

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

AMENDED AND RESTATED CODE OF ETHICS FOR MEMBERS OF THE BOARD OF DIRECTORS (Effective January 1, 2018)

1. PURPOSE AND POLICY

The Board of Directors of the Metropolitan Washington Airports Authority (the Authority) recognizes that community and industry support of the Authority's programs is dependent, in large part, upon community and industry trust in the Directors of the Authority. The Board of Directors finds and declares that the community and the industry are entitled to be assured that the judgment of the Directors of the Authority will not be compromised or affected by conflicting interests. Directors, Board leadership, and Authority management are responsible for fostering high ethical standards for the Authority and its employees thereby strengthening public confidence that the business of the Authority is being conducted with impartiality and integrity. Toward this end, this Code prescribes standards of ethical conduct and reporting requirements for members of the Board of Directors.

2. DIRECTORS' BASIC DUTY

Directors are expected to act in the best interests of the Authority in carrying out their duties as members of the Board and to not knowingly engage in conduct that would violate the standards of this Code or bring discredit upon the Authority. Regardless of whether specifically prohibited by this Code, Directors must endeavor to avoid conflicts of interests or even the appearance of a conflict of interests, refrain from using the position of Director for private gain, refrain from giving undue preferential treatment to any person or entity, avoid compromising independence or impartiality, refrain from making Authority decisions outside of official channels, and avoid any other action that is likely to adversely affect the confidence of the public in the integrity of the Authority.

3. CONFLICTS OF INTERESTS

(a) *Actual and Apparent Conflicts of Interests.*

- (1) *Actual Conflict.* A Director has an actual conflict of interests in a matter before the Authority whenever the Director or a member of the Director's Immediate Family has a Substantial Financial Interest in a Business or Real Property and that Business or Real Property may be directly affected by an action or decision of the Authority.
- (2) *Apparent Conflict.* A Director has an apparent conflict of interests in a matter before the Authority whenever a) the Director or member of the

Director's Immediate Family has a personal interest of which the Director is aware in the matter (e.g., because the matter may affect a relative or prior employer of the Director or a Business which competes with the Director's employer, or because the Director has a Substantial Financial Interest in the parent company of the Business that may be affected by the matter) and b) that personal interest could reasonably appear to conflict with the ability of the Director to Participate fairly and objectively in the matter in the best interests of the Authority.

- (b) ***Recusal; Declaration.*** Directors are expected to recuse themselves from Participating in any Authority matter in which they have an actual conflict of interests. Directors are also expected to recuse themselves from Participating in any Authority matter in which they have an apparent conflict of interests unless they believe and publicly declare in the manner described below that they are able to Participate in the matter fairly and objectively in the best interests of the Authority notwithstanding the appearance of a conflict. When Directors are recused from a matter or matters, a written disqualification and recusal agreement is to be executed.
- (1) ***Recusal Procedures.*** A Director who has recused himself or herself from Participating in a matter due to an actual or apparent conflict of interests shall not vote on, or at any time Participate in or attempt to Participate in, the matter or discuss the matter with other Directors or Authority personnel. The Director may not remain at the Board or Board committee table or dais during the portion of any meeting when the matter is being considered. The Director may not attend any portion of an executive session at which the matter is being considered. The Director shall promptly notify the Chairman of the conflict of interests and the Director's recusal and shall cause the Board's official records to reflect the Director's recusal. Additionally, the fact of the conflict of interests and recusal shall be publicly announced at any meeting of the Board or Board committee at which the matter is considered and the Director is present.
- (2) ***Declaration Procedures.*** A Director who has an apparent conflict of interests in a matter and who believes that he or she is able to Participate in the matter fairly and objectively in the best interests of the Authority, may declare orally at a Board or Board committee meeting at which the matter is being considered: a) the nature of the Director's personal interest in the matter and b) that the Director is able to participate in the matter fairly and objectively in the best interests of the Authority and then Participate in the consideration of the matter. In any other circumstance, the Director shall file a signed, written declaration with the Secretary of the Board who shall cause the declaration to be included in the Board's official records and shall make it available for public inspection.

