

CODE OF ETHICS FOR PORT AUTHORITY COMMISSIONERS

PART I: DUTIES

A. Fiduciary Duty

Each Commissioner should act in a fiduciary capacity, adhering to a duty of loyalty and care owed to the Port Authority.

Each Commissioner should perform his or her duties to the best of that Commissioner's abilities, in good faith and with the proper diligence and care which an ordinarily prudent person in like position would use under similar circumstances.

Each Commissioner should give thoughtful and reasoned consideration to all Board matters. Each Commissioner should keep properly informed about matters pertaining to the Board's responsibilities, and should make appropriate use of all information reasonably available to him or her.

Commissioners may take into consideration the views and policies of any elected officials or governmental bodies. Ultimately, Commissioners should apply independent judgment in the best interest of the Port Authority, its mission, and the public --- consistent with the Port Authority Compact of 1921, the By-Laws of the Port Authority, and the applicable laws of both states.

B. Duty to Report

Each Commissioner should follow all applicable federal, state, and local laws. If a Commissioner believes that another Commissioner has violated the law, or this Code of Ethics, the Commissioner should promptly report, as appropriate, to the Chairman, the Vice-Chairman, and/or the Inspector General.

If a Commissioner believes that a Port Authority employee has violated the law, or the Code of Ethics and Financial Disclosure that applies to employees, the Commissioner should promptly report, as appropriate, to the Executive Director and/or the Inspector General.

C. Duty to Participate in Training

Each Commissioner should regularly participate in training approved by the Chief Ethics and Compliance Officer. The focus of this training should be the Commissioners' legal, fiduciary, and ethical responsibilities.

D. Duty of Confidentiality

"Confidential information" is material non-public information related to Port Authority affairs that has been entrusted to a Commissioner by the Port Authority and that the Commissioner knows, or should know, is intended by the Port Authority to be kept confidential.

A Commissioner should not use confidential information for his or her personal benefit, or improperly disclose it in breach of his or her fiduciary duties.

E. Duty to Complete Financial Disclosure

Each Commissioner should provide the General Counsel with a completed copy of any financial disclosure form that he or she is required by law to complete by virtue of his or her service as a Commissioner.

In the absence of any law requiring such financial disclosure, the Commissioners should annually complete a financial disclosure form, as prepared by the General Counsel. That form should call for sufficient information to allow appropriate conflicts of interest determinations to be made.

F. Duty to Disclose Ownership Changes as to Port Authority Securities

Each Commissioner should report any changes in his or her ownership or beneficial ownership of Port Authority securities. No report should be made with respect to Port Authority securities managed by an independent investment manager who has investment discretion.

The referenced report should be made to the Board, within five business days of the purchase, sale, or transfer in question and on a form prepared by the General Counsel. The form should be analogous to the United States Securities and

Exchange Commission's Form 4, "Statement of Changes in Beneficial Ownership."

G. Duty of Good Faith Compliance

Each Commissioner should comply with this Code in good faith, and should endeavor to pursue a course of conduct that will not raise suspicion among the public that the Commissioner is engaging in acts that are in violation of his or her trust.

PART II: CONFLICTS OF INTEREST

A. Recusal in General

Each Commissioner should make his or her own determination as to whether a conflict of interest exists, or whether there is the appearance of such a conflict of interest.

In determining what constitutes a conflict of interest or the appearance of one, a Commissioner may consult with the General Counsel or with the Special Counsel to the Governance and Ethics Committee.

If a Commissioner has determined to recuse as to a particular matter, the Commissioner should promptly notify the Secretary of the Port Authority, and should not participate in any discussion or vote concerning that matter.

B. Close Family Members

1. Definition

A "close family member" is a Commissioner's spouse, domestic partner, parent, sibling, child, or grandchild.

2. Personnel Decisions

A Commissioner should recuse from a Port Authority personnel decision that directly impacts a close family member.

A "personnel decision" is a decision that concerns a single employee or a small group of employees, and that relates to hiring, compensation, discipline, rank, or the scope of an employee's responsibilities.

C. Substantial Interests and Recusals

1. Substantial Interest

A Commissioner has a substantial interest in his or her employer, and in the employer of his or her spouse or domestic partner.

A Commissioner has a substantial interest in any entity as to which he or she, or his or her spouse or domestic partner, serves as a director.

A Commissioner has a substantial interest in an entity if his or her interest in that entity is valued at (a) \$100,000 or more, or (b) 1% or more of the Commissioner's portfolio --- provided that the interest in question is not managed by an independent investment manager who has investment discretion.

No substantial interest is created by a merely passive interest in an entity. Examples of such passive interests include checking accounts, savings accounts, money market accounts, brokerage accounts, discretionary managed pension or trust accounts, mutual funds, mortgages, or lines of credit with fixed terms for fixed periods of time. However, a substantial interest can be created if the terms of the passive interest are (a) subject to near-term (i.e., within one year) negotiation or renegotiation, and (b) such negotiation or renegotiation could impact the Commissioner's net worth or income by more than 1%.

