

PUTNAM COUNTY ECONOMIC DEVELOPMENT CORPORATION

BY-LAWS

Section 1. NAME AND MISSION

NAME: The name of this organization shall be the Putnam County Economic Development Corporation (the “Corporation”).

INCORPORATION: This organization is incorporated under the laws of New York as a Not-for-Profit Corporation.

MISSION: The mission of the Putnam County Economic Development Corporation (PCEDC) is to promote the economic vitality of Putnam County, to retain and grow existing businesses, attract new businesses, broaden the county’s tax base, and increase employment opportunities for county residents. The PCEDC acts as a facilitator, bringing together businesses, government agencies and other stakeholders.

LOCATION: The principal office and place of business of the Corporation shall be located, as so established by resolution of the Board of Directors, within the County of Putnam.

Section 2. ELECTION OF OFFICERS AND BOARD OF DIRECTORS; DUTIES OF DIRECTORS

- A. The Putnam County Economic Development Corporation shall consist of and be governed by a Board of Directors. The Board of Directors of the Corporation shall consist of no less than seven (7) members nor more than fifteen (15) members, which number may be determined by the Board of Directors as it deems necessary to govern the affairs of the Corporation. For purposes of the election of Directors of the Corporation, there shall be two classes of Directors:
- a. Directors who are not Officers of the Corporation, and
 - b. Directors who are Officers of the Corporation

The following terms shall be applicable to the class of Directors:

- c. Directors who are not Officers – three-year term
- d. Directors who are Officers – one-year term

A Director who is not an Officer shall be appointed to serve for a three (3) year term, subject to the provisions and limitations as set forth in Section 13 below. Officers shall be subject to annual election as Directors of the Corporation and shall serve for a period of one year.

The duties of the Board of Directors shall be to function as the policy making Board of the Corporation and set the direction of the Corporation. The Board shall choose annually, from amongst its members, a Chairman and a Vice-Chairman. If the Corporation does not retain the services of a paid Secretary-Treasurer, the Board of Directors may also choose, from amongst its members, a Secretary and a Treasurer and provide that such individual(s) works without compensation, the three year term for which such person has been elected shall not be modified. In the event that any such person becomes a paid Director of the Corporation,

such person shall be subject to appointment as a Director in accordance with Section 2, paragraph A, c. In the event of a vacancy of a Director who resigns or who ceases to function as a Director, the Board of Directors may by a majority vote at a duly constituted Board meeting, elect a replacement Board member until the next annual meeting of the Corporation.

B. Duties of the Board of Directors

- a. The Board shall have the responsibility to appoint a President/CEO of the Corporation.
- b. The Board shall have the responsibility of drafting, adopting, and maintaining the By-Laws of the Corporation, and to revise said By-Laws as required from time to time.
- c. The Board shall have the responsibility of approving and/or revising the annual budget submitted by the President.
- d. The Board shall have the responsibility of being the policy-making body of the Corporation.
- e. The Board shall designate one or more depositories for all funds of the Corporation.
- f. The Board shall have the responsibility to appoint a Chairman of the Corporation who shall act as Chairman of all meetings of the membership and Board of Directors.
- g. The Board shall have the responsibility to appoint a paid or unpaid individual to serve as Chief Financial Officer.
- h. The Board shall have the responsibility to appoint a paid or unpaid individual to serve as Secretary-Treasurer or two individuals from amongst its members, one to serve as Secretary and one to serve as Treasurer.

C. Qualifications of Directors

- a. Each Director shall be at least eighteen (18) years of age, and shall be either a resident of Putnam County, New York, or employed/working in Putnam County, New York for a period of not less than one (1) year prior to such director's election or appointment to the Board.