(c) ***Prohibited Interests.***

- (1) *Prohibited Interests Existing at Time of Appointment; Exceptions.* To qualify for appointment, a prospective Director and members of the prospective Director's Immediate Family may not hold a Substantial Financial Interest in a Business that has or is seeking a contract or agreement with the Authority or in an aeronautical, aviation services, or airport services Business that does not have and is not seeking a contract or agreement with the Authority but otherwise has interests that can be directly affected by the Authority. Exceptions to this prohibition may be made by the appointing official at the time of appointment if the interest is disclosed to the appointing official and the Director does not participate in any Authority matter that directly affects the interest.
- (2) *Prohibited Acquisition of Certain Interests during Term of Service.* No Director or member of the Director's Immediate Family shall knowingly acquire a Substantial Financial Interest in a Business that has or is seeking a contract or agreement with the Authority or in an aeronautical, aviation services, or airport services Business that does not have and is not seeking a contract or agreement with the Authority but otherwise has interests that can be directly affected by the Authority. This shall not preclude, however, acquisition of interests in one or more mutual funds, employee benefit plans, or other investment plans holding interests in one or more such Businesses that are administered by an independent party without participation by the Director or his or her Immediate Family members in the selection or designation of financial interests held by the fund or plan.
- (3) *Prohibited Employment and Contracts with the Authority during Term of Service.* No Director or member of a Director's Immediate Family shall be employed by the Authority during the Director's term of service. In addition, no Director, member of the Director's Immediate Family, or Business that is wholly or substantially owned or controlled by a Director or a member of the Director's Immediate Family shall be a party to a contract with the Authority during the Director's term of service. For purposes of this subsection (c)(3), a Business will be considered "substantially owned or controlled" if the Director or a member of the Director's Immediate Family singly or in combination owns or controls more than fifty percent (50%) of the Business by value or voting power.

- (d) ***Authority Procedures for Facilitating Compliance with Conflict of Interests Restrictions.*** In order to facilitate compliance with the conflict of interests provisions of this section, the Ethics Officer, at least one week prior to any meeting of the Board or Board committee, shall supply to Directors a list of Businesses and Real Properties that may be affected by a Board or Board committee decision on particular matters that are scheduled for consideration at the upcoming meeting. Directors are entitled to rely on the accuracy of

information supplied to them by the Ethics Officer pursuant to this subsection (d). Directors shall review the information at the time it is supplied against their current holdings and shall, as necessary, recuse themselves from Participating in any matter in which they have an actual or apparent conflict of interests or, in the case of an apparent conflict, make the declaration described in subsection (b)(2) with regard to the matter. Authority management shall also collect information from Businesses seeking a contract or agreement with the Authority that will facilitate compliance with this Code, which may include a requirement for such Businesses to identify its parent company, if any.

(e) **Definitions.** The following definitions apply to this Section 3 and throughout this Code.

- (1) *Business* means a sole proprietorship, corporation, partnership, company, joint venture, association, joint stock company, or any other form of entity recognized by law which is engaged in trade, commerce, or the transaction of business.
- (2) *Immediate Family* of an individual means the spouse or domestic partner, any dependent children within the meaning of Section 152 of the Internal Revenue Code living in the same household as the individual, and any other individual over whose financial affairs the individual has substantial legal or actual control.
- (3) *Participate* means approving, disapproving, making, undertaking, discussing, influencing, or attempting to influence an action or decision of the Authority.
- (4) *Real Property* means land in the Washington, D.C., Standard Metropolitan Statistical Area, together with any structures and other improvements thereon, including any rights or interests in land or improvements or both.
- (5) *Substantial Financial Interest means:*
 - (i) *Ownership of Interest in a Business.* Ownership interest (e.g., shares of stock or other securities) in a Business that exceeds three percent (3%) of the total equity of the Business or has a fair market value greater than \$15,000.
 - (ii) *Ownership of Interest in Real Property.* Ownership interest in Real Property, which interest has a fair market value greater than \$15,000.
 - (iii) *Imputed Substantial Financial Interest in a Business Due to Employment by or Ownership of Another Business.* A Director has an imputed Substantial Financial Interest in a Business that

