

Memo



TO: Nathaniel P. Ford, Sr., Chief Executive Officer

FROM: Michael Sloan, Vice President of Compliance and Risk Management

A handwritten signature in blue ink, appearing to read 'M. Sloan', is written over the 'FROM' line.

THUR: Cami Haynes, Ethics & Compliance Officer

DATE: October 7, 2014

RE: JTA Supplier's Code of Conduct

This memo accompanies the Board Approved Supplier Code of Conduct, approved in May, 2014, along with draft letter from Mr. Ford. Both items require approval by Mr. Ford, prior to printing and publishing the Supplier Code of Conduct.

Message from the CEO

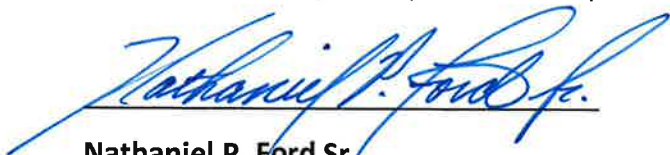
This document is designed to provide general information about the Jacksonville Transportation Authority and Jax Transit Management Corp., (hereafter "JTA") ethical standards and conduct. This Supplier Code of Conduct is in line with the JTA's vision, and applies to all suppliers, consultants, contractors, and all non-employees doing business with the JTA (hereinafter all collectively referred to as "supplier / vendor"). Similar to JTA's Code of Conduct, the Supplier Code of Conduct has been developed with recognition of Florida Ethical Rules and corresponding principles.

JTA is committed to ethical behavior and the reduction of the risk of fraud, the appearance of impropriety, and avoidance of unethical acts. We work hard to deter and detect fraud, and protect the image of JTA. However, we also recognize that the potential for fraud or the appearance of an impropriety continues to exist.

Working together, we can mitigate ethical risks. If you suspect an employee, supplier, vendor, consultant, contractors, or customer of fraud or unethical acts, we ask that you report this behavior in the manner outlined in this Code. We commit to you that JTA will respect the courage of people who point out existing or potential ethical problems.

As a partner of the Authority, we ask that you affirm that you have read, understood, and will comply with JTA's Supplier Code of Conduct. This affirmation, attached herein, should be submitted annually to JTA's Compliance Department.

While some situations are not clear-cut, we ask that you refer any questions to our Ethics and Compliance Officer. JTA's reputation is earned one person at a time, and each of us contributes to its reputation. Thank you for your efforts to preserve JTA's integrity and continued success.



Nathaniel P. Ford Sr.
Chief Executive Officer



**JACKSONVILLE
TRANSPORTATION
AUTHORITY**

The Jacksonville Transportation Authority Supplier Code of Business Conduct

The Jacksonville Transportation Authority and Jax Transit Management Corp., (hereafter "JTA") believes that a strong commitment and a strategic approach to corporate responsibility are essential for managing the challenges and opportunities of a rapidly changing environment. To that end, the JTA deployed a Code of Conduct for its employees and directors, which enhance the JTA's strategy for managing its business in a sustainable and ethically sound manner.

Therefore, in line with the JTA's vision for its suppliers, consultants, contractors, and all non-employees doing business with the JTA (hereinafter all collectively referred to as "supplier / vendor") to actively engage its supply chain by the adherence of all its suppliers to its Supplier Code of Conduct (the "Supplier Code") that has been developed with recognition of Florida Ethical rules and corresponding principles.

Legal Compliance

The provisions of this Supplier Code set forth the JTA's expectations from all suppliers with whom it does business. Therefore, the JTA expects the supplier and any of its subsidiaries or affiliates to comply with its principles. Although the Supplier Code only applies to JTA's direct suppliers, the JTA encourages the supplier to invite its own suppliers to comply with its terms. The supplier and its employees are expected to comply with the requirements set forth in this Supplier Code and with the provisions of local, state, and federal laws and regulations.

