

STUYVESANT HIGH SCHOOL ALUMNI  
ASSOCIATION, INC.

Director and Trustee Handbook

*Updated December 2017*

**WELCOME TO THE STUYVESANT HIGH SCHOOL  
ALUMNI ASSOCIATION, INC.**

It's a pleasure to welcome you to Stuyvesant High School Alumni Association, Inc. (the "Association") and to provide you with a copy of our Director and Trustee Handbook (the "Handbook"). The Handbook is designed to introduce you to our organization, its policies and its benefits. You are urged to become familiar with its contents and refer back to it as needed.

It is your efforts that ensure the success of the Association. We thank you for your service and are here to support your efforts.

We strive to foster open communication at the Association. If you have any questions about any matters (whether or not they arise from this Handbook), please do not hesitate to contact the President.

We are glad you are here—welcome aboard!

## **NOTICES**

### **ACKNOWLEDGEMENT**

You are required to sign the attached Director and Trustee Acknowledgement to reflect your understanding of, and agreement to abide by, the policies and procedures set forth herein. Policies described herein are subject to modification and further development by the Association.

**TABLE OF CONTENTS**

**MISSION STATEMENT.....5**

**DUTIES OF THE DIRECTORS .....6**

    TONE AT THE TOP .....6

    DUTY OF CARE .....6

    DUTY OF LOYALTY .....7

    DUTY OF OBEDIENCE.....8

    ATTENDANCE.....8

    DIRECTORS’ RIGHTS .....8

    PRIVATE INUREMENT AND PRIVATE BENEFIT .....9

    BOARD COMPENSATION .....9

    POLITICAL ACTIVITY AND LOBBYING.....10

    FUNDRAISING.....10

    GIFTS.....11

    PRIVACY .....11

    BOARD CONTRIBUTIONS .....11

    FINANCIAL OVERSIGHT BY THE BOARD OF DIRECTORS .....12

    OVERSEEING MANAGEMENT .....13

**CODE OF CONDUCT .....14**

    ETHICS AND REPUTATIONAL RISK .....14

    CONFIDENTIALITY AND ASSOCIATION INFORMATION .....14

    NON-DISCRIMINATION AND ANTI-HARASSMENT POLICY.....14

    SOCIAL MEDIA POLICY.....17

    PRIVACY.....20

    COMPLIANCE TRAINING.....21

    CONFLICT OF INTEREST POLICY .....21

    WORK PRODUCT OWNERSHIP .....25

    LEGAL PROCEEDINGS .....25

    MEDIA CONTACTS.....25

    SAFETY AND SECURITY .....25

    SMOKING POLICY.....26

    SOCIAL RELATIONSHIPS AMONG DIRECTORS AND TRUSTEES AND AFFILIATES OF THE ASSOCIATION .....26

    REPORTING LEGAL, ETHICAL AND PERSONNEL ISSUES.....26

**WHISTLEBLOWER POLICY.....27**

    INTRODUCTION .....27

    REPORTING RESPONSIBILITY .....27

    NO RETALIATION .....27

    REPORTING CONCERNS .....27

    COMPLIANCE OFFICER.....27

    ACCOUNTING AND AUDITING MATTERS .....28

    INVESTIGATIONS.....28

    ACTING IN GOOD FAITH .....28

    CONFIDENTIALITY.....28

    HANDLING OF REPORTED CONCERNS .....28

    RECORDS.....29

    DISTRIBUTION .....29

**ACKNOWLEDGMENT .....30**

## **MISSION STATEMENT**

The Association, organized under the Not-for-Profit Corporation Law of the State of New York (“NPCL”), shall have for its purposes:

- a) to award scholarships and other grants to deserving students of Stuyvesant High School (“the School”),
- b) to maintain the relationship of alumni to the School and to each other through written and other communications, and social, academic and other events,
- c) to render aid and cooperation to the School in order to facilitate academic and extracurricular programs and other student activities, and
- d) to raise funds, by dues, contributions, events and otherwise, in order to support those activities which result in the furtherance of items (a) through (c) above.

## **DUTIES OF THE DIRECTORS**

The directors and trustees are responsible for managing the Association and must make decisions crucial to the life and direction of the organization, such as adding or removing board members, hiring and firing key officers and employees, engaging auditors and other professionals and authorizing significant financial transactions and new program initiatives. In carrying out those responsibilities, members of a board of directors must fulfill fiduciary duties to the organization and the public it serves. Those primary legal duties include the duties of care, loyalty and obedience. For the Association’s affiliates or subsidiaries, the legal duty of impartiality, the duty of fairness to all the charitable interests, may also come into play.

### **Tone at the Top**

The “tone at the top” refers to the ethical climate created in an organization by its leadership. Through your leadership on the Board of Directors, you can foster a climate whereby the directors, employees, and volunteers act in a manner that upholds the highest ethical standards of the Association while carrying out their duties. It is important to create this expectation for yourselves and others. If you and your fellow directors appear unconcerned with maintaining high standards, this attitude will be observed by the employees and volunteers, and it will impact their behavior as well.

In particular, the Board of Directors should make clear that, in making decisions, it is doing what it believes is in the best interests of the Association to help carry out its mission. It is also the Board of Directors’ responsibility to ensure that the Association fully complies with all applicable federal and state laws and regulations. In addition, as a director, you are expected to comply fully with the Association’s Code of Conduct, which includes the Conflict of Interest Policy. You and the other members of the Board of Directors are responsible for ensuring that all others comply with these policies as well. In particular, the Board of Directors is responsible for implementing the Association’s Whistleblower Policy and for ensuring that any claims of wrongdoing by a director, officer, employee, or volunteer are fully and fairly investigated, and that there is no retaliation against anyone bringing a claim in good faith.

