business Ethics Annual Certification Forms.** Form used by executive employees and others to certify acknowledgement of and compliance with this policy.

8.0 REVISION HISTORY.

Revisions to this policy are effective as of the Effective Date on page 1.

- 8.1 07/31/2000 – Original document.
- 8.2 04/01/2003 – Minor revisions.
- 8.3 02/01/2005 – HR.009.00 – Format revisions.
- 8.4 08/01/2006 – HR.009.01 – Minor revisions.
- 8.5 09/01/2007 – AA.010.00 – Changed Issuing Department to Audit Services; added annual certification requirement; other minor revisions.
- 8.6 10/01/2009 – AA.010.01 – Removed section 4.3.3.
- 8.7 03/01/2010 – AA.010.02 – Added 3.8.
- 8.8 11/01/2010 – AA.010.03 – Modified 3.4.1, 4.3, 5.3, and 5.4; added 3.4.3, 3.4.6, 4.4, and 5.5.
- 8.9 04/01/2012 – AA.010.04 – Changed issuing department to Executive Office and revised ethics training requirements.
- 8.10 08/01/2016 – AA.010.05 – Revised 4.3 and 4.4; other minor revisions to reflect current titles and departmental names.