provides revenues to another Business by which the Director or a member of the Director's Immediate Family is employed or in which the Director or a member of the Director's Immediate Family has an ownership interest, as defined above in subsection (e)(5)(i), whenever those revenues for the current or immediately preceding fiscal year, exceed the greater of \$10,000 or three percent (3%) of the gross income for its current or preceding fiscal year, whichever is greater, received in the year by such Business.

- (iv) *Income from a Business or Real Property.* Income in any form (whether or not deferred) from a Business or Real Property including, but not limited to, wages, salaries, fringe benefits, interest, dividends, or rent that exceeds or may reasonably be expected to exceed \$1,000 annually. Income also includes the prospect of income arising, for example, from an upcoming job or offer of employment with a Business.
- (v) *Pledge or Surety for the Benefit of a Business.* Personal indebtedness (incurred or assumed) on behalf of a Business that exceeds the lesser of three percent (3%) of the asset value of the Business or \$1,000.
- (vi) *Loan or Debt to a Business.* Personal indebtedness of \$1,000 or more to a Business except a debt incurred in the ordinary course of business on usual commercial terms (e.g., a mortgage liability secured by a personal residence of the Director or the Director's spouse; a loan liability secured by a personal motor vehicle, household furniture, or household appliances; a personal revolving line of credit or capital contribution loan liability; or a debit, credit or other revolving charge account liability).
- (vii) *Personal Representation of a Business.* Personally representing or providing professional services to a Business including legal, audit, accounting, financial, and consulting services, regardless of the specific subject matter of the representation or amount of compensation received.
- (viii) *Fiduciary Duty Owed to a Business.* The duty owed to a Business by a director, officer, or general partner of the Business, even without financial remuneration from the Business.
- (ix) *Exclusions.* The following financial interests are excluded from Substantial Financial Interests: checking or savings accounts, money market accounts, and other demand deposits; government bonds; certificates of deposit; and mutual funds, pension plans, employee benefit plans, trusts, estates and other similar funds,

plans, and entities administered by an independent party without participation by the Director or the Director's Immediate Family members in the selection or designation of financial interests held by the fund, plan, or entity.

4. POST-SERVICE RESTRICTIONS

- (a) ***No Contracts or Employment with the Authority for Two Years.*** No Director or member of a Director's Immediate Family shall be employed by the Authority for two years following the conclusion of the Director's term of service. In addition, no Director, member of the Director's Immediate Family, or any Business that is wholly or substantially owned or controlled by a Director or a member of the Director's Immediate Family shall be a party to a contract with the Authority for two years following the conclusion of the Director's term of service. For purposes of this subsection (a), a Business will be considered substantially owned or controlled if the Director or member of the Director's Immediate Family singly or in combination owns or controls more than fifty percent (50%) of the Business by value or voting power.
- (b) ***No Representation of Third-Parties before the Authority for Two Years.*** No Director, within two years of the conclusion of the Director's term of service, shall knowingly make, with the intent to influence, any communication to or appearance before the Board of Directors or any Director, officer, or employee of the Authority on behalf of a Business or individual other than the Authority in connection with a particular matter that the former Director knows or reasonably should know was pending during the Director's term of service.