2. Recusal

If a Commissioner has a substantial interest in an entity that has a matter before the Board for a vote, the Commissioner should recuse from that matter.

If a Commissioner learns that a close family member has a substantial interest in an entity that has a matter before the Board for a vote, the Commissioner should recuse from that matter.

D. Professional Services Firms and Recusals

With respect to a professional services firm ("Firm"), such as a law firm, consulting firm, or engineering firm, the conflicts of interests rules set out in Part II.C apply. Additional rules also apply, which are set out in this Part II.D, provided that the Firm is privately held and has 100 or fewer full-time employees.

1. Major Interest

A person has a "major interest" in a Firm if he or she (a) is an employee of the Firm, (b) has an ownership stake in the Firm, and (c) participates in the governance of the Firm.

2. Recusal

If a Firm in which a Commissioner has a major interest represents an entity as to a matter before the Board for a vote, the Commissioner should recuse.

If an entity has a matter before the Board for a vote, but the Firm does not represent the entity on that matter, the Commissioner should recuse if the entity accounts for a large proportion of the annual gross revenues of the Firm. For these purposes, "large proportion" means either (a) \$1 million or more, or (b) 2% or more.

3. Agreements

Absent special circumstances, as determined by the General Counsel, the Board should not authorize the Port Authority to enter into a contract, retainer, or other agreement with a Firm in which a Commissioner has a major interest.

E. Third-Party Entities

As noted above, if a Commissioner has a substantial interest in an entity that has a matter before the Board for a vote, the Commissioner should recuse.

A Board vote may also have an impact on an entity ("Third-Party Entity") that does not itself have a matter before the Board.

In such a case, a Commissioner should recuse from a Board vote if (a) the Commissioner knows, or should know, that the vote is likely to have a material and particularized impact on the Third-Party Entity, and (b) the Commissioner has a substantial interest in the Third-Party Entity. Thus, for

example, a Commissioner should recuse from a Board vote to obtain railcars if the Commissioner has a substantial interest in the supplier of the key component part of the railcars.

A Commissioner generally does not need to recuse solely because a Board vote may have a non-financial impact on a Third-Party Entity in which the Commissioner has a substantial interest. In addition, a Commissioner generally does not need to recuse solely because a Board vote may have a general, across-the-board financial impact on various Third-Party Entities, including a Third-Party Entity in which the Commissioner has a substantial interest.

In doubtful cases related to the impact of a Board vote on a Third-Party Entity, a Commissioner should consult with the General Counsel or the Special Counsel to the Governance and Ethics Committee.

F. Prior Work

If, before he or she became a Commissioner, a Commissioner participated in a matter now before the Board for a vote, the Commissioner should recuse.

For these purposes, "participation" in a matter means substantial and direct involvement in the matter, which the Commissioner undertook as part of his or her employment.

G. Subsequent Work

A Commissioner whose term of service has ended is generally no longer subject to the jurisdiction of the Port Authority. New Jersey law and New York law may govern what Commissioners may do after their service has ended. Those laws must be followed, and current Commissioners should anticipate doing so.

H. Other Circumstances

This Article II is not exhaustive. There may be other circumstances in which it is appropriate for a Commissioner to recuse, to avoid either a conflict of interest or the appearance of a conflict of interest. In those circumstances, a Commissioner should determine whether to recuse and, in doing so, is free to consult with the General Counsel or with the Special Counsel to the Governance and Ethics Committee.

PART III: GENERAL PROVISIONS**A. Port Authority Property**

A Commissioner should use Port Authority property, including Port Authority vehicles and letterhead stationery, only in connection with the Commissioner's Port Authority duties. Port Authority property should not be used for personal purposes.

B. Port Authority Computing Resources

Port Authority employees are required to follow a rigorous policy with respect to the appropriate use of computing resources. Commissioners should follow the same policy.

Accordingly, each Commissioner is subject to the limitations on employee conduct set out in the Cybersecurity and Computing Resources Policy, Administrative Instruction 15-4.03 (December 2, 2016).

C. Port Authority Email

When a Commissioner uses email to conduct Port Authority business, the Commissioner should generally use a Port Authority-issued email account.

If a Commissioner uses a non-Port Authority email account to conduct Port Authority business, the Commissioner should promptly forward the emails in question to his or her Port Authority email account.

D. Fundraising**1. Port Authority Affiliation**

A "fundraising solicitation" is a written solicitation or invitation that seeks financial support for a political or charitable cause and that includes a Commissioner's name.

To avoid blurring the line between a Commissioner's Port Authority work and his or her other activities, a fundraising solicitation should not unduly draw attention to the Commissioner's Port Authority role.