Section 3. DUTIES OF OFFICERS

A. PRESIDENT/CEO – The Corporation shall have as a Chief Executive Officer a President who shall:

- a. Have the responsibility of appointing any and all other employees of the Corporation as provided for in the budget (except for a paid Secretary-Treasurer whose appointment shall be subject to approval by the Board of Directors). Such person shall exercise supervision and control over all personnel and employees of the Corporation, including Chief Financial Officer, Secretary, and Treasurer.
- b. Be responsible for the day-to-day operations of the Corporation. The President shall be appointed by a majority of the Board of Directors and shall report to and be accountable to the Board of Directors.
- c. Be the Chief Budget Officer of the Corporation and be responsible for the preparation of the annual operating budget.
- d. The President, or in the President's absence, two other Officers, shall make, sign, and implement all contracts on behalf of the Corporation within authorized appropriations, pursuant to the direction of the Board of Directors.

- e. Be responsible for formulating and devising the methods by which the mission of the Corporation shall be carried out.
- f. Be responsible for preparing a monthly written report for the Corporation's Board of Directors and the County Legislature's Economic Development Committee.
- g. Receive such compensation as may be established by the Board of Directors from time to time.
- h. The President must attend applicable State-approved training sessions regarding their legal, fiduciary, financial, and ethical responsibilities of the Corporation.
- i. The President must understand, review, and monitor the implementation and operational decisions of the Corporation.
- j. The President will review and approve all Corporation audits and annual report submissions to the ABO. Every financial report must be certified by the CEO and CFO under Statute 2800 of the ABO Regulation.
- k. The President will assist the Chairman with any special assignments or projects needed to enhance the performance of the Corporation.

B. TREASURER – The Corporation shall have a Treasurer who shall:

- a. Be appointed by a majority of the Board of Directors and shall report to and be accountable to the Board of Directors.
- b. Keep an account of the monies received and expended for the use of the Corporation and within the budget shall make disbursements upon submission and verification of invoices approved by either the President or authorized members of the Board of Directors.
- c. The deposit all sums received in the banks approved by the Board of Directors and make a report to the Board of Directors on a periodic basis, reflecting the income and disbursements of the Corporation or, when called upon to do so, by the Chairman of the Board or the Board of Directors.
- d. Perform the customary duties of the Office of the Treasurer of a corporation and such duties as are assigned by the Board of Directors or the Chairman of the Board.
- e. Review and certify in writing that every financial report included in the annual report, based on their knowledge (i) is accurate, correct, and does not include any untrue statements or material fact; (ii) does not omit any material fact which would cause the financial statements to be misleading; and (iii) fairly presents, in all material respects, the financial condition and results of operations of the Corporation.
- f. Assist the executive(s) of the Corporation in the development of annual budgets and subsequent updates, and
- g. Provide any and all reports as required by the Putnam County Legislature of the Economic Development Committee of the Putnam County Legislature.
- h. The Treasurer and the Secretary may be the same individual and if one person serves in both capacities, no additional compensation (if any) shall be payable for the duties of Treasurer as a result of such dual role.
- i. The books and records of the Corporation shall at all times be under the supervision of the Board of Directors and subject to its inspection and control.
- j. At the expiration of the Treasurer's term in office, such person shall deliver to such person's successor all books, monies, and other property, or in the absence of a Treasurer-elect, to the Chairman of the Board.

C. SECRETARY – The Corporation shall have a Secretary who shall:

- a. Give notice of and attend all meetings and record minutes of all actions, discussions, and correspondence,
- b. Maintain a list of the current members of the Board of Directors,
- c. Perform such duties usually incident to the office of Secretary of a corporation and such other duties as are assigned to the Secretary by the Board of Directors,
- d. Be the keeper of the Seal of the Corporation and shall be compensated on the basis established by the Board of Directors, from time to time, and,
- e. Report to the President and be accountable to the Board of Directors.

Section 4. ADOPTION OF THE ANNUAL BUDGET

- A. The fiscal year of the Corporation shall be January 1 through December 31.
- B. By no later than the first day of September each calendar year, the President shall prepare a tentative budget for the ensuing calendar year. The tentative budget shall include such information and details as may be requested by the Board of Directors.
- C. The Secretary of the Board of Directors, upon receipt of the tentative budget, shall transmit a copy of said tentative budget to each member of the Board of Directors.
- D. The Board of Directors shall approve, with modifications as necessary, the tentative budget. The budget will become the “Adopted Budget” upon the majority vote of the Board of Directors.

