



**ETHICS POLICY
OF
THE ARIZONA COMMERCE AUTHORITY**

I. Purpose/Expected Outcome:

A. All directors, appointees, employees, volunteers, and other agents acting for or on behalf of the Arizona Commerce Authority (“**ACA**”), collectively referenced herein as “**Stakeholders**,” are subject to the laws of the State of Arizona, as well as to applicable federal and local laws, pertaining to ethics matters. ACA is committed to compliance with these laws.

B. As it is of vital importance that business relationships and transactions with entities and individuals within and outside ACA be conducted in an ethical, honest, straightforward, and businesslike manner, ACA expects its Stakeholders to operate at a higher standard of business and personal conduct. Accordingly, the purpose of this Policy is to organize and state the supplementary principles of business ethics that are to guide ACA and its Stakeholders. In the event that applicable law imposes requirements more stringent than those set forth herein, the applicable law shall apply. Further, this Policy is supplemented by the guidelines, prohibitions, restrictions, and requirements set forth in ACA’s Gifts Policy and Conflicts of Interest Policy.

C. Failure to comply with any part of this Policy is a serious breach of a Stakeholder’s responsibility, constitutes conduct detrimental to ACA, and will be cause for appropriate action, up to and including termination of employment, appointment, volunteer position or other agency relationship.

II. Definitions:

A. “Policy” means ACA’s Ethics Policy.

A. “Stakeholders” means all directors, officers, appointees, employees, volunteers, and others acting for or on behalf of ACA, regardless of whether they are paid for their service.

III. Policy:

A. Honesty. Stakeholders must never make misrepresentations or dishonest statements or statements that may mislead or misinform with respect to any aspect of their relationship with ACA. The Stakeholders must never falsify or improperly remove or destroy any documents. If it appears that anything a Stakeholder has said or written has been misunderstood, the Stakeholder is expected to correct it promptly.

B. Anti-Discrimination and Anti-Sexual Harassment Policy. ACA will not tolerate discrimination or sexual harassment, regardless of whether it occurs in the workplace or in other ACA-affiliated settings. ACA strives to assure that individuals are at all times treated consistently with state law pertaining to discrimination and sexual harassment, including,

without limitation, A.R.S. §41-1463 .

C. Open and Fair Dealing. Although a Stakeholder may cite legitimate advantages of doing business with ACA, a Stakeholder must be careful not to engage in any activity that could be construed as coercive or threatening when acting as a representative of ACA. In addition, a Stakeholder should only utilize factual based distinctions and competitive or comparative advantages in distinguishing a competitor of ACA. A Stakeholder is expected to stress in a fair and accurate manner the advantages of ACA's activities.

D. Use of Non-Public Information. In the course of a Stakeholder's association with ACA, the Stakeholder may become aware of information about ACA or other organizations or individuals that is not publicly known. A Stakeholder must never use such information for personal gain and must never disseminate such non-public or "inside" information unless properly authorized to do so.

E. Conflicts of Interest; Gifts; Legal Requirements. All Stakeholders are required to comply with ACA's Conflicts of Interest Policy, Gifts Policy, and applicable State of Arizona and United States law as referenced therein.

F. Relationships with Government Employees Here and Abroad. As a general guideline, a Stakeholder may not offer or promise to pay, or authorize the payment of, any money, or give or promise to give, or authorize the giving of, any services or anything else of value, either directly or through a third-party, to any official or employee of a public international organization or of any foreign or domestic government, or of any agencies or subdivisions thereof, or of any public international organizations or governmental instrumentalities, or to any political party or official thereof or to any candidate for political office for the purpose of: (i) influencing any act or decision of that person in his or her official capacity, including a decision to fail to perform his or her official functions with such government or instrumentalities; (ii) inducing such person to use his or her influence with such government or instrumentalities to affect or influence any act or decision thereof; or (iii) securing any improper advantage. These restrictions also specifically apply to agents or consultants acting on ACA's behalf and standards of conduct clauses will be required for vendor agreement, grant, contract award, or other contractual relationship between a third-party and ACA.

G. A Stakeholder may not:

1. Use his or her official position for personal gain, or attempt to use, or use, confidential information for personal advantage;
2. Permit himself or herself to be placed under any kind of personal obligation that could lead a person to expect favors or any kind of quid pro quo;
3. Perform an act in a private capacity that may be construed to be an official act; and
4. Engage in outside employment or other activity that is not compatible with the full and proper discharge of the duties and responsibilities of the Stakeholder to ACA or that

tends to impair the Stakeholder's capacity to perform the Stakeholder's duties and responsibilities in an acceptable manner.¹

H. Antitrust Laws. The fundamental objective of antitrust and other competition laws is to protect and promote competition and free enterprise for the benefit of consumers. Violations of antitrust laws can lead to substantial civil liability, and may even be deemed criminal acts that result in felony convictions.

It is ACA's policy to observe both the letter and the spirit of the antitrust laws of the United States. Although this Policy is not intended to provide a comprehensive guide to all situations implicating the antitrust laws, as a general rule, to the extent a Stakeholder has occasion to speak with any actual or potential non-Arizona quasi-governmental competitor of ACA or any of its business units, the Stakeholder must be certain never to discuss prices, royalties, market share or marketing strategy concerning ACA's activities. Whenever in doubt, Stakeholders should refer questions regarding appropriate conduct to the ACA Ethics Officer or, in his or her absence, to the Chief Operating Officer ("COO").