5. USE OF AUTHORITY POSITION

- (a) ***General Rule.*** Directors shall not use their positions with the Authority for the purpose of advancing their own personal financial gain; for the endorsement of any product, service, or enterprise in which they have a financial interest; or for the private financial gain of friends, relatives, or individuals or entities with which they are affiliated, including nonprofit organizations, or with which they have or seek employment or business relations. Notwithstanding the foregoing, a Director may: a) refer to the Authority President individuals other than relatives (as defined below in subsection (d)) whom the Director believes, based on personal knowledge, may be suitable candidates for employment and individuals and entities which the Director believes, based on personal knowledge, may be able to provide products or services of potential interest to the Authority and b) respond to a request for an employment recommendation or character reference for individuals other than relatives who are being considered for Authority employment when the Director has personal knowledge of the individual's qualifications for the employment in question. Following such a referral, the Director shall take no action to influence a decision or action by Authority management to employ or contract with such individuals or entities.

- (b) ***Confidential Information.*** Directors shall not engage in financial transactions using proprietary, sensitive, or confidential information of the Authority; allow or cause the improper use of such information to further any private interest; or allow or cause such information to be disclosed to unauthorized persons or in advance of the time prescribed for its authorized disclosure, except where and to the extent necessary to fulfill the Director’s responsibility as a member of the Board of Directors and where required by law.
- (c) ***Solicitation of Political or Charitable Contributions.*** Directors shall not solicit any support or financial assistance from the Authority or from any Authority employee for any political party, candidate, or committee or for any charitable purpose. The Authority shall not give any support or financial assistance solicited by a Director in violation of this Code.
- (d) ***Influence with Regard to Relatives.*** A Director shall not Participate in, address or discuss, or attempt to influence in any manner a decision by the Board or Authority management to hire, appoint, employ, or promote or to enter a contract, lease, or other agreement with an individual who is a relative of the Director. For purposes of this subsection (d), the term “relative” means the following: husband, wife, domestic partner, father, mother, grandfather, grandmother, son, daughter, stepson, stepdaughter, granddaughter, grandson, brother, sister, uncle, aunt, nephew, niece, father-in-law, mother-in-law, daughter-in-law, son-in-law, sister-in-law, or brother-in-law.

6. **COMPENSATION AND REIMBURSEMENT OF EXPENSES**

Directors do not receive compensation for serving as a Director of the Authority. Directors may, however, be reimbursed by the Authority for reasonable, authorized, and properly documented expenses incurred in connection with the discharge of their official duties, in accordance with and to the extent permitted under the Authority’s expense reimbursement policies. Directors are expected to exercise prudence when incurring expenses in connection with official duties.

7. **GIFTS**

- (a) ***Definitions.*** The following definitions apply to this Section 7:
 - (1) *Gift* means any item, tangible or intangible, which has a monetary value and for which the recipient does not pay fair market value. The following are examples of items that may constitute a gift: cash; loans; meals and other settings in which food and beverages are provided; merchandise; services; admission to or attendance at sporting events, theatrical or musical events, and similar spectator or entertainment events; admission to or attendance at events in which individuals are participants (e.g., a conference or golfing event); admission to or attendance at receptions;

travel; transportation; and lodging. The recipient of a gift will be considered to not have paid fair market value for it when the item is given as a gratuity or favor (i.e., no payment is made by the recipient) or is provided at a discounted or reduced price (i.e., the payment made by the recipient is less than the item's fair market value). It does not matter whether the item is provided to the recipient in kind or in the form of a ticket, a payment in advance, or a reimbursement of an expense the recipient has incurred. In all these cases, the item provided is considered a gift.

(2) *Prohibited Source* means:

- (i) a Business or individual that has or is seeking a contract or other form of agreement with the Authority or whose interests may be substantially affected by the performance or non-performance of the Director's duties and
- (ii) a Business or individual that has offered or given a gift to a Director where it is clear that the gift would not have been offered or given were the Director not a member of the Board of Directors.
- (iii) For purposes of this subsection (a)(2), Business means a Business as defined in Section 3(e)(1) and the officers, employees, and agents of the Business.

(b) ***Solicitation of Gifts.*** A Director shall not solicit a gift, regardless of its value, from a Prohibited Source or from any Authority officer or employee except as specifically permitted in the exceptions set forth in Section 1 of Appendix A to this Code.