Thus, while a fundraising solicitation may contain a biographical statement that describes a Commissioner's professional background, including his or her Port Authority service, a fundraising solicitation should not, outside of the context of a biographical statement, use the terms "Port Authority" or "Commissioner."

A fundraising solicitation may always refer to a Commissioner as "the Honorable."

2. Port Authority Business

A Commissioner should not solicit or accept funds for a political or charitable cause from an entity that the Commissioner knows or should know: (a) has a pending matter to be voted on by the Board, (b) had a matter that was voted on by the Board during the preceding year, or (c) is likely to have a matter that will be voted on by the Board during the coming year.

A Commissioner who has accepted funds from an entity for a political or charitable cause should not, for one year, vote on any matter that entity has before the Board.

For these purposes, an "entity" includes those people who the Commissioner knows or should know are the entity's directors, officers, or senior employees.

E. Unwarranted Privileges

A Commissioner should not use his or her official position to secure unwarranted privileges, exemptions, or advantages, whether for him or herself or for others.

F. Gifts or Favors

Port Authority employees are subject to a "zero-tolerance" policy with respect to giving, receiving, or soliciting gifts or favors. Commissioners should be subject to the same policy.

Accordingly, each Commissioner is subject to the limitations on employee conduct set out in Administrative Instruction 20-1.06 (March 11, 2014).

G. Engagement with Staff

A Commissioner should not ask or encourage a Port Authority employee to make a political or charitable contribution.

A Commissioner should not ask or encourage a Port Authority employee to indicate his or her voting history or political party affiliation, or to describe any political or charitable contributions the employee has made.

A Commissioner should not ask or encourage a Port Authority employee to provide services that are unrelated to the Commissioner's official role, and a Commissioner should not accept such services.

A Commissioner should not engage in a financial transaction with a Port Authority employee, including providing a loan or financial assistance to an employee or receiving a loan or financial assistance from an employee.

H. Anti-Discrimination

In the exercise of his or her official duties, a Commissioner should not discriminate based on race, color, religion, sex, national origin, age, disability, sexual orientation, or gender identification.

I. Refreshments

Unless supplied by the Port Authority or by another public agency, a Commissioner should not accept free refreshments in the course of conducting Port Authority business, unless: (a) the refreshments are nominal (non-alcoholic beverages, snacks, or a modest meal), and (b) there is no indication that the refreshments are offered to influence the Commissioner with respect to his or her Port Authority duties.

Under the rules set out in the preceding paragraph, a Commissioner may generally accept free nominal refreshments when attending a speech, a conference or seminar, an academic event, or an awards luncheon or dinner, provided that refreshments are made available to other participants.

J. Outside Parties

The Port Authority benefits from the breadth of Commissioners' civic associations and knowledge. And a Commissioner is of course free to gather information from a variety of sources, and to speak with whomever he or she

pleases, subject to the Commissioner's duty of confidentiality.

This said, to avoid any appearance of impropriety, or the suggestion that a single Commissioner can speak for the Board, a Commissioner, unless authorized to do by the Board, should not participate in a substantive discussion with outside parties as to a specific Board matter.

"Outside parties" are people other than appropriate government officials, Port Authority staff, or Commissioners. A "specific Board matter" is a matter that a Commissioner knows or should know is likely to come before the Board for a vote. A "substantive discussion" is a discussion in which a Commissioner, with respect to a specific Board matter, describes: (1) non-public information as to the position, plans, or strategy of the Port Authority, the Board, or any Commissioner; or (2) internal deliberations of the Port Authority or the Board.

If a substantive discussion, as described above, does in fact occur, the Commissioner who participated in the discussion should promptly describe the content and circumstances of the discussion to the Chairman, Vice-Chairman, and Executive Director, as appropriate.

Unless authorized by the Board, a Commissioner should not participate in a negotiation on behalf of the Port Authority, or otherwise represent the Port Authority in connection with either a proposed transaction or a legal, regulatory, or legislative matter.

PART IV: THE CODE

A. Port Authority Subsidiaries

The provisions of this Code apply to the Commissioners in their capacities as Port Authority Commissioners and in their capacities as Directors of the Port Authority's various subsidiaries.

All references in this Code to the Port Authority should be construed to include both the Port Authority and its subsidiaries.

B. Interpretation

In connection with interpretation or application of this Code, any Commissioner may seek advice from the General Counsel.

C. Conflicting Law

If a Commissioner believes that he or she is required to potentially violate this Code in order to comply with the law, the Commissioner should consult with the General Counsel.

D. Enforcement

In connection with potential breaches of this Code, the Governance and Ethics Committee may undertake factual investigations and may recommend to the Board such action, if any, that the Committee deems appropriate. As to these efforts, the Committee should closely consult with the Chairman and Vice-Chairman, as appropriate, and may require the General Counsel and the Inspector General to provide advice and assistance.