### **Duty of Care**

The duty of care requires a director to be familiar with the organization’s finances and activities and to participate regularly in its governance. In carrying out this duty, directors must act in “good faith” using the “degree of diligence, care and skill” which prudent people would use in similar positions and under similar circumstances. In exercising the duty of care, responsible board members should, among other things, do the following:

- (i) Attend all board and committee meetings and actively participate in discussions and decision making such as setting of policies. Carefully read the material prepared for board and committee meetings prior to the meetings and note any questions they raise. Allow time to meet without senior management present.
- (ii) Read the minutes of prior meetings and all reports provided, including financial statements and reports by employees. Make sure her or his votes against a particular

- proposal are completely and accurately recorded. Do not hesitate to suggest corrections, clarification and additions to the minutes or other formal documents.
- (iii) Make sure to get copies of the minutes of any missed committee or board meeting and read them timely, suggesting any changes that may be appropriate.
  - (iv) Make sure there is a clear process for approval of major obligations such as fundraising, professional fees (including auditors), compensation arrangements and construction contracts.
  - (v) Make sure that board minutes reflect any dissenting votes in action taken by the board or that any dissenting vote is expressed in writing by letter to the board. Such records are necessary in order for a board member to disclaim responsibility for any particular decision. Absent board members must do this promptly in writing.
  - (vi) Read any literature produced as part of the organization's programs.
  - (vii) Make sure that monthly financial charts of accounts and financial reports prepared for management are available to the board or audit committee, and that they are clear and communicate proper information for stewardship. Make sure there is an ongoing actual to budget comparison with discrepancies explained.
  - (viii) Participate in risk assessment and strategic planning discussions for the future of the organization.
  - (ix) Insure that the organization has addressed the sufficiency of its written internal financial controls and written policies that safeguard, promote and protect the organization's assets and that they are updated regularly. Make sure a policy for whistleblower protection is in place.
  - (x) Encourage diversity among board members. Diversity will help insure a board committed to serve the organization's mission with a range of appropriate skills and interests.
  - (xi) Be involved in the selection and periodic review of the performance of the Association's officers and other key employees. The board is responsible for ascertaining whether these individuals have the appropriate education, skills and experience to assume a key position and then evaluating their performance.

### **Duty of Loyalty**

The Board of Directors has a written "Conflicts of Interest Policy" contained herein. Directors and trustees should review the policy so that all members are aware of the type of transactions that may prohibit them from joining the Board of Directors. The policy prohibits board members from engaging in any transaction that may result in even the appearance of a conflict of interest in the absence of written disclosure of anticipated or actual conflicts. Directors and officers are charged with the duty to act in the interest of the corporation. This duty of loyalty requires that any conflict of interest, real or possible, always be disclosed in advance of joining a board and when they arise. Board members should avoid transactions in which they or their family members benefit personally. If such transactions are unavoidable, Board members must disclose them fully and completely to the board.

In order to exercise this duty of loyalty directors must be careful to examine transactions that involve board members or officers. The Board of Directors must not approve any transaction that

is not fair and reasonable, and a conflicted board member may not participate in the Board of Directors' vote. Please also review the Code of Conduct.

### **Duty of Obedience**

A Board of Directors has a duty of obedience to insure that the organization complies with applicable laws and regulations and its internal governance documents and policies. The Association's commitment to integrity begins with complying with laws, rules and regulations where we do business. Further, each of us must have an understanding of the policies, laws, rules and regulations that apply to our specific roles. If we are unsure of whether a contemplated action is permitted by law or Association policy, we should seek an expert's advice. We are responsible for preventing violations of law and for speaking up if we see possible violations, which includes:

- (i) Dedicating the organization's resources to its mission.
- (ii) Insuring that the organization carries out its purposes and does not engage in unauthorized activities.
- (iii) Complying with all appropriate laws, including registering with the Attorney General's Charities Bureau in New York State, complying with registration and reporting laws and other applicable laws of all states in which it conducts activities and/or solicits contributions, filing required financial reports with the Attorney General, the State Worker's Compensation Board, the State Department of Taxation and Finance and the Internal Revenue Service, paying all taxes such as Social Security, income tax withholding (federal, state and local) and any unrelated business income tax. Board members may be personally liable for failing to pay employees' wages and benefits and withholding taxes on employees' wages.
- (iv) Providing copies of its applications for tax-exempt status (IRS Form 1023), federal reports (IRS forms 990, 990 PF, 990 EZ) and its financial reports filed with the Attorney General's Charities Bureau to members of the public who request them.

### **Attendance**

As a director it is important that you demonstrate your commitment to the organization by regularly attending Board of Directors' meetings and meetings of the committees to which you have been assigned. This will allow you to stay informed of the Association's activities and, in turn, the organization will benefit from the skills you bring to the Board of Directors. There are ways you can attend meetings without being physically present. For example, if not prohibited by the by-laws, you can participate via conference call, provided you can hear all the other participants in the meeting and they can hear you. However, being a member of the Board of Directors is a personal responsibility. You cannot delegate this responsibility to others. Therefore, you cannot give someone else the authority to attend a Board of Directors' meeting or vote on your behalf. You cannot vote by proxy.

### **Directors' Rights**

As a director, you have certain legal rights. These rights are designed to assist you in carrying out your fiduciary duties as a member of the Board of Directors. For example, it is important that you stay informed about the Association's business affairs. Consequently, as a director, you have a right to have reasonable contact with the organization's senior managers to discuss the



organization's business affairs. You also have the right to inspect the books and records of the organization and to request additional information from management. At the same time, you should remember that while the Board of Directors retains the ultimate responsibility for the operations of the Association, the senior managers are responsible for the day-to-day management of the organization. Your duty as a director is to ensure that they exercise their management responsibilities in a manner that best serves the organization. It is not in the organization's best interests if the Board of Directors attempts to review and approve day-to-day management decisions, or substitutes its judgment for that of the senior managers. Therefore, when you request information from management, it is important that you are reasonable in the frequency and scope of your requests. You want to take care that your requests are suited to what you need to perform your job as a director, and not the day-to-day management of the organization. Another important way to stay informed about the organization's activities is to review the Board of Directors and committee minutes. The Board of Directors will be provided with the minutes of the meetings in a timely manner. If, for some reason, you do not receive the minutes of a Board of Directors or committee meeting, you have the right to ask for a copy of the minutes. Finally, the organization encourages open and informed debate among the directors, which helps ensure that the best possible decisions are made. If you disagree with any action the Board of Directors proposes to take, you have the right to vote against the action. In addition, you have the right to have the Board secretary record your objection, by name, in the minutes of the meeting. This is important if you believe that the actions of the Board of Directors are not only unwise, but improper. In such case, if you object to the actions and have your objection recorded in the minutes, you may escape liability if the action is later challenged.