(c) ***Acceptance of Gifts.***

- (1) *General Rule.* Directors shall not accept any gift, directly or indirectly, from a Prohibited Source except as specifically permitted by the exceptions set forth in Section 2 of Appendix A to this Code.
- (2) *Direct and Indirect Acceptance.* A gift is accepted directly when it is provided to and accepted by the Director. A gift is accepted indirectly when a) it is provided to and accepted by a member of the Director's Immediate Family, with the Director's knowledge and acquiescence, and is provided to that family member because of that family member's relationship to the Director or b) is provided to and accepted by any other person, excluding a charitable organization or other charitable recipient approved by the Ethics Officer, on the basis of a designation, recommendation, or other specification made by the Director.

- (3) *Limitations notwithstanding the General Rule.* Directors should not accept gifts, even though permitted by an applicable exception, on such a frequent or regular basis that a reasonable person could be led to believe they are using their positions with the Authority for personal gain or are not performing the duties of their positions in an impartial manner.
- (4) *Seeking Advice.* Directors are encouraged to seek the advice of the Ethics Officer when attempting to determine whether a particular offer of an item of value may constitute a gift that may not be accepted under this Section 7.
- (5) *Remedies.* A Director who has received a gift that may not be accepted under this Code shall do one of the following: a) pay the giver the fair market value of the gift, b) return the gift to the giver, or c) in the case of perishable items delivered not by the giver but by a third party (e.g., Federal Express), consult the Ethics Officer who may authorize delivering the gift to an appropriate charitable organization or destroying it. Fair market value of a gift may be estimated by reference to the retail cost of similar items of like quality. The Ethics Officer should be consulted when estimating the fair market value of a gift. A Director's reciprocation by giving a gift to the giver of a gift to the Director does not constitute payment of the fair market value of the gift to the Director.
- (6) *Disclosure.* Except as otherwise provided in Appendix A, Directors shall disclose to the Ethics Officer at the time of solicitation or acceptance any gift solicited or accepted, directly or indirectly, from a Prohibited Source by describing the gift, stating its value, and identifying its source. Gift disclosures shall be at the time of solicitation or acceptance.

8. **DISCLOSURE OF FINANCIAL INTERESTS AND OTHER MATTERS**

- (a) *Annual Disclosure.* Directors shall file a disclosure statement with the Ethics Officer on a form provided by the Authority within 30 days of assuming a position as Director and by January 31 of each year thereafter for the duration of the Director's term of service ("Annual Disclosure Statement"). The Annual Disclosure Statement shall disclose:
 - (1) any Substantial Financial Interest in a Business or Real Property (except the Director's principal residence) held by the Director or any member of the Director's Immediate Family at the time of filing, except for imputed interests due to employment or ownership in another business as defined in Section 3(e)(5)(iii) and personal representation interests as defined in Section 3(e)(5)(vii) ;

- (2) any positions of paid employment held by the Director or any member of the Director's Immediate Family during the prior calendar year, whether on a full- or part-time basis; and
 - (3) any outside positions held by the Director or any member of the Director's Immediate Family during the prior calendar year as a director, officer, general partner, or trustee of any Business or other entity (including nonprofit, labor, and educational organizations or institutions, although positions held in any religious, social, fraternal, or political organization need not be disclosed).
- (b) **Reimbursements.** By January 31 of each year, Authority personnel shall compile from Authority records for each Director all reimbursements the Director received from the Authority during the prior calendar year and shall forward the compiled information to the Ethics Officer. The Ethics Officer shall maintain the information for each Director with the Director's Annual Disclosure Statement and gift disclosures.
- (c) **Public Availability.** All statements required by this Section 8 shall be available for public inspection at the Authority's headquarters.