Section 5. AMENDMENTS TO BY-LAWS

These By-Laws may be amended, repealed, or altered in whole or in part, by a vote of two-thirds (66 2/3) of the appointed number of Directors at any regular meeting of the Board of Directors or any special meeting called for such purpose at which a quorum is present, provided that the purpose of the amendments, alterations, or repeals, shall be stated in the call for the meeting at which they are to be considered. Any amendment approved in accordance with this Section 5 will take effect immediately. Proxies will be permitted for votes under this section, but such proxies will not count toward a quorum.

Section 6. QUORUM OF THE BOARD OF DIRECTORS

A minimum of 50% of the current appointed Board of Directors shall constitute a quorum of the Board of Directors.

Section 7. NOTICE OF MEETINGS

There shall be not less than five (5) days’ notice to Directors for a regular meeting. As the call of the President or Chairman, a special meeting may be called on forty-eight (48) hours’ notice. Such special meeting may be held in person or by telephone communication. A telephone meeting of the Board of Directors shall constitute a valid meeting. The same quorum requirements shall apply. Notices of any Board meetings, signed by the Secretary or his/her designee, shall be mailed to the last recorded address of each Director or sent to each Director by electronic communication.

Section 8. MEETING ATTENDANCE

Any Board member who has missed 50% of the yearly scheduled meetings within a twelve (12) month period due to unexcused absences shall be deemed to have resigned and may be replaced by the remaining members of the Board of Directors, at their discretion.

- A. "Unexcused Absences" shall not include absences excused by the President or Chairman of the Board for just and sufficient cause.
- B. In the event any Board member cannot attend a meeting there will be a conference call option available to him.
- C. In the event any Board member has three (3) consecutive absences within a twelve (12) month period, the Board may consider the removal of such Board member from office for just and sufficient cause.

Section 9. MEMBERSHIP

The Membership shall consist of the Board of Directors determined as of the date hereof and thereafter as of the day before the date set for the annual membership meeting.

Section 10. ATTENDANCE AT MEETINGS OF MEMBERSHIP AND BOARD OF THE DIRECTORS

The County Executive, the Chairman of the Putnam County Economic Development Committee of the Putnam County Legislature and any member of the Legislature of the County of Putnam shall be entitled to attend all meetings of the Corporation, except any Executive Session of the Corporation, unless permitted by the Chairman of the Board of Directors.

- A. Meeting of the Board of Directors
 - a. The annual meeting of the Corporation shall be held one (1) hour prior to the monthly Board meeting of the Corporation held in the month of January each year, or as soon thereafter as may be practicable, at the offices of the Corporation, or at such other place as may be designated from time to time by the Board of Directors. The purpose of the annual meeting shall be for receiving the annual report of the Officers, Directors, and Committees and the transaction of all business which may come before the meeting. Notices of such annual meetings shall be sent at least ten (10) days prior to and not more than forty (40) days before the time appointed for the meeting. All notices of annual meetings shall set forth the place, date, time, and purpose of the meeting.
 - b. Special meetings of the Board of Directors may be called by the Chairman of the Board or the Board of Directors, at their discretion, on not less than forty-eight (48) hours' notice. No business other than that specified in the notice of meeting shall be transacted at any special meeting of the Directors.
 - c. In addition to the annual meeting held by the Board of Directors, the Board of Directors shall hold regular meetings throughout the year to be scheduled not less

frequently than quarterly. The Board may increase the number of meetings in its sole discretion as it deems necessary.

