

RESOLUTION NO. 04-02

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY ESTABLISHING A CODE OF BUSINESS CONDUCT AND ETHICS POLICY AND DISCLOSURE REQUIREMENT FOR COMMISSIONERS**

WHEREAS, pursuant to Tenn. Code Ann. § 42-4-101, *et seq.*, the Metropolitan Nashville Airport Authority (hereinafter, the "Authority") has the power to adopt a Code of Business Conduct and Ethics policy dealing with the duties and obligations of Commissioners to the Authority and to require disclosure by Commissioners of any potential conflicts of interest; and

WHEREAS, the Board of Commissioners (hereinafter the "Board") desires to establish a Code of Business Conduct and Ethics policy for the Authority's Commissioners, which is attached hereto as Exhibit A; and

WHEREAS, the Board desires to establish a requirement that, on an annual basis, Authority Commissioners disclose any potential conflict of interest that arises with regard to their duties and obligations as Commissioners to the Authority, Commissioners -- Conflict of Interest Disclosure, which is attached hereto as Exhibit B; and

WHEREAS, the Code of Business Conduct and Ethics policy and the Commissioners -- Conflict of Interest Disclosure are designed to facilitate appropriate conduct relating to the Authority's relationships, to avoid any actual or perceived misconduct or impropriety, and to ensure that the Authority's business activities, through its Commissioners, are conducted free of favor, privilege, preferential treatment, discrimination, or conflict of interest.

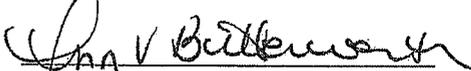
**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF THE COMMISSIONERS OF THE METROPOLITAN NASHVILLE AIRPORT AUTHORITY AS FOLLOWS:**

**Section 1.:** That the Board hereby adopts the Code of Business Conduct and Ethics Policy and the Conflict of Interest Disclosure requirement, which are attached hereto as Exhibits A and B, respectively;

**Section 2.:** That this Resolution shall take effect as provided herein and be made a part of the Board's official Minutes of Record.

APPROVED THIS January 28, 2004.

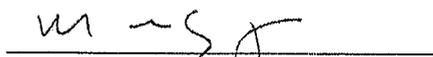
ATTEST:

  
Ann V. Butterworth  
Secretary

ADOPTED:

  
James H. Cheek, III  
Chairman, Board of Commissioners

APPROVED AS TO FORM & LEGALITY:

  
Stokes, Bartholomew, Evans & Petree, P.A.  
General Counsel

RECOMMENDED:

  
Raul L. Regalado  
President & CEO

## **EXHIBIT A**

### **COMMISSIONERS - - CODE OF BUSINESS CONDUCT AND ETHICS**

#### Section 1 – Introduction

The maintenance of the highest standards involving honesty, integrity, impartiality and ethical conduct by Commissioners and agents of the Metropolitan Nashville Airport Authority is essential to ensure adherence to appropriate conduct relating to the Authority's relationships. Any actual or appearance of misconduct or impropriety shall be avoided. The Authority's business activities, through its Commissioners, shall be conducted free of favor, privilege, preferential treatment, discrimination, or conflict of interest.

Each Commissioner shall disclose, to the best of the Commissioner's knowledge, information, or belief, the nature of any direct or indirect interest he, she or any immediate family member may have in Authority business and remove himself or herself from any involvement in the matter, including any decision-making or administrative process. Each Commissioner shall avoid any action, whether or not specifically prohibited by this procedure or state law, which might result in or create the appearance of the following:

- (1) Using his or her position for private gain;
- (2) Providing preferential treatment to any person or entity;
- (3) Interfering with the interests of the Authority;
- (4) Circumventing channels for conducting Authority business; or
- (5) Acting in a manner that may reduce public confidence in the integrity of the Authority.

#### Section 2 – MNAA Contracts

The long-standing policy of the Board of Commissioners, as reflected in its Bylaws relating to such conduct, is as follows:

No member of the Board of Commissioners shall be directly interested in any contract to which the Authority is a party or which is to be paid for by the Authority.

No member of the Board of Commissioners of the Authority shall be indirectly interested in any contract to which the Authority is a party or which is to be paid for by the Authority unless the Commissioner publicly acknowledges this interest and recuses himself or herself from duties involving the contract, which may include considering, voting on, overseeing, or supervising the particular contract.

"Directly Interested" means any contract with any business in which a person is the sole proprietor, a partner, or the person having a controlling interest. The term "controlling interest" includes the individual with the ownership or control of the largest number of outstanding shares owned by any single individual or corporation.

"Indirectly Interested" means any contract in which the person is interested but not directly so, including contracts where those persons are directly interested but are the sole supplier of goods or services in the Authority's service area. An indirect financial interest also includes a direct interest on the part of an immediate family member of a Commissioner. "Immediate family member" means a parent, sibling, spouse or child of a Commissioner.