9. ETHICS OFFICER

- (a) **Designation.** The President, with approval of the Board, shall designate an Authority employee to serve as the Authority Ethics Officer who will have and perform the responsibilities assigned to such officer in this Code and the Authority's Code of Ethics for Employees. An employee's designation as the Ethics Officer shall continue until rescinded by the President.
- (b) **Duties.** The Ethics Officer is charged with fostering the highest ethical standards for the Authority and its Directors and employees, thereby strengthening public confidence that the business of the Authority is conducted with impartiality and integrity. Specifically, the Ethics Officer is responsible for the following:
- (1) distributing copies of this Code to Directors;
 - (2) distributing, receiving, reviewing, and maintaining Annual Disclosure Statements submitted by Directors, gift disclosures, and compilations of reimbursements;
 - (3) receiving and investigating allegations of violations of this Code as provided in Section 11 below;
 - (4) distributing to Directors before Board and Board committee meetings a list of Businesses and Real Properties that may be affected by a Board or

committee decision on particular matters scheduled for consideration at the meetings, as provided in Section 3(d);

- (5) discussing potential conflicts of interests with Directors and, when applicable, assisting in the preparation of recusal agreements and declarations, as provided in Section 3(b);
 - (6) advising Directors about the application of this Code to specific questions or situations presented by Directors and documenting when ethics advice has been provided;
 - (7) arranging for the preparation and delivery to Directors of ethics training materials and sessions; and
 - (8) serving as primary support staff to the Board's Ethics Review Committee (defined in Section 11(b) of this Code).
- (c) ***Opinion of Ethics Officer.*** No Director may be found to have violated this Code if the alleged violation followed from the Director's good faith reliance on a written opinion from the Ethics Officer that was made after a full and accurate disclosure by the Director of all material facts.
- (d) ***Role of General Counsel.*** The Ethics Officer shall consult with the Authority's General Counsel as necessary in connection with carrying out the above-described duties.

10. TRAINING

Directors shall be provided with a copy of this Code of Ethics upon assuming their positions as Directors. Within 30 days of receiving the Code, Directors shall provide the Ethics Officer with a written certification that they have read and will comply with the Code. Such certifications shall be maintained by the Ethics Officer. The Ethics Officer will arrange for all Directors to receive verbal ethics training and accompanying training materials within 30 days of the start of their terms and thereafter on no less than an annual basis.

11. ENFORCEMENT

- (a) ***Enforcement Responsibility; Interpretation.*** The Board is responsible for enforcing the provisions of this Code and shall be assisted in carrying out this responsibility by an Ethics Review Committee. The Board and the Ethics Review Committee may seek general guidance regarding the interpretation of the Code from the Ethics Officer and General Counsel.
- (b) ***Ethics Review Committee.*** The Board Chairman shall appoint four or more Directors to the Ethics Review Committee which at all times shall be comprised of at least one Director from each appointing jurisdiction.

- (c) ***Receipt and Review of Allegations.*** Allegations of violations of this Code may be reported to the Ethics Officer or to the Board Chairman, or to the Vice Chairman if the allegation pertains to the Board Chairman. The Board Chairman and Vice Chairman shall report any allegations received by them to the Ethics Officer. The Ethics Officer shall report all allegations of violations to the Chairman of the Ethics Review Committee and to the Board Chairman (except those allegations previously reported to the Board Chairman).

Following receipt of an allegation of a violation of this Code, the Ethics Officer shall conduct a preliminary investigation into the allegation and, thereafter, shall report the results of that investigation to the Ethics Review Committee together with a recommendation for or against further inquiry. The Ethics Review Committee shall review such reports and recommendations from the Ethics Officer and may conduct further inquiry. When the Ethics Review Committee is satisfied that sufficient investigation of the allegation has been made, it may close the matter or refer it to the Board of Directors for further action.