Section 11. COMMITTEES AND ADVISERS

- A. The Board of Directors at any regular meeting may establish from time to time, such committees as it shall deem appropriate, which committees may consist of members of the Board of Directors or persons who are not members of the Board of Directors and who shall serve for the purpose of advising the Board of Directors on any action that the committee is charged to examine, make recommendations about or to study. Such committees shall serve at the pleasure of the Board of Directors and upon completion of the function of such committee or the particular assignment of such committee shall be deemed to be disbanded. The President shall be a member, ex-officer of all committees.
- B. The Board of Directors shall have the right to appoint such advisers as it may deem appropriate and who may be requested to utilize their unique skills and abilities to advise the Board of Directors on any subject which the Board of Directors seeks input about or deems relevant to the mission of the Corporation.

Section 12. NOMINATION OF OFFICERS AND DIRECTORS

- A. The nomination of Officers and Directors of the Corporation shall be made by a Nominating Committee consisting of three (3) non-Officer Directors of the Corporation. The Nominating Committee shall be appointed by the Chairman of the Board with the approval of the Board of Directors. The Nominating Committee shall report to the Directors their nominations by regular mail or electronic communication not later than the meeting of the Board of Directors preceding the month in which the annual meeting of the Corporation is held.
- B. Nominations may also be made from the floor provided that such nomination is duly seconded by at least two (2) other Directors.

Section 13. QUALIFICATIONS (AND TERM LIMITS) OF OFFICERS AND DIRECTORS

- A. In order to be eligible to serve as a Director of the Corporation, an individual must be either a resident of, be employed or provide services within the County of Putnam.
- B. A person who is not a compensated Officer of the Corporation shall be permitted to serve as a Director of the Corporation for a maximum of four (4) consecutive three (3) year terms. In order to be thereafter eligible to serve once again as a Director, an individual shall be required to have not been a member of the Board of Directors for at least one full calendar year.
- C. If a Director is serving out the remainder of a term by interim appointment, such interim service shall not be included toward such twelve (12) year service.
- D. In the event a Director is appointed to a new director position as permitted under these By-Laws, the end of the term of such Director shall be set forth by the Directors, which term must end on December 31, and may not be longer than three (3) years.

Section 14. CORPORATE SEAL

The Corporate Seal of this Corporation shall have engraved thereon: Economic Development Corporation of Putnam County.

Section 15. FISCAL YEAR

The fiscal year shall be from January 1 through December 31.

Section 16. DISSOLUTION

In the event of a dissolution of the Corporation, its net assets shall be distributed in accordance with the state and federal law.

Section 17. INDEMNIFICATION & INSURANCE

- A. Indemnification. To the fullest extent permitted by law, the Corporation may indemnify any person made, or threatened to be made, a party to, or is involved in (including as a witness), any action or proceeding by reason of the fact that he or she is or was a director, officer, employee, or agent of the Corporation, against judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees. No indemnification may be made to or on behalf of any such person if: (i) his or her acts were committed in bad faith or were the result of his or her being active and deliberate dishonesty and were material to such action or proceeding; or (ii) he or she personally gained a financial profit or other advantage to which he or she was not legally entitled in the transaction or matter in which indemnification is sought.
- B. Expenses. The Corporation may pay expenses as incurred by any person described in Section 2 of this Article in connection with any action, suit, proceeding, or inquiry described in Section 2; provided that if these expenses are to be paid in advance of the final disposition (including appeals) of an action, suit, proceeding, or inquiry, then the payment of expenses shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of the person, to repay all amounts so advanced if it is ultimately determined that the person is not entitled to be indemnified under this Article or otherwise.
- C. Insurance. The Corporation may purchase and maintain all insurance policies deemed to be in the best interest of the Corporation, including insurance to indemnify the Corporation for any obligation or expenses which it incurs as a result of its indemnification of directors, officers, employees, and agents pursuant to this Article, or to indemnify such persons in instances in which they may be indemnified pursuant to this Article.

Section 18. MISCELLANEOUS

If any provision of these By-Laws is found to be improper or invalid, that provision shall be considered null and void and all remaining provisions shall remain in effect.

Revisions adopted unanimously by the Board in 2025.