Further, no Commissioner of the Authority shall directly or indirectly use, disclose or allow the use of confidential information which was obtained through or in connection with his or her Authority relationship, and which has not been made available to the general public for the purpose of furthering the private interest or personal profit of any person, including the Commissioner.

It is intended that these provisions shall be in addition to and supplement state law concerning the interest of public officials in public contracts.

### Section 3 – Gifts, Entertainment, and Favors

- (A) No Commissioner shall solicit or accept, directly or indirectly, on behalf of himself, herself, or any immediate family member of the Commissioner, any gift, gratuity, service, favor, entertainment, lodging, transportation, loan, loan guarantee or any other thing of monetary value from any person who:
- (1) Has, or is seeking to obtain, contractual or other business or financial relations with the Authority;
  - (2) Conducts operations or activities which are regulated by the Authority; or
  - (3) Has interests that may be substantially affected by the performance or nonperformance of the Commissioner's official duties.

- (B) No Commissioner, directly or indirectly, shall make a gift or provide entertainment or a favor for the purpose of inducing the recipient to conduct business with the Authority without first pre-clearing the same through the General Counsel.
- (C) The following do not constitute "gifts, entertainment, and favors" as prohibited by this Section:
  - (1) Gifts, entertainment, or favors from family members or friends of long standing when the relationship clearly has no business interest as a motivating factor. Should any relationship occur whereby it could be perceived as impacting the business interests of the Authority, any gift, entertainment, or favor which exceeds \$150.00 in value, shall be disclosed by the Commissioner to the General Counsel as to the nature and value of the gift, entertainment, or favor.
  - (2) Loans from established financial institutions made in the ordinary course of business on usual and customary terms, so long as there are no guarantees or collateral provided by any person described in Subsection (A) of this section.
  - (3) Acceptance of advertising or promotional material of nominal value (less than \$150.00) such as pens, pencils, note pads, key chains, calendars and similar items.
  - (4) Business meals or entertainment, or gifts of nominal value (less than \$150.00) which are customary in the business community or the airport and airline industry and where the Commissioner is attending in an official capacity relating to his or her office. Included in this exception are meals and entertainment when they are part of the Commissioner's participation in a charitable, civic, or community event that has a relationship to the Commissioner's office.
  - (5) Acceptance of discounts or rebates on merchandise or services of nominal value (less than \$150.00) or that do not exceed those available to general public.
  - (6) Acceptance of gifts of nominal value (less than \$150.00) related to commonly recognized events or occasions, such as a promotion, new job, wedding, retirement, etc.
  - (7) Acceptance of civic, charitable, education, or religious organization awards for recognition of service and accomplishment.

Section 4 – MNAA Facilities

No Commissioner shall use the facilities, equipment, personnel, or supplies of the Authority or its agencies for purposes other than officially approved activities, except to the extent that they are lawfully available to the general public.

Section 5 – Compliance with Laws, Rules and Regulations

Each Commissioner shall comply with all laws, rules and regulations applicable to the Authority and shall promote such compliance by all employees of the Authority.

Section 6 – Compliance

When there is a question of interpretation of the guidelines in this Procedure, the Commissioner shall exercise the initiative of discussing the matter with the General Counsel, who will consider the applicable facts and advise the Commissioner accordingly.

## **EXHIBIT B**

### **COMMISSIONERS – CONFLICT OF INTEREST DISCLOSURE**

1. Have you had a direct interest in any contract to which MNAA is a party or which is to be paid for by MNAA within the past 12 months?

If yes, specify the contract, the business or entity in which you had a direct interest, and the specific nature of your interest.

2. Have you had an indirect interest in any contract to which MNAA is a party or which is to be paid for by MNAA within the past 12 months?

If yes, specify the contract, the business or entity in which you had an indirect interest, and the specific nature of your interest.

3. Do you or any of your immediate family members have a financial interest in any business or entity that does business with the Authority or any of its concessionaires or contractors?

If yes, specify the business or entity in which you or any immediate family member has a financial interest and the specific nature of your interest.

4. Do you or any of your immediate family members have a financial interest exceeding 5% in any real property within a three-mile radius of the passenger terminal at Nashville International Airport, excepting interests in primary personal residences?

If yes, identify the real property in which you or any immediate family member has a financial interest and the specific nature of your interest.

5. Are you a party to or do you have a financial interest in any litigation involving the Airport Authority or another entity with a relationship to the Authority?

If yes, indicate the case name of the litigation, the court where it is pending, and your interest in the litigation.

6. Please provide any further information which you deem pertinent to actual or potential conflicts of interest.

I hereby certify that the answers to the foregoing questions are correctly stated to the best of my knowledge, information, and belief.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature