



SUBJECT: ETHICS AND COMPLIANCE PROGRAM

1.0 SCOPE

The New York Power Authority (Authority) is committed to complying with all applicable legal, regulatory and other mandatory standards and maintaining the highest level of ethical conduct of its Trustees, officers and employees. The purpose of this Policy is to establish the Authority’s Ethics and Compliance Program to provide independent oversight of corporate adherence with all applicable legal, regulatory and other mandatory standards and to promote a culture of integrity and compliance consistent with the Authority’s mission and business objectives. This Policy is an integral component of the Authority’s Ethics and Compliance Program.

2.0 IMPLEMENTATION

This Policy shall be adhered to by all Authority Trustees, officers and employees. Implementing procedures shall be prepared as necessary to provide appropriate guidance in meeting the management controls described herein. Recommendations for changes to this policy or a new corporate policy shall be processed in accordance with CP1-1 “Corporate Policy Program Administration” and be presented to the Governance Committee and Board of Trustees for approval.

3.0 MANAGEMENT CONTROLS

General

- 3.1** This Policy sets the direction and provides guidance for the assessment and monitoring of legal and regulatory compliance and appropriate ethical conduct.
- 3.2** All Trustees, officers and employees shall:
 - a) Comply with all applicable legal, regulatory and other mandatory standards and perform their Authority duties and responsibilities with integrity and in accordance with the NYS Public Officers Law and the Authority’s Code of Conduct;
 - b) Successfully complete all mandatory ethics and compliance training initiatives;



- c) Prepare and submit all mandatory ethics and compliance reports and other documents in an accurate and timely manner;
- d) Report any suspected violations of laws, regulations and other standards and any Whistleblowing Events as that term is defined in CP 1-7, “Anti-Retaliation Policy”;
- e) Cooperate fully in all internal and external investigations and maintain the confidentiality of information obtained during any investigations; and
- f) Maintain a work environment free from retaliation in accordance with CP 1-7, “Anti-Retaliation Policy”.

4.0 RESPONSIBILITIES

4.1 Board of Trustees

The Authority shall implement and maintain an ethics and compliance program under the oversight and governance of its Board of Trustees. As set forth in the Governance Committee Charter, the Governance Committee of the Board of Trustees will review the Code of Conduct and provide oversight and guidance to the Vice President and Chief Ethics & Compliance Officer relating to the Authority’s programs and policies designed to ensure compliance with applicable laws and regulations and employees’ ethical conduct.

4.2 President and Chief Executive Officer

The President and Chief Executive Officer and the Authority’s Executive Management Committee will create and manage a working environment that promotes ethical behavior, integrity and compliance with applicable laws, regulations and mandatory standards necessary for implementing and maintaining an effective Ethics and Compliance Program.

4.3 Office of Ethics and Compliance

The Office of Ethics and Compliance shall report to the Executive Vice President & General Counsel and the Governance Committee of the Board of Trustees. This office provides independent, objective oversight and monitoring of the Authority’s compliance with applicable laws, regulations and mandatory standards. The Office assists the Authority in achieving its mission and business objectives by evaluating and

enhancing the Authority's legal and regulatory compliance posture and communicating and applying the required standards of ethical conduct to the Authority's Trustees, officers and employees.

The Vice President and Chief Ethics & Compliance Officer will, among other duties and responsibilities:

- a) Develop and maintain the Authority's Code of Conduct and provide legal interpretations to the Trustees, officers and employees relating to the NYS Public Officers Law, ethics regulations and the NYS Joint Commission on Public Ethics Advisory Opinions.
- b) Prepare and administer ethics and compliance training initiatives and Code of Conduct certifications to the Trustees, officers and employees.
- c) Evaluate and monitor the Authority's compliance with applicable laws, regulations and mandatory standards and review and recommend modifications to the Authority's policies and procedures to ensure compliance.
- d) Collaborate with the Law Department and the Authority's officers and employees to ensure compliance with applicable laws, regulations and mandatory standards, including the North American Electric Reliability Corporation's Reliability Standards and the Federal Energy Regulatory Commission's Standards of Conduct and Anti-Market Manipulation Rules.
- e) Maintain a centralized inventory of mandatory compliance reports and training applicable to the Authority and its Trustees, officers and employees.
- f) Manage the Authority's Employee Concerns Hotline – **(1-877-TEL-NYPA)** in collaboration with the Law Department.
- g) Receive, review and coordinate the investigation of allegations of violations of the Authority's Code of Conduct, the Public Officers Law, and legal and regulatory standards involving the Authority's assets, business partners, Trustees, officers and employees in accordance with CP 1-7, "Anti-Retaliation Policy".
- h) Collaborate with other business units on investigations when appropriate, and refer employee disciplinary matters resulting

from substantiated violations to the Human Resources Department and/or Labor Relations.

- i) Serve as the Authority's liaison with the NYS Joint Commission on Public Ethics and NYS Office of the Inspector General on issues within those agencies' jurisdiction and which affect the Authority and its Trustees, officers and employees.
- j) Review reports prepared by the Internal Audit Department and the Authority's Risk Profile approved by the Executive Risk Management Committee for compliance with ethical, legal and regulatory standards.
- k) Prepare and provide ethics and compliance reports to the Governance Committee of the Board of Trustees and the Executive Management Committee.

5.0 VIOLATIONS

Violations of this Policy and related codes, policies and procedures by the Authority's Trustees, officers and employees may result in disciplinary action, up to and including termination of employment.

6.0 REFERENCES

- 6.1** CP 1-1 Corporate Policy Program Administration
- 6.2** CP 1-7 Anti-Retaliation Policy
- 6.3** Code of Conduct
- 6.4** Governance Committee Charter
- 6.5** NYS Joint Commission on Public Ethics Advisory Opinions
- 6.6** NYS Public Officers Law

President and Chief Executive Officer