### **Private Inurement and Private Benefit**

The Internal Revenue Code gives tax-free status to charitable organizations because they provide important benefits to the general public. However, the Internal Revenue Code also provides that a tax-exempt organization must be operated for the benefit of the public and not for the benefit of "insiders." This is called the private inurement rule. As a director, you must ensure that insiders do not receive favorable treatment at the expense of the Association, otherwise the Association would be at risk of losing its tax-exempt status. For more information, please see the Conflict of Interest policy below.

### **Board Compensation**

As a director, you will not be compensated for your services or reimbursed for your expenses. The Association may provide a letter to a director documenting (x) travel in connection with performance of the director's duties (such as attendance of board meetings) or (y) a director's out-of-pocket expenses in connection with performance of director duties that are at least \$250. In addition to your Board service, from time to time it may be in the best interests of the Association for you to provide some other goods or services to the Association, such as legal or accounting work. If you provide goods or services to the Association in addition to serving on the Board of Directors, the Association is allowed to pay you for your goods or services in compliance with the Conflict of Interest policy.

### **Political Activity and Lobbying**

As a tax-exempt entity, the Association may engage in limited lobbying activities. For this purpose, the Association will be regarded as lobbying if it attempts to influence legislation. Attempting to influence legislation includes contacting or urging the public to contact members or employees of a legislative body for the purpose of supporting or opposing legislation, or advocating for the adoption or rejection of legislation. Legislation includes actions by Congress, state legislatures, or any other elected body, such as the local city council or school committee, with respect to acts, bills, or resolutions. It applies to such actions as confirming an individual for office, such as a judge or cabinet member. It also applies to ballot initiatives or similar procedures to be voted upon by the public. The definition of legislation does not include actions taken by the courts or government agencies. As noted above, there are limits on the amount of lobbying in which the Association may engage. The Internal Revenue Code provides that a nonprofit that is exempt under Section 501(c)(3) cannot expend a “substantial” part of its activities in lobbying. If the Association engages in what is considered excessive lobbying, the organization will be subject to an excise tax and will be at risk of losing its tax-exempt status. At what point a nonprofit’s lobbying is considered “substantial” depends on all the facts and circumstances and is not always clear-cut. Therefore, Congress enacted Section 501(h) of the Internal Revenue Code. By filing an election with the IRS, a nonprofit is allowed to engage in lobbying activities—up to certain dollar limits—without losing its tax-exempt status. The limits are based on the size of the organization’s annual revenue. Churches and private foundations are not eligible to make the election, but other nonprofit organizations that engage in lobbying activities commonly do. As a director, you should ensure that the Association complies with the rules against excessive lobbying. In addition, certain lobbying activities may require the organization to register as a lobbyist with various federal and local government authorities. If the Association wishes to engage in any lobbying activity, the Board of Directors should work with legal counsel and senior management to ensure that procedures are put in place to comply with these regulations and the IRS limitations on lobbying activities.

Under the Internal Revenue Code, nonprofit organizations are strictly prohibited from intervening on behalf of, or in opposition to, candidates for local, state, or national office. If the Association violates this rule, it is subject to an excise tax on the amount expended on the campaign activity and faces the risk of losing its tax-exempt status. This does not mean that, just because you are a director of the Association, you cannot be involved in political activity as a private individual. However, you may not use the Association’s property or other assets, including the Association’s name, on behalf of or against any candidate for office. You should also make clear that any political statements you make, such as an endorsement of a candidate, are made in your personal capacity and not in your capacity as a director of the Association, and that the statements should not be made at an event sponsored or hosted by the Association or in any of its publications. If you are in any doubt as to whether your activities might be considered improper political activities on behalf of the Association, you should consult with the Board officers and legal counsel before engaging in those activities.

### **Fundraising**

These days, it is not enough for the Association to have a good purpose and programs. There are many nonprofits with important missions to fulfill, and there is a limited amount of money to

support all their worthy causes. At the same time, without proper funding, the Association cannot serve the critical needs of the community it has identified. Therefore, one of the most important roles of the Board of Directors is to define and establish a successful fundraising strategy to sustain the organization's goals. The role of the Board of Directors in raising revenue is unique, and it is one of the critical differences between nonprofit and for-profit businesses in the ways they are managed. The Board of Directors has a responsibility to attract resources to sustain the organization's programs and fulfill its mission. The Board of Directors must select and support senior management, put the budget in place, and oversee and evaluate the organization's fundraising and financial performance. Even though the Board of Directors is ultimately responsible for the Association's fundraising strategy, the fundraising activities will not succeed without a close partnership with management. There has to be a close collaboration between the Board of Directors and management, as well as clearly defined goals for management to execute. Therefore, it is key for the Board of Directors to specify the responsibilities of both management and the Board of Directors in the fundraising effort. At the same time, it is important to remember that implementing the fundraising plan is a responsibility shared by the Board of Directors and should not be left only to management. The Board of Directors should ensure that the Association follows ethical fundraising practices and that its fundraising efforts are cost-effective. It is the Board of Directors' responsibility to ensure that the Association's fundraising programs reflect well on the organization and its mission and that any terms of donations are complied with. It is important that the Board of Directors ensure there is appropriate training and supervision of the people soliciting funds on the Association's behalf, that they understand their responsibilities and do not employ techniques that are coercive, intimidating, or intended to harass potential donors. Compensation for fundraising activities should reflect the skill, effort, and time expended by the individual or firm on behalf of the Association.

### **Gifts**

Directors and trustees may not solicit, accept or furnish improper gifts from or to individuals or organizations with which the Association has a current or potential relationship. From time to time, the Association may be offered donations that would compromise the organization's ethics, financial circumstances, program focus, or other interests. For example, the source of the funds may be one that is inconsistent with the mission the Association is trying to serve. Therefore, it is important that the Board of Directors has clear standards and procedures for determining when it will not accept a donation.

### **Privacy**

The Association respects the privacy of individual donors and, except where disclosure is required by law, does not sell or otherwise make available the names and contact information of its donors.