PUTNAM COUNTY ECONOMIC DEVELOPMENT CORPORATION

INVESTMENT POLICY

All funds of the Putnam County Economic Development Corporation shall be deposited and maintained in the bank or banks designated by the Board of Directors. All monies will be conservatively invested in FDIC Insured accounts.

Adopted: March 11, 2025



ASSESSMENT OF EFFECTIVENESS OF INTERNAL CONTROLS

This statement certifies that management has assessed the internal control structure and procedures of the Putnam County Economic Development Corporation for the year ended December 31, 2024. This assessment found the authority's internal controls to be adequate.

Adopted: March 11, 2025



Statement of Procurement Policy and Procedures

Policy: It is the policy of The Putnam County Economic Development Corporation (the "EDC") to assure the prudent and economical use of EDC moneys, to facilitate the acquisition of goods and services of maximum quality at a competitive cost, and to guard against favoritism, improvidence, extravagance, fraud and corruption. While the EDC is not obligated pursuant to New York State law to require competitive bidding on its contracts, the EDC finds that its policy is advanced by requiring public bidding in certain instances.

Conflict of Interests: While the EDC is not obligated to comply with the provisions of Section 883 of the GML, the EDC hereby states its desire to adhere to the letter and spirit of such provisions by requiring all directors/ members, officers and employees of the EDC to be subject to the same Conflicts of Interest provisions contained in Article 18 of the GML.

Procedures: The EDC shall, unless it otherwise finds by Resolution to the contrary, pursue its procurement policy by adhering to the following procedures:

I. **Goods**

- a. **Contracts for Goods Valued at \$5,000 and Under:** All contracts for goods valued at \$5,000 and under shall be awarded by the EDC's President using his/her judgment as to the most appropriate vendor, without further documentation.
- b. **Contracts for Goods Valued over \$5,000 but less than \$10,000:** All contracts for goods valued over \$5,000 but less than \$10,000 shall be awarded after the approval of the EDC Board of Directors.
- c. **Contracts for Goods Valued at \$10,000 and Over:** The EDC shall use its best efforts to award contracts for goods valued over \$10,000 through a competitive process. The competitive process to be utilized shall, absent approval of the EDC to the contrary, be overseen by the President and entail the following:
 - i. All solicitations and requests for proposals should be in writing and should incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description should not contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, should set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a brand name or equal description may be used as a

means to define the performance or other salient requirements of such a procurement. The specific features of the named brand which must be met by offerors should be clearly stated and should identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

- ii. Requests for proposals should be publicly advertised by placing them on the EDC website and by placing notice in the newspapers approved by the County of Putnam.
 - iii. Proposals should be solicited from an adequate number of qualified sources.
 - iv. The President should establish a method for conducting evaluations of the proposals received and for selecting awardees.
 - v. Awards will be made by the President to the responsible respondent whose proposal is most advantageous to the EDC, with price and other factors considered.
 - vi. Require prospective bidders to sign a non-collusion agreement.
- d. Notwithstanding paragraphs A, B and C above, the President shall be authorized to award contracts for the purchase of Goods pursuant to any New York State or Putnam County approved vendor list, for the particular Goods referenced therein. Further, office supplies may be procured by the EDC's President from any national retail vendor (such as Staples or Office Depot). In such case, engaging in a competitive process would not be in the best interests of the EDC or its above stated policy.

II. Services

- a. Professional Services. Contracts for all services primarily or predominately of a professional nature, or requiring specialized skill or judgment, shall not be awarded by competitive process, but shall be awarded upon a Resolution of the EDC confirming the professional nature or specialized skill or judgment involved in such service.
- b. Marketing Services. The award of contracts, of up to \$2,500 each, for marketing, promotional advertising, sponsorship and similar services shall be awarded by the EDC's President using his/her judgment, in keeping with the best interests of the EDC. Reasonably adequate documentation supporting such award must be made by the EDC's President. It is intended that the type of service so excluded from competitive process include, without limitation, sponsorships of charitable and civic events.

- c. All Others. The award of service contracts not described in Sections II A or B above, shall be made through the competitive process described in Sections I A, B and C above.