Anti-Corruption

The JTA promotes integrity and ethics in all aspects of its activities. The JTA expects the supplier to comply with all applicable laws and regulations on corruption, bribery, prohibited business practices and extortion. Furthermore, the supplier must never make or approve an illegal payment to anyone under any circumstances.

- **Gifts and Entertainment**

Employees, suppliers, partners, and other third parties doing business with JTA must avoid giving or receiving gifts or entertainment if these might improperly influence the recipient's judgment or might be perceived to do so. Gifts can include goods, services, favors, loans, trips, accommodation or use of property, etc. Sometimes in business, for example, in certain cultures, an exchange of gifts is appropriate. In such instances, the gifts should be reasonable, in good taste, and have token or nominal value. Employees must never give or accept gifts when prohibited from doing so by law or by the recipient's or donor organization's policies.

- **Prohibitions Pursuant to Florida Law**

In accordance with Florida Statutes, political committees and committees of continuous existence are prohibited from giving gifts valued at over \$100 to any person required to file Form 1 or Form 6 financial disclosure (other than officials, members, or employees of the State Executive Branch and members or employees of the Legislature) and to any State procurement employee or to others on behalf of the above. Lobbyists, as well as their partners, firms, employers, and principals, similarly are prohibited from giving gifts valued at over \$100 to persons required to file Form 1 or Form 6 (other than officials, members, or employees of the State

Executive Branch and members or employees of the Legislature) and to state procurement employees, or to others on their behalf, if the lobbyist lobbies the agency of the procurement officers or persons who file disclosure.¹

- **Duty to Disclose Business Interest/Activities Involving JTA Employees**

In accordance with JTA's Employee Code of Conduct, Suppliers are required to disclose the employment of any JTA employee, director, or Board Member who performs work for the Supplier in addition to their duties for JTA. This disclosure should be made in writing, and reported directly to JTA's Compliance Department.

Similarly, Suppliers of JTA are required to provide written disclosures listing the name of any JTA/JTM employee, director, or Board Member that has a financial business interest, regardless of the amount, in the operation of the Supplier's business to JTA's Compliance and Risk Management Department.

- **Solicitations of Supplier Items/Gifts**

No employee of an agency shall solicit or accept anything of value to the recipient, including a gift, loan, reward, promise of future employment, favor, or service, based upon any understanding that the vote, official action or judgment of the employee would be influenced thereby.²

Conflict of Interest/ Ethics

The supplier has a continuing obligation to disclose any actual or potential conflict of interest, as defined by the Florida Statutes Section 112.3113, 49 CFR 18.36(b)(3) and/or the FTA Master Agreement Section 3 (Ethics), as applicable and discuss with the JTA's management or Executive Leadership Team, except that suppliers are cautioned that when a cone of silence applies to a particular solicitation, all communication regarding the solicitation is prohibited unless made in accordance with the solicitation notice. Any activity that is approved, despite the actual or apparent conflict, must be documented.

Proper Relationships between Suppliers and the JTA

The relationship between the JTA and suppliers/vendors must be based on mutual trust, integrity, and commitment to the highest ethical principles. Suppliers/vendors of the JTA are bound by the same Code of Conduct (The Code) that binds JTA employees. To support compliance with the Code, suppliers/vendors shall ensure that the Code is shared with all individuals assigned to perform work for or on behalf of the JTA, and that all JTA-related tasks are executed by individuals with the skills, expertise, and certifications necessary to uphold the principles and meet the standards of the Code.

¹ §112.3215, Fla. Stat., prohibits officials, members, or employees of the State Executive Branch required by law to file full or limited public disclosure of financial interests from accepting any expenditure from a lobbyist or a lobbyist's principal. Legislative members and employees should refer to §11.045, Fla. Stat., which contains a similar restriction.

² §112.313, Fla. Stat

All procurement decisions must and will be made in accordance with the JTA's procurement policy. Care must be taken to avoid conflicts and the appearance of partiality. Kickbacks are prohibited as are engaging in unfair, deceptive, or misleading practices.

