

NYC NEIGHBORHOOD CAPITAL CORPORATION CODE OF ETHICS FOR DIRECTORS AND OFFICERS

Adopted on August 6, 2014

I. INTRODUCTION AND PURPOSE

The Board of Directors ("Board") of NYC Neighborhood Capital Corporation (the "Corporation") has adopted this code of ethics ("Code") with respect to its directors and officers (collectively, the "Directors"). This Code is intended to promote (a) honest and ethical conduct, including the proper handling of actual or apparent conflicts of interest between duties and loyalties to the Corporation and other personal and financial interests, and (b) full, fair and understandable disclosure in the periodic reports required to be filed and updated hereby. This Code provides examples of situations involving conflicts of interest and establishes disclosure procedures. It is vitally important to the public trust that both the fact and the appearance of conflicting interests and improper corporate conduct be avoided. Each Director will be expected to read and understand this Code and to review it periodically in order to be alert to situations that could create a conflict of interest or otherwise be contrary to the established policies of the Corporation.

II. GUIDELINES

A. Existence of an Interest. A Director is deemed to be "interested" in cases in which the Director's personal and/or financial interest conflicts or may conflict with the interest of the Corporation. For example, a Director is deemed to be interested where the Director or his or her relative is an officer, director, trustee, member, owner or employee of an entity:

- from which the Corporation purchases or proposes to purchase services or supplies.
- with which the Corporation contracts or proposes to contract.
- with which the Corporation negotiates or effects a transaction.
- that substantially benefits from a transaction that the Corporation negotiates or effects.
- that has a financial interest in any transaction, agreement or other arrangement in which the Corporation or any affiliate of the Corporation is a participant.

"Relative" means a Director's (a) spouse, ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren and great-grandchildren, and spouses of brothers, sisters, children, grandchildren and great-grandchildren; and (b) domestic partner as defined in N.Y. Public Health Law § 2994-a.

"Owner" means a person who, together with the person's relatives, holds:

- a direct or indirect ownership or beneficial interest in an entity that exceeds 5% of the entity's equity,

- an equity investment in the entity of \$48,000[†] or more in cash or other form of commitments,
- 5% of the entity's indebtedness,
- \$48,000[†] or more of the entity's indebtedness, or
- managerial control or responsibility regarding any such entity,

provided that, in the case of:

- an entity (other than a partnership or professional corporation) in which the Director and his or her relatives in the aggregate do not have at least a 35% ownership or beneficial interest, and
- any partnership or professional corporation in which the Director and his or her relatives in the aggregate do not have a direct or indirect ownership or beneficial interest in excess of 5%,

a Director will not be considered to own interests held in any blind trust that holds or acquires an ownership interest or in any pension plan, deferred compensation plan or mutual fund, the investments of which are not controlled by the person and/or a relative or an entity in which the person and/or a relative is an owner.

A person has a beneficial ownership interest if the person directly or indirectly has or shares voting power and/or investment power or the right to acquire beneficial ownership within 60 days.

A Director shall not be deemed to be interested by virtue of his or her status as an official or employee of the City of New York.

B. Conduct When an Interest Exists. When a Director is interested in a matter before the Board or a committee (each a “body”):

- if the Director is present at the meeting of the body at which the matter is considered, the Director must disclose all material facts concerning the interest to the body, including the nature and extent of the interest;
- a Director shall not participate in the Corporation's deliberations or vote on such a matter and must not attempt to influence the consideration, determination or approval of, or deliberations on, the matter on the part of the Corporation.

Nothing in this section shall prohibit the body from requesting that an interested Director present information concerning a matter at a meeting of the body prior to the commencement of deliberations or voting relating thereto.

A Director shall not engage in any transaction as representative of the Corporation with a business entity in which the Director has an interest.

A Director must disclose each interest held by the Director on an annual disclosure statement to the Secretary of the Corporation and must promptly update such disclosure in an amendment

[†] This amount shall be automatically increased each time the dollar amount in the definition of “ownership interest” set forth in Rule 1-11 of the City's Conflicts of Interest Board is increased so as to equal the increased dollar amount set forth in the Rule.

thereto in the event the Director becomes aware of an undisclosed interest.