### **Board Contributions**

In addition to the preceding tasks, each member of the Board of Directors should show his or her personal financial support for the organization. Many directors contribute to their organizations in ways other than financial, such as having an understanding of the community in need or having prior nonprofit experience. Directors also offer specialized skills such as human resources or financial expertise. The organization cannot succeed without those contributions. However, we

cannot expect others to financially support the Association if the Board of Directors does not. Your personal participation is essential to a successful fundraising campaign. The Association expects its directors to donate a minimum dollar amount to the organization, or contribute to the organization's annual fundraising campaign in a minimum dollar amount, such amounts as determined by the Board of Directors from time to time. The Association's goal is to have 100 percent participation by the Board of Directors. In addition, you should help management identify and evaluate prospective donors, including individuals, corporations, and foundations. As a director, you should also assist in cultivating prospective donors by stimulating interest in the Association and its work.

### **Financial Oversight by the Board of Directors**

Because the Association is fortunate that so many people support the organization by giving their time and money—often at great sacrifice to themselves—it is important that the Association exercise good stewardship in managing the donations of its supporters. The senior management of the Association plays a key role in managing the financial affairs of the organization, but the Board of Directors is ultimately responsible for ensuring that its funds are properly utilized. Over the past several years, the IRS has increased its financial oversight of nonprofit organizations. Several states also have started extending these governance principles, previously applicable only to public companies, to cover nonprofit organizations. Moreover, grant makers and other donors expect nonprofit organizations to exercise robust financial oversight. Therefore, the Board of Directors should establish clear policies and procedures to protect the Association's financial assets and ensure that it is following best practices. As a director, you can call on the Association's resources, including senior management and the independent auditors responsible for conducting the organization's annual audit, to help you perform your duties. In particular, the Board of Directors and the audit committee should meet with the auditors before the annual audit and after a draft audit is prepared to discuss the auditors' findings and to determine what steps, if any, the Board of Directors should take to improve the financial oversight of the organization. While it is management's responsibility to oversee the day-to-day accounting and financial management of the Association, the Board of Directors is responsible for ensuring that proper financial systems and controls are in place. The Board of Directors is also responsible for reviewing practices and reports to ensure that staff members and volunteers are complying with Board-approved policies.

The Board of Directors is responsible for reviewing and approving the Association's annual budget. The Board of Directors should also receive regular financial reports, either monthly or quarterly. The reports should show budgeted and actual expenditures as well as budgeted and actual revenues. By carefully reviewing the regular financial reports, the Board of Directors will be able to determine whether adjustments must be made in spending to accommodate changes in revenues. However, prudent financial oversight requires that the Board of Directors look beyond monthly or annual financial reports to consider how the Association's current financial performance compares with that of previous years, and how its financial future appears. As a member of the Board of Directors, you also have the obligation to establish policies and procedures to ensure that the Association manages and invests its funds responsibly and in compliance with the legal requirements. The Board of Directors is responsible for establishing policies that govern how the funds will be invested, ensuring that donor-restricted funds are used

in a manner that complies with the donor's restrictions, and allocating the returns from investments among the various programs. As a member of the Board of Directors, you are expected to carry out your responsibility to manage the funds of the organization in good faith, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. This means that you are responsible for overseeing the investment of the funds to ensure that those charged with making the investment decisions, including any committee appointed by the Board of Directors, are acting prudently.

Another important task that the Board of Directors must undertake is to set the strategic direction of the Association. The Board of Directors has the primary responsibility of carrying out this task, with the help of senior management, to ensure the future sustainability and growth of the Association. Therefore, it is important that the Board of Directors take time every three to five years to develop a long-term plan for the organization.

### **Overseeing Management**

The Executive Director of the Association is the chief executive of the organization and is hired and supervised by the Board of Directors. The Board of Directors also has the authority to fire the Executive Director if he or she is not meeting the performance standards set by the Board of Directors. As part of its responsibilities, the Board of Directors should review the performance of the Executive Director annually. By giving the Executive Director feedback at least annually, the Board of Directors will assist the Executive Director in performing to the best of his or her abilities. The Board of Directors is also responsible for setting the compensation for the Executive Director and other members of senior management. The Internal Revenue Code sets forth the criteria for determining who is a member of senior management, and provides that a nonprofit organization cannot pay more than "reasonable" compensation to its senior managers and imposes penalties if excess compensation is paid. The Internal Revenue Code provides a three-step process for approving compensation: (1) the compensation level must be approved by the Board of Directors or a committee of the Board authorized by it to set the compensation; (2) the Board of Directors makes use of data showing how much similar organizations are paying their employees to determine that the compensation is reasonable; and (3) there is proper documentation of the decision-making process.

## CODE OF CONDUCT

### **Ethics and Reputational Risk**

The Association is committed to the highest standards of ethics and conduct and is proud of its reputation as a trustworthy and highly professional organization. The success of the Association depends on the competence and integrity of those who conduct our affairs. High ethical conduct must underlie all of our dealings and relationships, whether on or off premises. Therefore, directors and trustees must always conduct themselves in a way that safeguards the positive image of the Association.

All directors and trustees of the Association are required to read, understand, abide by, and acknowledge receipt of the Association's Code of Conduct and its compliance policies.

### **Confidentiality and Association Information**

The protection of confidential information and trade secrets is vital to the interests and the success of the Association. Such confidential information includes, but is not limited to, information that relates in any way to the business, financial (including tax and accounting), legal, technological or personal affairs, personnel matters (including compensation information), organizational responsibilities, marketing matters, and policies and procedures of the Association and its directors, trustees, officers and employees.

At all times, **both during service as a director or trustee and afterwards**, directors and trustees must (1) keep all confidential information in confidence and trust, (2) not disclose any confidential information to any person or entity other than the Association or an authorized employee or representative of the Association, and (3) not use any confidential information for any purpose other than for the benefit of the Association and then only as authorized and for the purposes intended by the Association.

All the Association records and information relating to the Association are confidential and directors and trustees must, therefore, treat all matters accordingly. Directors and trustees must not disclose any confidential information, purposefully or inadvertently through casual conversation, to any unauthorized person inside or outside the Association. Persons who are unsure about the confidential nature of specific information must ask for clarification.

### **Non-Discrimination and Anti-Harassment Policy**

The Association is committed to a work environment in which all individuals are treated with respect and dignity. Each individual has the right to work in a professional atmosphere that promotes equal employment opportunities and prohibits discriminatory practices, including harassment. Therefore, the Association expects that all relationships among persons at the Association will be business-like and free of bias, prejudice and harassment.

*Equal Employment Opportunity*

It is the policy of the Association to ensure equal employment opportunity without discrimination or harassment on the basis of race, color, sex, national origin, religion, age, equal pay, disability and genetic information or any other protected characteristic as established by state or federal law. The Association prohibits and will not tolerate any such discrimination or harassment.

*Definitions of Harassment*

a. Sexual harassment constitutes discrimination and is illegal under federal, state and local laws. For the purposes of this policy, sexual harassment is defined, as in the Equal Employment Opportunity Commission Guidelines, as unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when, for example: (i) submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment; (ii) submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or (iii) such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment. Sexual harassment may include a range of subtle and not so subtle behaviors and may involve individuals of the same or different gender. Depending on the circumstances, these behaviors may include, but are not limited to: unwanted sexual advances or requests for sexual favors; sexual jokes and innuendo; verbal abuse of a sexual nature; commentary about an individual's body, sexual prowess or sexual deficiencies; leering, catcalls or touching; insulting or obscene comments or gestures; display or circulation in the workplace of sexually suggestive objects or pictures (including through e-mail); and other physical, verbal or visual conduct of a sexual nature. Sex-based harassment that is harassment not involving sexual activity or language (e.g., male manager yells only at female employees and not males) may also constitute discrimination if it is severe or pervasive and directed at employees because of their sex.

b. Harassment on the basis of any other protected characteristic is also strictly prohibited. Under this policy, harassment is verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his/her race, color, religion, national origin, age, disability, alienage or citizenship status, marital status, creed, genetic predisposition or carrier status, sexual orientation or any other characteristic protected by law or that of his/her relatives, friends or associates, and that: (i) has the purpose or effect of creating an intimidating, hostile or offensive work environment; (ii) has the purpose or effect of unreasonably interfering with an individual's work performance; or (iii) otherwise adversely affects an individual's employment opportunities. Harassing conduct includes, but is not limited to: epithets, slurs or negative stereotyping; threatening, intimidating or hostile acts; denigrating jokes and display or circulation in the workplace of written or graphic material that denigrates or shows hostility or aversion toward an individual or group (including through e-mail).

*Individuals and Conduct Covered*

These policies apply to all applicants and employees, and prohibit harassment, discrimination and retaliation whether engaged in by fellow employees, by a supervisor or manager or by someone not directly connected to the Association (e.g., an outside vendor, consultant or customer). Conduct prohibited by these policies is unacceptable in the workplace and in any work-related setting outside the workplace, such as during business trips, business meetings and business-related social events.

*Retaliation Is Prohibited*

The Association prohibits retaliation against any individual who reports discrimination or harassment or participates in an investigation of such reports. Retaliation against an individual for reporting harassment or discrimination or for participating in an investigation of a claim of harassment or discrimination is a serious violation of this policy and, like harassment or discrimination itself, will be subject to disciplinary action.

*Complaint Procedure: Reporting an Incident of Harassment, Discrimination or Retaliation*

The Association strongly urges the reporting of all incidents of discrimination, harassment or retaliation, regardless of the offender's identity or position. Individuals who believe they have experienced conduct that they believe is contrary to the Association's policy or who have concerns about such matters should file their complaints with the President or the head of the Employment Committee of the Board of Directors, before the conduct becomes severe or pervasive.

**IMPORTANT NOTICE:** Persons who have experienced conduct they believe is contrary to this policy have an obligation to take advantage of this complaint procedure. Any failure to fulfill this obligation could affect his or her rights in pursuing legal action. Also, please note, federal, state and local discrimination laws establish specific time frames for initiating a legal proceeding pursuant to those laws. Early reporting and intervention have proven to be the most effective method of resolving actual or perceived incidents of harassment. Therefore, while no fixed reporting period has been established, the Association strongly urges the prompt reporting of complaints or concerns so that rapid and constructive action can be taken. The Association will make every effort to stop alleged harassment before it becomes severe or pervasive, but can only do so with the cooperation of its staff/employees. The availability of this complaint procedure does not preclude individuals who believe they are being subjected to harassing conduct from promptly advising the offender that his or her behavior is unwelcome and requesting that it be discontinued.

*The Investigation*

Any reported allegations of harassment, discrimination or retaliation will be investigated promptly, thoroughly and impartially. The investigation may include individual interviews with the parties involved and, where necessary, with individuals who may have observed the alleged conduct or may have other relevant knowledge. Confidentiality will be maintained throughout the investigatory process to the extent consistent with adequate investigation and appropriate corrective action.

*Responsive Action*



Misconduct constituting harassment, discrimination or retaliation will be dealt with promptly and appropriately. Responsive action may include but not limited to, for example, training, referral to counseling, monitoring of the offender and/or disciplinary action such as warning, reprimand, withholding of a promotion or pay increase, reduction of wages, demotion, reassignment, temporary suspension without pay or termination, as the Association believes appropriate under the circumstances. Individuals who have questions or concerns about these policies should talk with the President. Finally, these policies should not, and may not, be used as a basis for excluding or separating individuals of a particular gender, or any other protected characteristic, from participating in business or social activities or discussions in order to avoid allegations of harassment. The law and the policies of the Association prohibit disparate treatment on the basis of sex or any other protected characteristic, with regard to terms, conditions, privileges and perquisites of employment. The prohibitions against harassment, discrimination and retaliation are intended to complement and further these policies, not to form the basis of an exception to them.

### **Social Media Policy**

#### *Purpose*

The Association recognizes that the internet provides unique opportunities to participate in interactive discussions and share information on particular topics using a wide variety of social media, such as Facebook, Twitter, blogs and wikis. However, use of social media can pose risks to the Association's confidential and proprietary information, reputation and brands, can expose employers to discrimination and harassment claims and can jeopardize the Association's compliance with rules and laws. To minimize these business and legal risks, to avoid loss of productivity and distraction from performance and to ensure that the Association's IT resources and communications systems are used appropriately as explained below, the Association expects its directors and trustees to adhere to the following guidelines and rules regarding use of social media.

#### *Compliance with Related Policies and Agreements*

All of the Association's other policies that might apply to use of social media remain in full force and effect. Directors and trustees should always adhere to them when using social media.

Social media should never be used in a way that violates any other Association policies. If your social media activity would violate any of the Association's policies in another forum, it will also violate them in an online forum. For example, directors and trustees are prohibited from using social media to:

- Violate the Association's IT resources and communications systems policies.
- Violate the Association's confidentiality and proprietary rights policies.
- Circumvent the Association's ethics and standards of conduct policies.
- Engage in unlawful harassment.
- Circumvent policies prohibiting unlawful discrimination against current employees or applicants for employment.
- Violate the Association's privacy policies (for example, never access private password-protected sites of co-workers or other Association stakeholders without permission).

- Violate any other laws or ethical standards (for example, never use social media in a false or misleading way, such as by claiming to be someone other than yourself).
- Directors and trustees should also never provide references or recommendations for stakeholders on social or professional networking sites, as such references or recommendations can be attributed to the Association and create legal liability for employees and the Association (such as interference with prospective business contracts and allegations of wrongful termination).

#### *No Expectation of Privacy*

All contents of the Association's IT resources and communications systems are the property of the Association. Therefore, directors and trustees should have no expectation of privacy whatsoever in any message, files, data, document, facsimile, telephone conversation, social media post, conversation or message, or any other kind of information or communications transmitted to, received or printed from, or stored or recorded on the Association's electronic information and communications systems. You are expressly advised that in order to prevent misuse, the Association reserves the right to monitor, intercept and review, without further notice, activities using the Association's IT resources and communications systems, including but not limited to social media postings and activities, and you consent to such monitoring by your acknowledgment of this policy and your use of such resources and systems. This might include, without limitation, the monitoring, interception, accessing, recording, disclosing, inspecting, reviewing, retrieving and printing of transactions, messages, communications, postings, log-ins, recordings and other uses of the systems as well as keystroke capturing and other network monitoring technologies. The Association also may store copies of such data or communications for a period of time after they are created, and may delete such copies from time to time without notice. Do not use the Association's IT resources and communications systems for any matter that you desire to be kept private or confidential from the Association.

#### *Business Use of Social Media*

If you are required to use social media as part of your duties, for the Association's marketing, public relations, recruitment, communications or other business purposes, you should carefully review the Association's Social Media Policy. Note that the Association owns all social media accounts used on behalf of the Association or otherwise for business purposes, including any and all log-in information, passwords and content associated with each account, such as followers and contacts. The Association owns all such information and content regardless of the person that opens the account or uses it, and will retain all such information and content regardless of separation of any director or trustee from service with the Association. If your duties require you to speak on behalf of the Association in a social media environment, you must still seek approval for such communication from the President. Likewise, if you are contacted for comment about the Association for publication or otherwise, including in any social media outlet, please direct the inquiry to the President.

*Guidelines for Responsible Use of Social Media*

The above material covers specific rules, policies and contractual obligations that directors and trustees must follow in using social media for Association purposes. The following sections of the policy provide directors and trustees with common-sense guidelines and recommendations for using social media responsibly and safely, in the best interests of the Association. These guidelines reflect the “duty of loyalty”, and are intended to add to, not contradict, limit or replace, applicable mandatory rules, policies, legal requirements, legal prohibitions and contractual obligations.

**Protect the Association’s Goodwill, Brands, and Business Reputation.** You are personally responsible for what you communicate in social media. Remember that what you publish might be available to be read by the public (including the Association itself, future employers and social acquaintances) for a long time. Keep this in mind before you post content. Make it clear in your social media activity that you are speaking on your own behalf. Write in the first person and use your personal e-mail address when communicating via social media. Never post anonymously to social media sites when your post could be attributed to the Association, its affiliates, customers, clients, business partners, suppliers, vendors or other stakeholders. Anonymous posts can be traced back to the original sender’s email address. Follow all guidelines in this policy regarding social media postings. If you disclose your affiliation as a director or trustee of the Association, it is recommended that you also include a disclaimer that your views do not represent those of the Association. For example, consider such language as “the views in this posting do not represent the views of the Association.” Use good judgment about what you post and remember that anything you say can reflect on the Association, even if you do include a disclaimer. Always strive to be accurate in your communications about the Association and remember that your statements have the potential to result in liability for yourself or the Association. The Association encourages professionalism and honesty in social media and other communications.

**Respect Intellectual Property and Confidential Information.** This Handbook restricts use and disclosure of the Association’s confidential information and intellectual property (see above). Beyond these mandatory restrictions, you should treat the Association’s confidential information and intellectual property accordingly and not do anything to jeopardize them through your use of social media. In addition, you should avoid misappropriating or infringing the intellectual property of other companies and individuals, which can create liability for yourself and for the Association. To protect yourself and the Association against liability for copyright or trademark infringement, where appropriate, reference sources of particular information you post or upload and cite them accurately. If you have any questions about whether a particular post or upload might violate the copyright or trademark of any person or company, ask the President before making the communication.

**Respect and Comply with Terms of Use of All Sites You Visit.** Do not expose yourself or the Association to legal risk by using a social media site in violation of its terms of use. Review the terms of use of all social media sites you visit and ensure your use complies with them. Please pay particular attention to terms relating to:

- Prohibitions or restrictions on the use of the social media site, including prohibitions or restrictions on use for advertising, marketing and promotions or other commercial purposes.
- Ownership of intellectual property used on, or information collected or generated through use of, the site (for example, any of the Association's copyrighted material and trademarks that might be posted on the site, or user information the Association collects through the site).
- Requirements for licenses or other permissions allowing use by the site owner and other third parties of the Association's trademarks or other intellectual property.
- Privacy rights and responsibilities of the site owner and users.

**Respect Others.** Do not post anything that could be deemed offensive, including ethnic slurs, sexist comments, discriminatory comments, insults or obscenity.

*Conduct not Prohibited by this Policy*

This policy is not intended to restrict communications or actions protected or required by state or federal law.

**Privacy**

The Association does not recognize an individual's right to privacy in connection with the Association's property, including facilities, furniture, computer systems, phone systems and any other systems and therefore may search work areas and files for information related to the Association's business or in connection with any investigation at any time. The Association reserves the right to question persons entering and leaving our premises, and to inspect any packages, parcels, purses, handbags, briefcases, or any other possessions or articles carried to and from the Association's property. The Association reserves the right to use video surveillance systems on the Association's premises. The Association also has the right to review the use of the Association's property, including contents of desktop and laptop computers, telephones, smart phones (Blackberry, iPhone, etc.) and other similar devices.

