

FULLER ROAD MANAGEMENT CORPORATION
CONFLICT OF INTEREST AND RELATED PARTY TRANSACTION POLICY

The board of directors (the “Board”) of Fuller Road Management Corporation, a New York not-for-profit corporation (the “Corporation”), has adopted this Conflict of Interest and Related Party Transaction Policy (the “Policy”), dated February 22, 2017, to ensure that its directors, officers and Key Employees (if any) act in the Corporation’s best interest and comply with applicable legal requirements, including but not limited to the requirements set forth in sections 715 and 715-a of the New York State Not-for-Profit Corporation Law.

All directors, officers and Key Employees owe a duty of loyalty to the Corporation and must act in good faith in the Corporation’s best interests, rather than the interests of another entity or person and must comply with all legal requirements, including this Policy.

Directors, officers and Key Employees shall not engage in any transaction or arrangement or undertake positions with other corporations or other organizations that involve a conflict of interest, or the appearance of a conflict, except in compliance with this Policy. This Policy shall not supersede any requirement which may be applicable to any director, officer or Key Employee by virtue of such individual’s status as a state officer or employees as defined in section 73 of the Public Officers Law.

1. **Definitions**

- (a) “Affiliate” means any entity controlled by, in control of, or under common control with the Corporation.
- (b) “Conflict of Interest” means: (i) a particular transaction or arrangement in which any Related Party, has, or in the near future will have, or is perceived to have, directly or indirectly, a financial interest and in which the Corporation or any Affiliate of the Corporation is a participant; or (ii) or any other interest, financial or otherwise, direct or indirect, that could conflict, or be perceived to conflict, with the proper discharge of the duties of the director, officer or Key Employee to the Corporation. Examples of circumstances that may give rise to conflicts of interest are set forth below, but these examples are not exhaustive. Conflicts might arise in other circumstances or through other relationships. It shall be the continuing responsibility of each director, officer or Key Employee to scrutinize his or her transactions, outside businesses and personal relationships for potential conflicts and Related Party Transactions and to immediately report the same to the Board.

Directors, officers 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. While it is not possible to describe or anticipate all the circumstances that might involve a conflict of interest, a conflict of interest typically arises whenever a director or employee has or will have:

- A financial or personal interest in any person, firm, corporation, or association which has or will have 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/her, or could reasonably be expected to influence him/her, in the performance of his/her official duties or was intended as a reward for any action on his/her part.
- Any other circumstance that may or appear to make it difficult for the director or employee to exercise independent judgment and properly exercise his or her official duties.

(c) “Key Employee” means a person who is in a position to exercise substantial influence over the affairs of the Corporation.

(d) “Related Party” means (i) any director, officer or Key Employee of the Corporation or any Affiliate of the Corporation; (ii) any Relative of any director, officer or Key Employee of the Corporation or any Affiliate of the Corporation; or (iii) any entity in which any individual described in (i) and (ii) above has a 35% or greater interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.

(e) “Related Party Transaction” means any transaction, agreement or any other arrangement in which a Related Party has a financial interest and in which the Corporation or any Affiliate of the Corporation is a participant.

(f) “Relative” means a (i) spouse, ancestor, child (whether natural or adopted), grandchild, great-grandchild, sibling (whether whole or half-blood), (ii) spouse of a child (whether natural or adopted), grandchild, great-grandchild or sibling (whether whole or half-blood), or (iii) a domestic partner.

2. **Duty to Disclose Conflicts**

All material facts related to the conflicts of interest (including the nature of the interest and information about any conflicting Related Party Transaction) shall be disclosed in good faith and in writing to the General Counsel and/or Ethics Officer. Such written disclosure shall be made part of the official records of the proceedings of the Corporation.

3. **Determining Whether a Conflict of Interest Exists**

The General Counsel and/or Ethics Officer shall advise the individual who appears to have a conflict of interest how to proceed. The existence and resolution of a potential Conflict of Interest shall be documented in the Corporation's records, including in the minutes of any meeting at which the conflict was discussed or voted upon.

4. **Recusal and Abstention**

Any director, officer, Key Employee or any Related Party having a potential conflict of interest or an interest in a Related Party Transaction shall not (i) be present at or participate in

Board or committee deliberation or vote on the matter giving rise to such conflict or transaction (except that relevant information at a Board meeting prior to commencement of deliberations or voting thereon), or (ii) attempt to influence improperly the deliberation or voting on the matter giving rise to such conflict or transaction.

With respect to any Related Party Transaction in which a Related Party has a substantial financial interest, the Corporation may enter into a transaction or arrangement only if: (i) the Board has considered alternative transactions to the extent available; (ii) at a duly held meeting of the Board, a majority of those directors who have no interest in the transaction or arrangement approve the transaction or arrangement after determining, in good faith and after reasonable inquiry, that the transaction is fair and reasonable to the Corporation and in its best interests; and (iii) the Board documents in writing the basis for the decision including its consideration of alternative transactions, if any.

5. **Records of Conflicts of Interests**

The minutes of the Corporation's 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.

6. **Reporting of Violations**

Directors and employees should promptly report any violations of this policy to his or her supervisor, or to the Corporation's General Counsel and/or Ethics Officer, or human resources representative in accordance with the Corporation's Whistleblower Policy and Procedures.

7. **Annual Disclosure and Acknowledgement**

Each director, prior to his or her initial election and annually thereafter, shall complete and sign an Annual Disclosure Statement identifying, to the best of the director's knowledge, any entity of which such director is an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or employee and with which the Corporation has a relationship, and any transaction in which the Corporation is a participant and in which the director might have a conflicting interest. The Annual Disclosure Statement shall be submitted to the secretary of the Corporation (the "Secretary"). The Secretary shall provide a copy of each completed Questionnaire, and any updates, to the Chair of the Audit Committee and the General Counsel, who will evaluate the disclosures to determine whether they involve a conflict of interest.

Each officer and Key Employee shall complete and sign an annual written statement (the "Acknowledgement") acknowledging that such officer or Key Employee has received, read and understood the Conflict of Interest and Related Party Transactions Policy of the Corporation and agree that such officer or Key Employee has and will continue to abide by such Policy. The Secretary shall maintain a copy of each completed Acknowledgement and any updates.

8. **Future Employment**

Directors, officers, and Key Employees are prohibited from discussing possible future employment which any entity that has had a specific matter pending before them unless 30 days or more has passed since the matter closed. Directors should recuse themselves from all matters related to entities with which they are engaged in employment negotiations.

9. **Penalties**

If the Board has reasonable cause to believe that a director, officer or Key Employee has failed to comply with this Policy, the Board may make such further investigation as may be warranted in the circumstances and if the Board determines that the director, officer or Key Employee has in fact failed to comply with this Policy, it shall take appropriate action in accordance with law and the Corporation's certificate of incorporation and bylaws, which may include removal from office. Any director or employee that fails to comply with this policy may be penalized in the manner provided for in law, rules or regulations.