- (d) ***Sanctions.*** Disinterested members of the Board of Directors shall review any ethics matter referred by the Ethics Review Committee. A Director whose alleged conduct is the subject of Board review shall be given notice and an opportunity to be heard in writing and in person. If, following such hearing, the Board determines that a Director has knowingly violated this Code, the determination shall be made publically available and the Board may take the action it determines to be appropriate, which may include, but is not limited to, any or all of the following:
- (1) issuing a public reprimand,
 - (2) giving notice of the violation to the Director's appointing authority, and
 - (3) taking appropriate action regarding any contract or agreement that is related to the violation (e.g., voiding or cancelling a contract), to the extent permitted by law.

12. **REVIEW OF POLICY**

The Ethics Officer, in consultation with the Board Secretary and General Counsel, shall review this Code on an annual basis. The Ethics Officer shall also prepare an annual report to the Board regarding compliance with this Code and the Code of Ethics for Employees, as well as any recommendations for amending the Codes or their implementing policies and procedures.

13. **NO RIGHTS CREATED IN THIRD PARTIES**

This Code does not create, and shall not be construed as creating, any right or benefit, substantive or procedural, that is enforceable by law, contract, or otherwise by any entity or

individual against the Authority or any of its Directors, officers, or employees, or against any other entity or individual.

METROPOLITAN WASHINGTON AIRPORTS AUTHORITY

AMENDED AND RESTATED

CODE OF ETHICS

FOR

MEMBERS OF THE BOARD OF DIRECTORS

APPENDIX A – GIFT RULE EXCEPTIONS

Solicitation or acceptance of Gifts from Prohibited Sources is permitted only under the following circumstances:

1. SOLICITATION EXCEPTION.

When authorized by the Board Chairman and Ethics Officer and acting on behalf of the Metropolitan Washington Airports Authority (the Authority), Directors may solicit donations for the support of an event sponsored in whole or in part by the Authority.

2. ACCEPTANCE EXCEPTIONS.

(a) ***Gifts to the Authority.*** A Director who is representing or acting on behalf of the Authority may accept gifts for the Authority. The gifts listed below are deemed to be gifts to the Authority and, therefore, do not constitute gifts to the Director accepting them on behalf of the Authority.

(1) ***Speaking Engagements and Events.*** Directors may accept on behalf of the Authority a gift of free attendance to an event at which they are speaking, presenting information, or otherwise participating as representatives of the Authority. Attendance may include food, beverages, refreshments, entertainment, and items given in recognition of attendance to all attendees as an integral part of the event, but not travel or lodging. (See Contributions Policy for further guidance on invitations to speak.)

(2) ***Inaugural Flights.*** Directors may accept on behalf of the Authority a gift of travel, meals, and lodging with respect to an inaugural flight to and from Reagan National or Dulles International Airport only if the terms of the gift are fully disclosed in advance to the Board and the public.

(3) ***Ceremonial Gifts.*** Directors may accept on behalf of the Authority gifts offered (e.g., by representatives of foreign airports or governmental units) while the Directors are serving as representatives of the Authority. Directors are to turn these gifts over as soon as practicable to the Ethics Officer for disposition.

- (4) *Gifts of Attendance as a Representative of the Authority.* Directors may accept on behalf of the Authority a gift of free attendance to or participation in an event, gathering, meeting, or similar activity at which they are representing the Authority, with the advance, written approval of the Ethics Officer based on a determination that it is clearly in the interest of the Authority that it be present at the activity through one or more representatives. Attendance and participation may include food, beverages, refreshments, entertainment, and items given in recognition of attendance to all attendees or participants as an integral part of the event or activity, but not travel or lodging. The Ethics Officer may determine that it is in the interest of the Authority to be represented at events, activities, and occasions falling within one or more categories (e.g., all events recognizing the opening of new restaurants in an airport terminal), and may approve in advance the acceptance of a gift of free attendance to events, activities, and occasions falling within the categories.
- (b) *Gifts to a Director.* The following gifts are deemed to be gifts to Directors, not the Authority. Directors may accept these gifts, even though given by Prohibited Sources.
- (1) *Gifts of Attendance to Widely Attended Gatherings.* Directors may accept a gift of free attendance to a widely attended gathering (defined below), or an appropriate portion of such an event, with the written, advance approval of the Ethics Officer based on a determination that the Director's attendance is in the interest of the Authority because it furthers Authority objectives.