C. Confidential and Inside Information. Confidential information acquired by a Director in the course of his or her duties as a Director must be held in confidence and may not be used as a basis for personal gain by the Director, his or her relatives or others. Information relating to transactions pending with the Corporation is not to be given to any person unless it has been published or otherwise made generally available to the public by the Corporation.

A Director must refrain from transmitting any information about the Corporation or its deliberations or decisions or any other information the Director obtained from the Corporation that might be prejudicial to the interests of the Corporation to any person other than in connection with the discharge of the Director's responsibilities, except to the extent the information is publicly available.

A Director must not accept employment or engage in any business or professional activity that will require him or her to disclose confidential information that he or she has gained by reason of his or her official position of authority.

D. Gratuities/Conduct. A Director must not be placed under actual or apparent obligation to anyone by accepting, or permitting his or her relative to accept, gifts or other favors where it might appear that they were given for the purpose of improperly influencing the Director in the performance of his or her corporate duties. In addition, a Director should never use his or her official position to secure unwarranted privileges or exemptions; nor should a Director, by his or her conduct, give any reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties or that he or she is affected by the kinship, rank, position or influence of any party or person. Instead, a Director should endeavor to pursue a course of conduct that will not raise suspicion that he or she is likely to be engaged in acts that are in violation of his or her trust.

E. Prohibitions. A Director shall not make personal investments in enterprises that he or she has reason to believe may be directly involved in unavoidable decisions to be made by him or her as a Director of the Corporation, or that will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest. Additionally, a Director is prohibited from accepting employment that unavoidably impairs his or her independence of judgment in the exercise of his or her service as a Director.

III. DISCLOSURE PROCEDURE

If at any time a Director is in doubt as to the proper application of this Code, the Director should immediately make all the facts known to the General Counsel of the Corporation and be guided by the General Counsel's instructions.

Each Director shall make the annual filings required of Directors under N.Y. Public Authorities Law § 2825(3).

Each Director must complete a disclosure statement in the form attached hereto promptly after his/her initial appointment and annually thereafter approximately at the time required for the filing by directors of an annual financial disclosure statement pursuant to N.Y. Public Authorities Law § 2825(3). Such disclosure statement shall be updated promptly if the information in the disclosure statement changes. Such disclosure statement and updates shall be submitted to the Secretary and the General Counsel of the Corporation.

The Corporation's records, including related minutes, should document any "interest" disclosed to a Board or committee considering a matter.

IV. VIOLATIONS

If a Director violates any of the provisions of this Code, such Director shall be subject to an appropriate remedy under the circumstances. In addition to any penalty contained in any provision of law, the Director may be subject, at the discretion of the Chairperson of the Corporation, to removal for cause.

V. OFFICERS WHO ARE EMPLOYEES OF THE CORPORATION

Notwithstanding anything contained herein, (i) if an officer of the Corporation is an employee of the New York City Economic Development Corporation, that officer shall be subject to the restrictions set forth in Chapter 68 of the City Charter and not subject to this Code; and (ii) if an officer of the Corporation is an employee of the Corporation, that officer shall be subject to the restrictions set forth in Chapter 68 of the City Charter and not subject to this Code.

Part II

The following is a list of entities in which I and/or any of my relatives (as defined in the Code) have, directly or indirectly, in the aggregate, at least a 35% ownership or beneficial interest, except for any interest in a partnership or professional corporation (if the answer is “None”, please indicate in the space provided; otherwise indicate who has such interest):

The following is a list of partnerships and professional corporations in which I and/or any of my relatives (as defined in the Code) have, directly or indirectly, in the aggregate, more than a 5% ownership or beneficial interest (if the answer is “None”, please indicate in the space provided; otherwise indicate who has such interest):

Attach additional sheets as needed.

Date: _____

Name (Please print or type)

Signature