

**SOUTHOLD LOCAL DEVELOPMENT CORPORATION
CONFLICT OF INTEREST POLICY
(Adopted by the Corporation
April 8, 2016)**

The board of directors (the "Board") of the Southold Local Development Corporation (the "Corporation"), for the purpose of implementing the guidance set forth in the recent Authorities Budget Office Recommended Best Practice dealing with conflicts of interest, hereby adopts this Conflicts of Interest Policy. This Policy shall be deemed to supplement (and not replace) the Board's Code of Ethics adopted on July 18, 2014 (the "Code of Ethics") and the Board's Whistleblower Protection Policy adopted on July 7, 2014 ("the Whistleblower Policy"). In the event of conflict between this Policy and the Code of Ethics or Whistleblower Policy, the provisions of the Code of Ethics or Whistleblower Policy shall control.

CONFLICT OF INTEREST

A conflict of interest is a situation in which the financial, familial, or personal interests of board members ("Members"), officers ("Officers") or employees ("Employees") of the Corporation come into actual or perceived conflict with his or her duties and responsibilities to the Corporation. Perceived conflicts of interest occur when there is an appearance that a Member, Officer or Employee can personally benefit from actions or decisions made in his or her official capacity, or where any of the aforesaid persons may be influenced to act in a manner not in the best interests of the Corporation. The perception of a conflict may occur if circumstances would suggest to a reasonable person that a Member, Officer or Employee may have such a conflict. The appearance of a conflict and an actual conflict should be treated in the same manner for the purposes of this Policy.

Members, Officers and Employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced or caused to act in violation of the public trust as a result of their relationship with any other party or entity. While it is not possible to describe or anticipate all the circumstances that may involve an apparent or actual conflict of interest, such a conflict typically arises when a Member, Officer or Employee has or will have:

- A financial or personal interest in any person, firm, corporation or association which has or will have or be involved in a transaction, agreement or any other arrangement in which the Corporation participates.

- The ability to use his or her position, confidential information or the assets of the Corporation, to his or her personal advantage.

- Solicited or accepted a gift of any amount under circumstances in which it could reasonably be inferred that the gift was intended to influence him or her, or could reasonably be expected to influence him or her, in the performance of his or her official duties or was intended as a reward for any action on his or her part.
- Any other circumstance that may or may appear to make it difficult for the Member, Officer or Employee to exercise independent judgment and properly exercise his or her official duties on behalf of the Corporation.

OUTSIDE EMPLOYMENT

No Member, Officer or Employee shall accept employment with any entity (or affiliate of that entity) that has or has had a project before the Corporation within one year following the later of (i) the cessation of such matter before the Corporation, or (ii) the date of the last action taken by the Corporation with respect to that entity.

PROCEDURES

Duty to Disclose: All material facts related to any actual or apparent conflict of interest (including the nature of the interest and information about the conflicting transaction) shall be disclosed in good faith and in writing to the Board or, at its direction, the Governance Committee. Such written disclosure shall be made part of the official record of the proceedings of the Corporation.

Determining Whether a Conflict of Interest Exists: The Board shall advise the individual who appears to have a conflict of interest how to proceed. The Board should seek guidance from its general counsel or appropriate New York State agencies, such as the Authorities Budget Office, State Inspector General or the Joint Commission on Public Ethics (JCOPE) when dealing with cases where they are unsure of how to proceed.

Recusal and Abstention: No Member, Officer or Employee may participate in any decision or take any official action of the Corporation with respect to any matter requiring the exercise of discretion, including discussing the matter and voting thereon, when he or she knows or has reason to know that the action could confer a direct or indirect financial or other material benefit on himself or herself, a relative, or any organization in which he or she is an employee or is otherwise deemed to have an interest. Members, Officers and Employees must recuse themselves from deliberations, votes, or internal discussions on matters relating to any organization, entity or individual when their impartiality might be reasonably questioned, and are prohibited from attempting to influence other Members, Officers or Employees in the deliberation and voting on such matters.

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Records of Conflicts of Interest: The minutes of the Corporation meetings during which a perceived or actual conflict of interest is disclosed or discussed shall reflect the name of the interested person, the nature of the conflict, and a description of how the conflict was resolved.

Reporting of Violations: Members, Officers and Employees are directed to consult and comply with the Board's Whistleblower Protection Policy and any amendments thereto in connection with the reporting of any potential or actual violation of this Policy.

Penalties: In addition to any penalty provided by law, rule or regulation, any Member, Officer or Employee who shall knowingly and intentionally violate this Policy may be suspended from his or her office or employment with the Corporation.

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