IV. Procedure/Interventions:

A. Responsibility. The responsibility of overseeing compliance with this Policy is assigned to the ACA Ethics Officer and in his or her absence, to the COO. The ACA Ethics Officer is specifically authorized and directed to bring any concerns, issues, problems or questions to the attention of the Chief Executive Officer for review and action.

B. Dissemination of the Policy. ACA has set up the following procedures for helping all Stakeholders to learn and understand the guidelines set forth in this Policy:

1. The Policy will be distributed to every Stakeholder upon its implementation and thereafter to each new Stakeholder who joins ACA.

2. Every Stakeholder must indicate that he or she has received and read the Policy by signing the most current ACA acknowledgment and returning it to the ACA Ethics Officer. The acknowledgment also requires each Stakeholder to confirm that he or she has not previously and is not currently engaging in any activity that would constitute a violation of the Policy, or to immediately disclose any such activity in writing to the Ethics Officer.

3. Periodically, and at least annually, the Policy will be redistributed to every ACA Stakeholder and an updated acknowledgment will be required.

4. ACA will provide prompt written notice to all Stakeholders of any modifications of or additions to the Policy.

5. The Policy will be prominently placed on ACA's website.

6. The Policy will be provided with any ACA request for proposal or solicitation to any potential vendor, grant awardee, contract awardee, and any other participant in any potential contractual relationship that may be entered into between a third-party and ACA.

¹ A.A.C. §2-5-501C(1) through (4).

7. Stakeholders are encouraged to direct inquiries at any time to the ACA Ethics Officer or, in his or her absence, to the COO.

C. Procedures for reporting and investigating suspected violations.

1. Reporting. Stakeholders are expected to report promptly any information they have regarding an actual or potential violation of this Policy to the ACA Ethics Officer or, in his or her absence, to the COO. Such Stakeholders may also make an anonymous report using the website-based anonymous reports form described in Section V of this Policy. Failure to report such information may itself constitute a violation of this Policy.

2. Investigation. Reports of suspected violations of this Policy will be investigated under supervision of the ACA Ethics Officer. If the ACA Ethics Officer is suspected of possible violations, the Ethics Committee of the Board of Directors will appoint an independent investigator, who may either be another ACA employee or an outside investigator. When a violation is established, ACA will respond promptly and appropriately to deal with the particular individual(s) involved as well as to prevent similar offenses from occurring again. ACA's response may include, when necessary, revising this Policy to better deter and detect the particular type of offense that has occurred.

3. Confidentiality. To the extent practical and appropriate under the circumstances to protect the privacy of the individuals involved, ACA will endeavor to not voluntarily disclose the identity of anyone who reports a suspected violation or participates in its investigation. However, employees should be aware that the ACA Ethics Officer, and those assisting the ACA Ethics Officer, the Ethics Committee of the Board of Directors, or retained outside investigators are obligated to act in the best interests of ACA.

4. Protection Against Retaliation. Retaliation in any form against an individual who reports a violation of this Policy, or who assists in the investigation of a reported violation, is itself a serious violation of this Policy. Acts of retaliation should be reported immediately and will be disciplined appropriately.

D. Disciplinary Action. All Stakeholders are expected to adhere to this Policy. Any violation of this Policy is grounds for disciplinary action by ACA, including reprimand, suspension or discharge of the individuals involved. ACA reserves the right to commence civil proceedings or initiate criminal proceedings if, in its sole discretion, it deems such action appropriate. In considering whether and what measures are appropriate, ACA will treat with leniency Stakeholders who come forward to provide information regarding their own violations of this Policy.

E. Waivers. Individual circumstances may arise that make it permissible to depart from a particular guideline set forth in this Policy. However, any exception to or deviation from the Policy must be fully described in advance to, and approved in writing by the COO or, in his or her absence, by the Chief Executive Officer. Any previous or current departure from this Policy must be promptly disclosed to the ACA Ethics Officer or, in his or her absence, to the COO, and will be resolved appropriately.

F. Audits and Reporting. The ACA Ethics Officer is responsible for the initial investigation of any reported or discovered violations of this Policy. The ACA Ethics Officer is required to report quarterly to the Ethics Committee of the Board of Directors all suspected or alleged violations of this Policy, whether or not substantiated. The ACA Ethics Officer is also responsible for providing a detailed report as to the status of the investigation, whether the alleged violation is substantiated, and what proposed action has been taken or is recommended to be taken in regard to the alleged violation by the Chief of Executive Officer and/or the Ethics Committee of the Board of Directors.

V. Procedural Documentation:

A. The ACA Ethics Officer is directed to develop a Stakeholder reporting form, a website anonymous report form, and an intake form for oral reports to be utilized in support of this policy. The ACA Ethics Officer is also required to develop an Incident Report Form and an Ethics Committee of the Board of Directors Ethics Quarterly Form to track any alleged violations and inquiry outcome.

VI. References:

A. A.A.C. R2-5-501(C) (1) through (4).

VII. Other Related Policies/Procedures:

A. Arizona Commerce Authority's Conflicts of Interest Policy.

B. Arizona Commerce Authority's Gift Policy.

VIII. Cross Index As:

A. Conflicts.

B. Ethics.

RECEIPT AND ACKNOWLEDGMENT

By signing below, I acknowledge and understand the following:

- I have received, read, and understand this Arizona Commerce Authority (ACA) Ethics Policy (the "Policy") approved by the ACA Board of Directors on 9-27-11.
- I agree to abide by the Policy as a condition of my employment and my continuing employment at the ACA.
- I have not previously engaged and am not currently engaging in any activity that would constitute a violation of the Policy.
- I understand that if I have any questions regarding this Policy at any time in the future, I will ask my supervisor or management for an explanation.

Name

Position

Date