

SUMMARY MINUTES  
EXECUTIVE AND GOVERNANCE COMMITTEE  
MEETING OF OCTOBER 16, 2013

Mr. Curto chaired the October 16 Executive and Governance Committee Meeting, calling it to order at 8:00 a.m. A quorum was present: Mr. Carter, Mr. Davis, Ms. Lang, Mr. McDermott, Mr. Session and Ms. Wells. Mr. Adams, Mr. Chapman, Mr. Conner, Mr. Griffin, Ms. Hall, Ms. McConnell, Ms. Merrick and Mr. Williams were also present.

Information Paper on Performance Management. The Committee met in executive session to receive information on a performance management issue.

The meeting was thereupon adjourned at 8:40 a.m.

[NOTE: Prior to the start of the day's Meeting, Mr. Curto referred to the agenda and reported that a number of items would be presented in executive session. To simplify the process for the audience and to minimize the number of exits and re-entries, the Committees would meet in executive sessions consecutively rather than adjourning and re-convening. The first public meeting of the day would be the Board of Directors Meeting, which would begin at 9:30 a.m.

Mr. Curto reported that three Directors would make declarations to comply with the Authority's Code of Ethics for Board Members. Mr. Conner reported that he had determined that he has an apparent conflict of interests in one of the matters to be considered by the Finance Committee at the day's meeting because one of the business that will be directly affected by the decisions of the Finance Committee and Board in this matter is a client of his law firm. Since the last Board Meeting, he had been required to have some personal involvement with the business in the course of its dealings with his firm. Mr. Conner stated that he does not and has not personally represented the business, and had received no direct financial benefit from the business being a client of his firm. Although his conflict in the matter is an apparent, not an actual, one, Mr. Conner recused himself from participating in the Finance Committee's and Board's consideration of this matter. He reported that he had executed the appropriate recusal agreement with the Ethics Officer and the Secretary to the Board, and had asked the Secretary to file the agreement

in the Board's official records; a copy of the recusal agreement is attached. Mr. Conner stated that he would step away from the table while the matter is being considered. In his absence, he had asked Caren Merrick to preside over the Finance Committee's consideration of the matter. For the record, Mr. Conner was not present during the session for the discussion of the interim financing for the Dulles Corridor Enterprise.

For the record, Mr. McDermott noted that he had consulted with the General Counsel and Ethics Officer concerning certain matters to appear before the Finance Committee that morning. The three businesses that will be affected by the information paper regarding selection of interim financing for the Dulles Corridor Enterprise are clients of his law firm, K&L Gates. Because he did not personally represent any of them and the revenue his firm derives from each of the businesses is less than 3 percent of the firm's gross income, Mr. McDermott stated that he had been advised by the Ethics Officer that he did not have an actual conflict of interests in the agenda item. However, due to his firm's relationships with the offerors in question, Mr. McDermott stated that he has what the Ethics Code (Section 3(b)(ii)) characterizes as an apparent conflict of interests in the item. In this situation, the Code (Section 3(b)(ii)) permits a Director's participation in a matter if the Director believes that he or she is able to participate in the matter fairly and objectively. Notwithstanding his firm's work for the businesses in question, Mr. McDermott said he believed he is able to participate, fairly and objectively in the interest of the Authority, in the discussion and upcoming decision whether to approve the staff recommendation regarding the selection of interim financing support for the Dulles Corridor Enterprise.

Also for the record, Mr. Adams noted that one of the businesses that will be affected by the information paper regarding selection of interim financing for the Dulles Corridor Enterprise is a client of his law firm, DLA Piper. Consistent with Mr. McDermott's comments regarding an apparent conflict of interests, Mr. Adams also said he believed he is able to participate, fairly and objectively in the interest of the Authority, in the discussion and upcoming decision whether to approve the staff recommendation regarding the selection of interim financing support for the Dulles Corridor Enterprise.

Mr. Curto reported that pursuant to Article IX, the Authority Bylaws permits the Board and its Committees to move into executive sessions for personnel matters; consultation with legal counsel and briefings by staff, consultants and/or attorneys, pertaining to actual or pending litigation;

and matters that the professional standards applicable to financial statement auditors, when conducting a financial statement audit and for matters that involve proprietary or confidential information of vendors; and consideration of existing or prospective contracts, business or legal relationships to protect proprietary or confidential information of the Authority, any person or company; the financial interest of the Authority; or the negotiating position of the Authority.

Due to the length of the discussions that occurred in the executive session of the Audit-Legal Committee Meeting, the Committee had to recess its meeting so that the Board of Directors Meeting could begin timely, as required by the Authority Bylaws. The Audit – Legal Committee reconvened later that day in executive session at the conclusion of the Business Administration Committee Meeting. The Finance Committee also met in executive session at that time.

The details from this Meeting were included with the Committee Report presented at the October 16 Board of Directors Meeting.]

## MWAA Board of Directors Recusal Agreement

**FROM:** Frank M. Conner III

**TO:** Naomi Klaus, Ethics Officer

This is to affirm that I am disqualified from participating in the following Authority matter due to the personal interest identified below that may reasonably appear to conflict with the fair and objective performance of my official duties:

Authority Transaction or Matter

Staff recommendation regarding selection of interim financing for the Dulles Corridor Enterprise

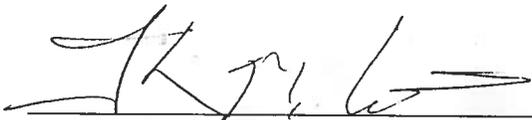
Personal Interest

One of the businesses that will be directly affected by the decisions of the Finance Committee and the Board in this matter is a client of my law firm and, though I do not personally represent or provide legal services to the business, I have had a limited involvement with it in its dealings with the firm

In accordance with the Authority's Code of Ethics for Members of the Board of Directors, I am recused from participating in the above-listed matter. My recusal prohibits me from approving, disapproving, making, undertaking, influencing, or attempting to influence any action or decision of the Authority with regard to the above-listed matter, and any other Authority matters that may involve or affect the above-listed interest.

For the purpose of this recusal, the Board Secretary has been advised to screen incoming matters to ensure that such matters relating to the above-listed interest are not brought to my attention.

I will seek the assistance of the Ethics Officer if I am ever uncertain whether or not I may participate in a particular matter.

  
\_\_\_\_\_  
Signature of Director

10/16/13  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Signature of Board Secretary

10/16/13  
\_\_\_\_\_  
Date

Naomi C. Klaus  
\_\_\_\_\_  
Signature of Ethics Officer

10/16/13  
\_\_\_\_\_  
Date