

CHARTER OF THE BUSINESS ETHICS COUNCIL OF ORANGE AND ROCKLAND UTILITIES, INC.

PURPOSE

The purpose of this Charter is to define the mission, structure and responsibilities of the Business Ethics Council (the “Council”) of Orange and Rockland Utilities, Inc. (the “Company”).

MISSION

The mission of the Council is to serve as a resource to the Ethics Officer by: (i) providing assistance and guidance in the development and implementation of Ethics policies and (ii) acting as the eyes and ears of the Ethics Officer and as an avenue by which Ethics-related issues and concerns are communicated between employees and the Ethics Officer. The Council will seek to proactively encourage responsible ethical decision-making and promote programs that enhance ethical awareness among employees. The Council will help ensure that ethical considerations remain a top priority of the Company.

STRUCTURE

1. The Council will consist of 12 employees, drawn from diverse backgrounds and representative of the various department and work locations throughout the Company. The Council reports to the Ethics Officer.
2. The Ethics Officer will undertake recruitment of new members each October. At the November meeting, the Ethics Officer shall present a list of proposed candidates for the Council’s review and recommendation, although the Ethics Officer will make the final decision regarding the appointment of new members. Terms of newly appointed members will commence January 1 of each year.
3. Council members, whether management or union, will be appointed by the Ethics Officer. Two Council members will be selected from the recommendations made by the Union President.
4. Council members will be appointed for a three-year term and may not serve consecutive terms. Whenever possible, terms of Council members will be staggered to ensure that the terms of no more than four members expire in any year. If a vacancy occurs in advance of the expiration of a term, the Ethics Officer may fill the vacancy for the balance of the applicable term. Former Council members may reapply or be reappointed for vacant Council positions following a minimum of a one-year absence from the Council.

5. Meetings of the Council will be held at least six times per year, with additional meetings as necessary. Special meetings may be called by agreement of any three (3) members of the Council with the consent of the Ethics Officer. A quorum, consisting of a majority of active Council members, must be present for a Council meeting to be held.
6. The Ethics Officer will serve as the Chairperson of the Council. At the first meeting of each new year, the Council will elect from among its members the following officers:
 - Vice-Chairperson – In the absence of the Ethics Officer, the Vice-Chairman will preside over Council meetings and otherwise serve as the main liaison with the Ethics Officer.
 - Secretary – The Secretary will record and issue minutes of Council meetings and such other correspondence as may be necessary.
 - Coordinator – The Coordinator will set up the Council meetings, seminars, speakers, etc.
 - Special Committee(s) – At the discretion of the Council, there may be Special Committee(s) formed as needed.
7. Council members are expected to attend meetings on a regular basis. A Council member who knows that he or she will be unable to attend an upcoming meeting must contact the Ethics Officer or the Vice-Chairperson as far in advance of the scheduled meeting as possible. A Council member with three or more absences in any 12-month period may be removed from the Council upon a motion made by a Council member and approved by the Council and Ethics Officer.
8. Emeritus Status: Emeritus Status may be granted to former Council Members upon approval of the Council and the Ethics Officer. Emeritus Status members will act as “*Counsel to the Council*,” with no voting rights but will be available for their expertise, knowledge, opinion and advice. Emeritus Status members must attend at least one meeting per year in order to maintain this position.
9. Matters that are before the Council for a vote shall be decided on the basis of a 2/3-majority vote of the votes taken.
10. The Council will adopt such additional procedures as may be required to govern its operations.

RESPONSIBILITIES

1. Provide guidance and assistance in the development, implementation, monitoring and enforcement of the Ethics Program, including assisting the Ethics Officer in the formulation of policies and procedures.

2. Ensure that there is an effective communication of ethical standards and procedures to all employees through ongoing training and education on applicable laws, regulations and standards including, but not limited to, the Company's Standards of Business Conduct.
3. Review procedures to ensure that the system for reporting issues and concerns protects confidentiality to the extent possible.
4. Review procedures for the investigation of allegations of unethical conduct.
5. Serve as an avenue by which issues, concerns and perceptions relating to the Company's Ethics Program are communicated between employees and the Ethics Officer.
6. Review (subject to requirements of confidentiality) results of investigations and inquiries. In addition, the Council may suggest additional activities or programs based on the results of these investigations or inquiries.
7. Recommend modifications to the Ethics Program as necessary to meet new situations and challenges.
8. Participate in the review of ethics-related policies for the Company prior to submission of such policies to the appropriate corporate officer for final approval.
9. Be available to employees as individual members of the Council, serve as resources in the effective implementation of the Ethics Program and to actively encourage employees to "do the right thing".
10. Lead by example.

Dated: July 13, 2004