Furthermore, the JTA has internal procedures for complaints and disputes to be addressed and resolved. Suppliers of the JTA agree that it, and any of its directors, officers, shareholders, or employees will not (or cooperate with others to) publicly criticize, ridicule, disparage, or defame the JTA or its business, services, policies, directors, officers, employees, or other Supplier with or through any written or oral statement or image. Suppliers agree to provide full cooperation and assistance to the JTA in the investigation of such statements if the JTA reasonably believes that such supplier/vendor is the source of the statements. The foregoing does not apply to statutorily privileged statements made to governmental or law enforcement agencies, nor does anything in the foregoing prohibit or prevent supplier/vendor from providing information, notice, or statements in the event supplier has a legal, ethical, or contractual duty to present such information, notice, or statement.

Governance

The JTA has the right, but not obligation to, verify the compliance of all its direct suppliers with the Supplier Code. Such verification will be conducted by way of a supplier's self-evaluation or an audit by JTA (or an external resource designated by JTA) who may visit the supplier's facilities with appropriate notice. This policy does not create a right of action against the JTA or any other obligation of the JTA.

Compliance with the principles contained in the Supplier Code is a criterion that is taken into consideration in JTA's supplier selection process. Whenever a situation of non-compliance is identified, the JTA may work with the supplier to develop and implement a corrective plan to improve the situation. The JTA will continue to develop monitoring systems to assess and ensure compliance with the Supplier Code.

Equity and Diversity

The JTA expects the supplier to comply with all applicable local laws and regulations related to labor and employment including, but not limited to, minimum wage, maximum hours of work, days of rest, compensation, freedom of association, right to organize and collective bargaining.

The JTA supports diversity and employment equity. The supplier is expected to offer equal employment opportunities and compensation without any discrimination, unless such discrimination is based on the inherent requirements of the job or in the course of a program to promote diversity.

Health & Safety

The JTA provides a safe workplace for its employees. The JTA expects that the occupational health and safety of employees is a priority for the supplier throughout all significant aspects of its activities. The supplier must comply with all applicable health and safety laws, regulations and standards. The supplier shall take appropriate action, such as the enactment and promulgation of policies, standards, procedures, contingency measures, and management systems, in order to

prevent occupational illnesses and work-related accidents and to provide a safe and healthy workplace to its employees.

Environmental Compliance

The JTA conducts its operations in a sustainable way and in compliance with local, state, and federal environmental laws and regulations. JTA expects that environmental protection is a priority for the supplier in all significant aspects of its activities. The supplier must comply with all applicable environmental laws, regulations, and standards. The supplier shall strive to reduce the impacts of its activities and products on the environment and work towards an ever increasing initiative of environmental sustainability.

Responsibility of the Supplier

As a supplier of the JTA, the supplier's role begins, but does not end, with understanding this Supplier Code. If any ethical or legal compliance issues arise that raise any questions, the supplier has the responsibility to bring them to the attention of the appropriate JTA staff member, or the Compliance Department.

To raise a concern, the supplier can call the JTA Compliance Officer at 904.633.8549 or contact the JTA Ethics Hotline at 1.800.786.0890.

The Compliance Officer's function is to ensure that all compliance issues raised through any channels offered to the supplier in this Supplier Code are resolved quickly, fairly, and at the proper level in the Authority.

In addition, an independent and confidential reporting system is available, 7 days a week, anywhere around the world by accessing our website, <https://jta/alertline.com>. The supplier can also contact our toll-free number at: 800.786.0890 to report any ethical or compliance related concerns.

Penalties for Violations

Failure to respect the Supplier Code of Conduct or any local, state, and federal laws, rules, or regulations, may lead to disciplinary measures commensurate with the violation, including termination of the business relationship. Suppliers who break the law expose themselves to criminal penalties (such as fines and jail sentences) or civil sanctions (such as damage awards or fines) and may expose the JTA to penalties, damages and/or losses that JTA may seek to recover from the Supplier.