THE FOREGOING PROCEDURES ARE IN ADDITION TO AND NOT IN LIEU OF THE SAFEGUARDS AND PROCEDURES ADOPTED BY THE EDC FROM TIME TO TIME REGARDING CHECK WRITING AUTHORITY AND THE EDC'S BUDGET PROCESS.

In the absence or unavailability of the EDC's President to act as aforesaid, the Chairman or Vice Chairman may, orally or in writing, authorize the award of any contracts with the same authority of the President as aforesaid.

These Procurement Policies and Procedures shall remain in effect until such time as the EDC's Board of Directors resolves to modify and amend the same.

The EDC may, from time to time, adopt different procedures, or deviate from any of the above procedures, on a case-by-case basis.

The unintentional failure to fully comply with the provisions of this statement of policy and procedures shall not be grounds to void action taken or give rise to a cause of action against the EDC or any director/member, officer or employee thereof.

Adopted: March 11, 2025



CODE OF ETHICS

This Code of Ethics shall apply to all officers and employees of the Putnam County Economic Development Corporation. These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of the Authority's directors and employees and to preserve public confidence in the Authority's mission.

II. Responsibility of Directors and Employees

- i. Directors and employees shall perform their duties with transparency, without favor and refrain from engaging in outside matters of financial or personal interest, including other employment, that could impair independence of judgment, or prevent the proper exercise of one's official duties.
- ii. Directors and employees shall not directly or indirectly, make, advise, or assist any person to make any financial investment based upon information available through the director's or employee's official position that could create any conflict between their public duties and interests and their private interests.
- iii. Directors and employees shall not accept or receive any gift or gratuities where the circumstances would permit the inference that: (a) the gift is intended to influence the individual in the performance of official business or (b) the gift constitutes a tip, reward, or sign of appreciation for any official act by the individual. This prohibition extends to any form of financial payments, services, loans, travel reimbursement, entertainment, hospitality, thing or promise from any entity doing business with or before the Authority.
- iv. Directors and employees shall not use or attempt to use their official position with the Authority to secure unwarranted privileges for themselves, members of their family or others, including employment with the Authority or contracts for materials or services with the Authority.
- v. Directors and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust.
- vi. Directors and employees may not engage in any official transaction with an outside entity in which they have a direct or indirect financial interest that may reasonably conflict with the proper discharge of their official duties.

- vii. Directors and employees shall manage all matters within the scope of the Authority's mission independent of any other affiliations or employment. Directors, including ex officio board members, and employees employed by more than one government shall strive to fulfill their professional responsibility to the Authority without bias and shall support the Authority's mission to the fullest.
- viii. Directors and employees shall not use Authority property, including equipment, telephones, vehicles, computers, or other resources, or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law or policy and the Authority's mission and goals.
- ix. Directors and employees are prohibited from appearing or practicing before the Authority for two (2) years following employment with the Authority, consistent with the provisions of Public Officers Law.

II. Implementation of Code of Ethics

This Code of Ethics shall be provided to all directors and employees upon commencement of employment or appointment and shall be reviewed annually by the Governance Committee. The board may designate an Ethics Officer, who shall report to the board and shall have the following duties:

- Counsel in confidence Authority directors and employees who seek advice about ethical behavior.
- Receive and investigate complaints about possible ethics violations.
- Dismiss complaints found to be without substance.
- Prepare an investigative report of their findings for action by the Executive Director or the board.
- Record the receipt of gifts or gratuities of any kind received by a director or employee, who shall notify the Ethics Officer within 48 hours of receipt of such gifts and gratuities.

III. Penalties

In addition to any penalty contained in any other provision of law, an Authority director or employee who knowingly and intentionally violates any of the provisions of this code may be removed in the manner provided for in law, rules or regulations.

IV. Reporting Unethical Behavior

Employees and directors are required to report possible unethical behavior by a director or employee of the Authority to the Ethics Officer. Employees and directors may file ethics

complaints anonymously and are protected from retaliation by the policies adopted by the Authority.

Adopted: March 11, 2025



Conflict of Interest

Article I – Purpose

1. The purpose of this Board conflict of interest policy is to protect the Putnam County Economic Development Corp.'s interests when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an officer or director of the Putnam County Economic Development Corp. or might result in a possible excess benefit transaction.
2. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.
3. This policy is also intended to identify "independent" directors.

Article II-- Definitions

1. Interested person -- Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. Financial interest -- A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - a. an ownership or investment interest in any entity with which the Putnam County Economic Development Corp. has a transaction or arrangement,
 - b. a compensation arrangement with the Putnam County Economic Development Corp. or with any entity or individual with which the Putnam County Economic Development Corp. has a transaction or arrangement, or
 - c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Putnam County Economic Development Corp. is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board or Executive Committee decides that a conflict of interest exists, in accordance with this policy.
3. Independent Director -- A director shall be considered "independent" for the purposes of this policy if he or she is "independent" as defined in the instructions for the IRS 990 form or, until such definition is available, the director –

- a. is not, and has not been for a period of at least three years, an employee of the Putnam County Economic Development Corp. or any entity in which the Putnam County Economic Development Corp. has a financial interest;
- b. does not directly or indirectly have a significant business relationship with the Putnam County Economic Development Corp., which might affect independence in decision-making,
- c. is not employed as an executive of another corporation where any of the Putnam County Economic Development Corp.'s executive officers or employees serve on that corporation's compensation committee; and
- d. does not have an immediate family member who is an executive officer or employee of the Putnam County Economic Development Corp. or who holds a position that has a significant financial relationship with the Putnam County Economic Development Corp.

Article III-- Procedures

1. Duty to Disclose -- In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board or Executive Committee.
2. Recusal of Self -- Any director may recuse himself or herself at any time from involvement in any decision or discussion in which the director believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.
3. Determining Whether a Conflict of Interest Exists -- After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or Executive Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or Executive Committee members shall decide if a conflict of interest exists.
4. Procedures for Addressing the Conflict of Interest
 - a. An interested person may make a presentation at the Board or Executive Committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - b. The Chairperson of the Board or Executive Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - c. After exercising due diligence, the Board or Executive Committee shall determine whether the Putnam County Economic Development Corp. can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or Executive Committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Putnam County Economic Development Corp.'s best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

5. Violations of the Conflicts of Interest Policy

- a. If the Board or Executive Committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or Executive Committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV- Records of Proceedings

The minutes of the Board and all committees with board delegated powers shall contain:

- a. the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board or Executive Committee's decision as to whether a conflict of interest in fact existed.
- b. the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V- Compensation

- a. A voting member of the Board who receives compensation, directly or indirectly, from the Putnam County Economic Development Corp. for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Putnam County Economic Development Corp. for services is precluded from voting on matters pertaining to that member's compensation
- c. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from

the Putnam County Economic Development Corp., either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI - Annual Statements

1. Each director, principal officer and member of a committee with Board delegated powers shall annually sign a statement which affirms such person:
 - a. has received a copy of the conflict of interest policy,
 - b. has read and understands the policy,
 - c. has agreed to comply with the policy, and
 - d. understands the Putnam County Economic Development Corp. is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
2. Each voting member of the Board shall annually sign a statement which declares whether such person is an independent director.
3. If at any time during the year, the information in the annual statement changes materially, the director shall disclose such changes and revise the annual disclosure form.
4. The Executive Committee shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements and taking such other actions as are necessary for effective oversight.

Article VII - Periodic Reviews

To ensure the Putnam County Economic Development Corp. operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. whether compensation arrangements and benefits are reasonable, based on competent survey information (if reasonably available), and the result of arm's length bargaining.
- b. whether partnerships, joint ventures, and arrangements with management organizations, if any, conform to the Putnam County Economic Development Corp.'s written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement or impermissible private benefit or in an excess benefit transaction.

Article VII - Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Putnam County Economic Development Corp. may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

Adopted: March 11, 2025