In light of the foregoing, persons should have no expectation of privacy in any communications, messages or files created, sent, relayed, received, downloaded or stored within the Association's computer, phone or other systems. All such communications, messages or files are the property of the Association whether or not they were created for business purposes. The Association expressly reserves the right to store, review, audit, intercept, access, monitor, log, and disclose all technology activity without notice. Such monitoring may include, but is not limited to (1) reading and printing e-mail and faxes; (2) monitoring and/or recording telephone calls; (3) reviewing voice mail stored on an employee's telephone; and (4) monitoring hits on Web sites. Information discovered may be shown to third parties, whether or not persons are notified. Any action taken by employees to thwart the Association's access to this information is prohibited. Directors and trustees should be aware that even deleted messages can be retrieved.

### **Compliance Training**

Directors and trustees may be requested to participate in training relevant to the above policies as well as additional compliance topics at the Association's discretion.

### **Conflict of Interest Policy**

The Association expects its employees, directors and trustees to conduct business according to the highest ethical standards of conduct. Employees, directors and trustees are expected to devote their best efforts to the interests of the Association. Business dealings that appear to create a conflict between the interests of the Association and an employee, director or trustee are unacceptable. The Association recognizes the right of employees, directors and trustees to engage in activities outside of their employment which are of a private nature and unrelated to our business. However, they must disclose any possible conflicts so that the Association may assess and prevent potential conflicts of interest from arising. A potential or actual conflict of interest occurs whenever an employee, director or trustee is in a position to influence a decision that may result in a personal gain for the employee, director or trustee or an immediate family member (i.e., spouse or significant other, children, parents, siblings) as a result of the Association's dealings. Although it is not possible to specify every action that might create a conflict of interest, this policy sets forth the ones which most frequently present problems. If an employee, director or trustee has any question whether an action or proposed course of conduct would create a conflict of interest, he or she should immediately contact the President to obtain advice on the issue. A violation of this policy will result in immediate and appropriate discipline.

The purpose of this policy is to protect the interests of the Association when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an employee, director or trustee. The Association will not enter into any such transaction or arrangement unless it is determined by the Board of Directors in the manner described below to be fair, reasonable and in the best interests of the Association at the time of such determination. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to non-for-profit and charitable organizations.

#### *Related Party Transactions and Duty to Disclose*

A "Related Party Transaction" is any transaction, agreement or any other arrangement with the Association or an Affiliate of the Association in which a "Related Party" has a "Financial Interest" (each as defined below). A person has a "Financial Interest" if such person would receive an economic benefit, directly or indirectly, from any transaction, agreement, compensation agreement, including direct or indirect remuneration as well as gifts or favors that are not insubstantial or other arrangement involving the Association. Any Related Party Transaction will be considered a conflict of interest for purposes of this policy. Persons who may be considered a "Related Party" of the Association or an "Affiliate" (as defined below) of the Association under this policy include: (i) directors, trustees, officers, or employees of the Association or an Affiliate of the Association; (ii) "Relatives" of directors, trustees, officers, or employees; (iii) any entity in which a person in (i) or (ii) has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%; or (iv) any non-stock entity controlled by one or more

employees, directors or trustees. A “Relative” is a spouse, ancestor, child (whether natural or adopted), grandchild, great grandchild, sibling (whether whole or half-blood), or spouse of a child (whether natural or adopted), grandchild, great grandchild or sibling (whether whole or half-blood), or a domestic partner as defined in section 2994-A of the New York Public Health Law. An “Affiliate” of the Association is a person or entity that is directly or indirectly through one or more intermediaries, controlled by, in control of, or under common control with the Association.

A Related Party Transaction is not necessarily a prohibited transaction. Under this policy, if the Association contemplates entering into a Related Party Transaction, the Board of Directors must determine if the transaction is fair, reasonable, and in the best interests of the Association at the time of such determination.

If at any time during his or her term of service a Related Party acquires any Financial Interest or when any matter for decision or approval comes before the Board of Directors in which a Related Party has a Financial Interest, that Financial Interest or potential Related Party Transaction must be promptly disclosed in writing to the Board of Directors, together with all material facts. The Board of Directors will then follow the procedures in this policy. Failure to disclose to the Board of Directors a known Financial Interest or a known potential Related Party Transaction may be grounds for discipline (including termination for employees or removal from the Board of Directors for directors).

#### *Disclosure and Voting*

**Disclosure.** Any Related Party shall disclose in good faith all material facts of his or her Financial Interest to the Board of Directors.

**Non-Participation and Review.** All transactions, agreements or any other arrangements between the Association and a Related Party, and any other transactions which may involve a potential conflict of interest, shall be reviewed by the Board of Directors. All Related Parties with a Financial Interest shall leave the room (or the teleconference or videoconference, as applicable) in which such deliberations are conducted. The Board of Directors will then determine whether the contemplated Related Party Transaction is fair, reasonable, and in the best interests of the Association at the time of such determination. The Association will not enter into any Related Party Transaction unless it is determined to be fair, reasonable and in the best interest of the Association at the time of such determination.

**Consideration of Alternate Transactions and Comparability Data.** If the contemplated Related Party Transaction pertains to compensation for services or the transfer of property or other economic benefit to a Related Party, the Board of Directors must determine that the value of the economic benefit provided by the Association to the Related Party does not exceed the value of the consideration received in exchange by obtaining and reviewing appropriate comparable data prior to entering the transaction. In those instances where the contemplated Related Party Transaction does not involve compensation, transfer of property or benefits to a Related Party, the Board of Directors must consider alternative transactions to the extent possible, prior to entering into such transaction.

**Comparability Data.** When considering the comparability of compensation, for example, the types of relevant Comparability Data which the Board of Directors may consider include, but are not limited to (1) compensation levels paid by similarly situated organizations, both exempt and non-exempt; (2) the availability of similar services within the same geographic area; (3) current compensation surveys compiled by independent firms; and (4) written offers from similar institutions competing for the same person's services. When the transaction involves the transfer of real property as consideration, the relevant factors include, but are not limited to (i) current independent appraisals of the property, and (ii) offers received in a competitive bidding process.