A widely attended gathering can take many forms including, but not limited to, a reception, a luncheon or dinner event, a banquet, a conference, and an activity-based event (e.g., a meeting of a Chamber of Commerce, a reception at a conference that is not part of the conference agenda). A gathering is widely attended if it is expected that a large number of individuals will attend and such individuals will bring differing interests, perspectives, and viewpoints to the gathering. A sporting, theatrical, musical, or similar spectator event will usually not be deemed to be a widely attended gathering.

The Ethics Officer will determine whether it is in the Authority's interest for Directors to attend any particular widely attended gathering. Relevant factors that should be considered include the purpose of the gathering; the relevance and importance of the gathering to the Authority; the market value of the gift of free attendance; and the identity of expected attendees and the range of interests, perspectives, and viewpoints they will bring to the gathering.

Attendance may include food, beverages, refreshments, entertainment, and items given in recognition of attendance to all event attendees as an integral part of the event, but not travel or lodging.

- (2) *Gifts of Attendance to Authority-Sponsored Events.* With the advance written approval of the Ethics Officer, Directors may accept a gift of free attendance to an event that is sponsored in whole or in part by the Authority to recognize one or more Authority officers or employees or an Authority achievement or milestone or to raise funds for a charitable organization or cause. Attendance may include food, beverages, refreshments, entertainment, and items given in recognition of attendance to all attendees as an integral part of the event, but not travel or lodging.
- (3) *Gifts that Constitute Prizes.* Directors may accept a gift that is a prize given to successful competitors in competitive contests or events or to persons based upon random drawings (including door prizes given randomly).
- (4) *Gifts of \$25 or Less.* Directors may accept a gift other than cash valued at less than \$25, so long as the aggregate market value of individual gifts a Director receives from the same Prohibited Source in a calendar year does not exceed \$50. If the market value of a gift exceeds \$25 (or the aggregate market value of multiple gifts exceeds \$50), a Director may not pay the excess value over \$25 (or \$50) in order to accept the gift.
- (5) *Personal Gifts.* Directors may accept a gift that is offered by a director, officer, or employee of a Prohibited Source under circumstances that make it clear that the gift is motivated by a personal friendship or family relationship rather than the position of the Director. Relevant factors in deciding whether a gift is motivated by a personal friendship or family relationship include the history of the friendship or relationship and whether the cost of the gift is paid by the individual with whom the friendship or relationship exists or by the individual's employer.
- (6) *Gifts to Family Members.* Directors may accept a gift indirectly where the gift results from the business or employment activities of the recipient member of the Director's Immediate Family and it is clear from the circumstances that the gift is not being offered or given because of the Director's position with the Authority.
- (7) *Gifts of Generally Available Items.* Directors may accept gifts that represent an opportunity or benefit, including favorable air fares, commercial discounts, and upgrades of service from air carriers, that is available either to the public (e.g., frequent flyer miles) or to a class of individuals consisting of all Authority employees or everyone working at an airport (e.g., discounts offered by concessionaires in the terminals to

everyone with an airport badge). The acceptance of a gift representing an opportunity or benefit, including, for example, an upgrade of air service, that is made available to any other class of Authority Directors or employees, including a class of one Director, is not permitted.

- (c) ***Disclosure of Gifts.*** Directors are not required to disclose their acceptance of any of the gifts described in subsections (b)(4) through (b)(7).
- (d) ***Approved Gifts.*** The Board of Directors may, in an open public meeting, approve a Director's acceptance of a gift from a Prohibited Source not falling within one of the exceptions provided in subsection (b) if it determines that the acceptance would not be detrimental to the impartial conduct of the business of the Authority.