UCCRC

Ulster County Capital Resource Corporation

WHISTLEBLOWER PROTECTION/CODE OF CONDUCT POLICY

In keeping with the policy of maintaining the highest standards of conduct and ethics, the Ulster County Capital Resource Corporation (the "Corporation") will investigate any suspected Fraudulent or Dishonest Conduct by an employee, board member or agent of the Corporation. The Corporation is committed to maintaining the highest standards of conduct and ethical behavior and promotes a working environment that values respect, fairness and integrity. All employees, board members and agents shall act with honesty, integrity and openness in all their dealings as representatives for the organization. Failure to follow these standards will result in disciplinary action including possible termination of employment, dismissal from one's board or agent duties and possible civil or criminal prosecution if warranted.

Employees, board members, consultants and agents are directed to report suspected acts of Fraudulent or Dishonest Conduct by an employee, board member or agent of the Corporation, (i.e. to act as "Whistleblower"), pursuant to the procedures set forth below.

Reporting.

A person's concerns about suspected acts of Fraudulent or Dishonest Conduct by an employee, board member or agent of the Corporation should be reported to the Chief Executive Officer of the Corporation. If for any reason a person finds it difficult to report his or her concerns to the Chief Executive Officer, the person may report the concerns directly to any board member. Alternately, to facilitate reporting of suspected violations where the reporter wishes to remain anonymous, a written statement may be submitted to any one of the individual listed above.

Definitions.

Baseless Allegations: Allegations made with reckless disregard for their truth or falsity. People making such allegations may be subject to disciplinary action by the Corporation, and/or legal claims by individuals accused of such conduct.

Fraudulent or Dishonest Conduct: The act of wrongdoing, misconduct, malfeasance or other inappropriate behavior by an employee, board member or agent of the Corporation, including a deliberate act or failure to act with the intention of obtaining an unauthorized benefit. Examples of such conduct include, but are not limited to:

- Forgery or alteration of documents;
- Unauthorized alteration or manipulation of computer files;
- Fraudulent financial reporting;
- Pursuit of a benefit or advantage in violation of the Corporation's Ethics Policy;
- Misappropriation or misuse of the Corporation's resources, such as funds, supplies, or other assets;
- Authorizing or receiving compensation for goods not received or services not performed;
- Authorizing or receiving compensation for hours not worked; and
- The violation of any Law, Rule or Regulation.

Law, Rule or Regulation: Any duly enacted statute, or ordinance or any rule or regulation promulgated pursuant to any federal, state or local statute or ordinance.

Public Body: Includes the following:

- The United States Congress, any state legislature, or any popularly-elected local governmental body, or any member or employee thereof;
- Any federal, state, or local judiciary, or any member or employee thereof, or any grand or petit jury; and
- Any federal, state, or local law enforcement Corporation, prosecutorial office, or police or peace office.

Retaliatory Personnel Action: The discharge, suspension or demotion of an employee, or other adverse employment action taken against the employee in the terms and conditions of employment, including but not limited to, threats of physical harm, loss of job, punitive work assignments, or impact on salary or fees.

Whistleblower: An employee, consultant or agent who informs the Chief Executive Officer, any board member, or Public Body pursuant to the provisions of this policy about an activity relating to the Corporation which that person believes to be Fraudulent or Dishonest Conduct.

Rights and Responsibilities

Supervisors: The Chief Executive Officer is required to report suspected Fraudulent or Dishonest Conduct to the Chair of the Board.

Reasonable care should be taken in dealing with suspected Fraudulent or Dishonest Conduct to avoid:

- Baseless Allegations;
- Premature notice to persons suspected of Fraudulent or Dishonest Conduct and/or disclosure of suspected Fraudulent or Dishonest Conduct to others not involved with the investigation; and
- Violations of a person's rights under law.

Due to the important, yet sensitive nature of the suspected Fraudulent or Dishonest Conduct, effective professional follow-up is critical. The Chief Executive Officer, while appropriately concerned about "getting to the bottom" of such issues, should not in any circumstances perform any investigative or other follow up steps on his or her own. Accordingly, when the Chief Executive Officer becomes aware of suspected Fraudulent or Dishonest Conduct he or she:

- Should not contact the person suspected of Fraudulent or Dishonest Conduct to further investigate the matter or demand restitution;
- Should not discuss the case with attorneys, the media or anyone other than the members of the Board; and
- Should not report the case to an authorized law enforcement officer without first discussing the case with the members of the Board.

Investigation: All relevant matters, including suspected but unproved allegations of Fraudulent or Dishonest Conduct, will be reviewed and analyzed, with documentation of the receipt, retention, investigation and treatment of the complaint. Appropriate corrective action will be taken, if necessary, and findings will be communicated back to the reporting person, if appropriate. Investigations may warrant investigation by an independent person such as auditors and/or attorneys.

Whistleblower Protection: The Corporation will protect Whistleblowers pursuant to the guidelines set forth below:

- The Corporation will use its best efforts to protect Whistleblowers against all Retaliatory Personnel Actions. Whistleblowing complaints will be handled with sensitivity, discretion and confidentiality to the extent allowed by the circumstances and the law. Generally, this means that Whistleblower complaints will only be shared with those who have a need to know so that the Corporation can conduct an effective investigation, determine what action to take based on the results of any such investigation, and in appropriate cases, with law enforcement personnel. (Should disciplinary or legal action be taken against a person or persons

as a result of a Whistle-Blower complaint, such persons may also have the right to know the identity of the Whistleblower.)

- Employees, board members, consultants and agents of the Corporation may not engage in any Retaliatory Personnel Action against a Whistle-Blower for (i) disclosing or threatening to disclose to the Chief Executive Officer or a board member, as applicable, any activity which that person believes to be Fraudulent or Dishonest Conduct, or (ii) objecting to or refusing to participate in any Fraudulent or Dishonest Conduct. Whistle-Blowers who believe that they have been the victim of a Retaliatory Personnel Action may file a written complaint with the Chief Executive Officer of board member, as applicable. Any complaint of a Retaliatory Personnel Action will be promptly investigated and appropriate corrective measures taken if such allegations are substantiated. This protection from Retaliatory Personnel Action is not intended to prohibit supervisors from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors;
- Employees, board members, consultants and agents of the Corporation may not engage in any Retaliatory Personnel Action against a Whistle-Blower for (i) disclosing or threatening to disclose to a Public Body any activity which that person believes to be Fraudulent or Dishonest Conduct, or (ii) providing information to, or testifying before, any Public Body conducting an investigation, hearing or inquiry into any such Fraudulent or Dishonest Conduct. Provided, however, that Whistle-Blowers who disclose or threaten to disclose any Fraudulent or Dishonest Conduct to a Public Body are not covered under this policy unless he or she first brings the allegation of Fraudulent or Dishonest Conduct to the attention of the Chief Executive Officer or board member, as applicable, and has afforded the Corporation a reasonable opportunity to correct and or remedy such Fraudulent or Dishonest Conduct; and
- Whistleblowers must be cautious to avoid Baseless Allegations.