

**JOB DEVELOPMENT AUTHORITY
STATEMENT OF POLICY AND PROCEDURES**

PROHIBITION ON RETALIATION AGAINST WHISTLEBLOWERS

This Statement of Policy and Procedures - Prohibition on Retaliation Against Whistleblowers ("Policy Statement") sets forth the policy of the New York Job Development Authority (the "Authority") with respect to the matters herein described. An employee disclosing information concerning wrongdoing, misconduct, malfeasance or other inappropriate behavior by an employee or Director with respect to investments, travel, the acquisition of real property and the disposition of real and personal property and the procurement of goods and services that the employee reasonably believes to be true and reasonably believes to be a violation of a law, rule, regulation or policy shall not suffer reprisal, retaliation or punitive action by the Authority, its officers, members or employees. It is a violation of this Policy Statement to retaliate or take wrongful punitive action against any employee for the reporting of such alleged activity ("Protected Whistleblower Reporting"). Retaliation includes action by the Authority to fire, discharge, demote, suspend, threaten, harass or discriminate against an employee because of the employee's role as a whistleblower insofar as the actions taken by the employee are legal.

Retaliation and wrongful punitive action can also be a violation of a variety of State and federal laws depending on the facts and circumstances. In particular, New York State law provides that a public employer shall not dismiss or take other disciplinary or other adverse personnel action against a public employee regarding the employee's employment because the employee discloses to a governmental body information: (i) regarding a violation of a law, rule or regulation which violation creates and presents a substantial and specific danger to the public health or safety; or (ii) which the employee reasonably believes to be true and reasonably believes constitutes an improper governmental action. Retaliation and wrongful punitive action can include both adverse employment actions, such as termination from employment and demotion, and the creation of a hostile work environment.

Employees who retaliate or take wrongful punitive action against an employee for Protected Whistleblowing Reporting shall be subject to disciplinary action, including informal and formal corrective action up to and including termination from employment.

REPORTING AND INVESTIGATION OF WHISTLEBLOWER RETALIATION CLAIMS

Employees who believe that they or another employee has been the subject of illegal retaliation or wrongful punitive action as a result of Protected Whistleblower Reporting should report the same orally or in writing to two of the following:

- General Counsel;
- ESD Ethics Officer;
- ESD Director of Human Resources;
- Chief Financial Officer;
- Chairman; and
- President.

INVESTIGATION OF CLAIMS OF RETALIATION OR PUNITIVE ACTION

All reporting of alleged retaliation or wrongful punitive action or matters involving Protected Whistleblower Reporting shall be reviewed and investigated by the Audit Committee or referred by the Audit Committee for review and investigation in the manner herein provided.

Unless otherwise directed by the Audit Committee based on a finding of special circumstances, all investigations conducted by the Authority in accordance with these practices and procedures shall be conducted under the direction and supervision of the General Counsel. Investigators may include representatives of the Legal and Human Resources Departments of the New York State Urban Development Corporation, doing business as Empire State Development ("ESD") and other ESD employees, internal or external auditors and outside counsel.

Reported allegations of retaliation or punitive action by employees made directly to the Inspector General's Office or other outside governmental authority shall be investigated by the Inspector General's Office or the outside governmental authority, as the case may be, unless referred back to the Authority for investigation. Unless otherwise directed by the Audit Committee, the Inspector General's Office or other outside governmental authority as the case may be, the General Counsel shall serve as liaison with the Inspector General's Office and other outside governmental authority. All information requests and requested information shall be forwarded to the General Counsel for appropriate action including gathering the requested information and thereafter forwarding to the requesting entity.

In the case of allegations received by the Authority which involve (or might involve) concurrent responsibilities of more than one audit committee of the Authority and of ESD and its subsidiaries, there shall be appropriate coordination which may involve one of the audit committees' taking the lead in the matter ("Lead Audit Committee"). The Lead Audit

Committee, through its Chair or the General Counsel, shall periodically report to the other audit committee, as appropriate, regarding the status and disposition of such matters.

INVESTIGATION REPORTS

The findings of investigations conducted by the Authority hereunder shall, as appropriate, be set forth in a written report which shall include findings of fact, conclusions and recommendations including for any disciplinary action ("Report"). The General Counsel (or others designated by the Audit Committee) shall, as may be appropriate, provide the Audit Committee with completed Reports prepared under his/her supervision. All reports received by the Agency from the Inspector General's Office shall be directed to the Audit Committee. All reports prepared by outside third parties, including outside counsel, shall be directed to the Audit Committee.

DISPOSITION OF SUBSTANTIATED CLAIMS

The Audit Committee shall take appropriate action upon each completed written Report prepared by or forwarded to it pursuant to this Policy Statement. Appropriate action may include referral to the Inspector General's Office; referral to all the Authority Members for recommended action requiring Members' approval; or referral to the President or Chairman for recommended disciplinary or administrative action subject to the Authority's current grievance procedures.

ABUSE OF PRACTICES AND PROCEDURES AND MERITLESS CLAIMS

It shall be a violation of this Policy Statement for any employee to report or disclose information that the employee knows or reasonably should know to be untrue, unfounded or misleading or for which there is no basis for the claim reported in law, rule, regulation or policy. Any such meritless claim shall be subject to the same Investigation of Claims, Investigation Reports and Disposition set forth in this Policy Statement.

DISCIPLINARY ACTION

Disciplinary action brought under this Policy Statement shall be subject to all collective bargaining provisions, laws and regulations applicable to the employee against whom disciplinary action is being taken for alleged violations of this Policy Statement.

PERIODIC REPORTING TO THE MEMBERS

Periodically, but not less than once annually, the Audit Committee, in consultation with the General Counsel, shall provide a written summary to the Authority Members for the period setting forth the status of pending matters reported pursuant to this Policy Statement, including all claims of whistleblower retaliation.

RECORD RETENTION AND ADMINISTRATION

Unless otherwise directed by the Audit Committee, all information obtained and work product prepared pursuant to this Policy Statement, including but not limited to Reports, statements, physical evidence, reports, memos and notes shall be maintained by the Authority in files maintained and administered by the General Counsel and/or the President or Chairman, as appropriate.

RECUSAL

In the event it becomes necessary for Members, officers or employees to recuse themselves from responsibilities assigned to them under this Policy Statement, these practices and procedures shall be administered with such reasonable adjustments as are necessary in furtherance of their purpose.

APPLICABILITY

This Policy Statement shall apply to all employees, full- and part-time employees, including those on probation, seasonal employees, temporary employees, employees of ESD performing functions on behalf of or for the benefit of the Authority, officers, Members and interns of the Authority and the term "employee," for the purposes of the Policy Statement, shall include all of the foregoing positions.