**Voting.** The Board of Directors shall, after considering alternate transactions and/or comparability data, determine in good faith by vote of the Board of Directors whether the transaction or arrangement is fair, reasonable, and in the best interest of the Association at the time of such decision. The transaction shall be approved by not less than a majority vote of the Directors or Committee members present at the meeting. In conformity with the above criteria, the Board of Directors shall make its decision as to whether to enter into the transaction or arrangement and shall document the meeting contemporaneously under this policy. All Related Parties with a Financial Interest shall not be present for deliberations and voting on the transaction or arrangement in which he or she has a Financial Interest. However, Related Parties are not prohibited from providing information regarding the transaction to the Board of Directors prior to the Board's deliberations. No director or officer shall vote, act, or attempt to influence improperly the deliberations on any matter in which he or she has been determined by the Board of Directors to have a Financial Interest. Any attempt to vote, act, or improperly influence deliberations by a Related Party on any matter with which such person has a Financial Interest may be grounds for termination from the Association or removal from the Board of Directors.

**Compensation.** A voting member of the Board of Directors, a trustee or an officer who receives compensation directly or indirectly from the Association for services or a director serving as a voting member of any Committee whose jurisdiction includes compensation matters is precluded from voting or acting on matters pertaining to that director's or officer's compensation. No voting member of the Board of Directors or any Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association, is prohibited from providing information to any Committee regarding compensation.

#### *Committee Review*

The Board of Directors may delegate to a Committee, which shall be composed solely of "Independent Directors", the adoption, implementation of and compliance with this policy. The Board of Directors may delegate to such Committee review and approval of any Related Party Transaction involving a Related Party and the Association, as contained in this Policy; provided that if the Related Party Transaction would otherwise require full Board of Directors approval, the Committee shall submit the Related Party Transaction to the Board for consideration, providing its recommendation as to whether or not to approve it. A member of the Board of Directors is an "Independent Director" if such director: (i) has not been an employee of the Association or an Affiliate of the Association within the last three years; (ii) does not have a

Relative who has been an employee of the Association or an Affiliate of the Association within the last three years; (iii) has not received and does not have a Relative who has received more than \$10,000 in compensation directly from the Association or an Affiliate of the Association in any of the last three years (not including reasonable compensation or reimbursement for services as a director, as set by the Association); (iv) does not have a substantial Financial Interest in and has not been an employee of, and does not have a Relative who has a substantial Financial Interest in or was an officer of, any entity that has made payments to or received payments from, the Association or an Affiliate of the Association in excess of the lesser of: (a) \$25,000 or (b) 2% of the Association's consolidated gross revenue over the last three years (payment does not include charitable contribution); (v) is not in an employment relationship under control or direction of any Related Party and does not receive payments subject to approval of a Related Party; (vi) does not approve a transaction providing economic benefits to any Related Party who in turn has approved or will approve a transaction providing economic benefits to the director.

In the event the Board of Directors delegates the review and approval of Related Party transactions to a committee, all references to the Board of Directors in this policy shall be deemed to refer to such Committee and all references to a majority of the Board of Directors shall be deemed to refer to a majority of such Committee.

#### *Records of Proceedings*

The minutes of all meetings of the Board of Directors and all Committee meetings at which a Related Party Transaction is considered shall contain: (1) the names of the persons who disclosed or otherwise were determined to have a potential or actual Financial Interest and/or conflict of interest, the nature of the potential or actual Financial Interest and/or conflict of interest, any action taken to determine whether a Financial Interest or conflict of interest exists, and the Board of Directors' determination as to whether a Financial Interest and/or conflict of interest exists; and (2) the names of the persons who were present for discussions and votes relating to any determinations made pursuant to the above, including whether the Related Party left the room (or the teleconference or videoconference, as applicable) during any such discussions, the content of such discussions, including discussion of alternative transactions, and whether or not the transaction with the Related Party was approved by the Board of Directors. The minutes shall reflect the discussion and determination regarding the Financial Interest or conflict of interest.

#### *Initial and Annual Written Disclosures*

Prior to a Director's initial election to the Board of Directors, the appointment of a trustee or an officer, or employee's employment by the Association, and thereafter on an annual basis, all Directors, trustees, officers, and employees shall disclose in writing to the Board of Directors of the Association: (i) any entity of which such person or a Relative of such person is an officer, director, trustee, member, owner, or employee and with which the Association has a relationship, (ii) any Financial Interest such person may have in any corporation, organization, partnership or other entity which provides professional or other goods or services to the Association for a fee or other compensation, and (iii) any position or other material relationship such director, trustee, officer, employee, or Relative of such person, may have with any entity with which the Association has or is contemplating entering into a business relationship. A copy of each disclosure statement shall be kept in Association's files and made available to any director,



trustee, officer, or employee upon request.

#### *Annual Statements*

Each director, trustee, officer, and employee shall annually sign and submit to the Association a statement which affirms such person: (a) has received a copy of this policy, (b) has read and understands the policy, and (c) has agreed to comply with the policy.

#### **Work Product Ownership**

All the Association's employees, directors and trustees must be aware that the Association retains legal ownership of the product of their work for the Association. This includes, but not limited to, written and electronic databases and documents, audio and video recordings, system code, and also any concepts, ideas, or other intellectual property developed for the Association, regardless of whether the intellectual property is actually used by the Association. It must always be made clear that work product is the sole and exclusive property of the Association.

#### **Legal Proceedings**

In order to maintain professional standards and comply with applicable laws and regulations, directors and trustees are required to promptly report to the President any legal proceeding involving them, including if: 1) arrested, arraigned, indicted, convicted or pleading guilty or no contest to any criminal offense, 2) named as a defendant or respondent in a regulatory or self-regulatory proceeding or in an arbitration or civil litigation, or 3) receiving a judgment or lien issued against them.

#### **Media Contacts**

Directors and trustees should not initiate contact with the media, respond to inquiries from the media or use/authorize the use of the Association's name in connection with any matter without consent from the President. All inquiries from the media should promptly be referred to the President.

#### **Safety and Security**

All directors and trustees should exercise maximum care and judgment to prevent accidents and injuries and should report all injuries, regardless of severity, and safety or health hazards, to the President.

**Smoking Policy**

Smoking is prohibited on the Association's premise.

**Social Relationships among Directors and Trustees and Affiliates of the Association**

The Association regards personal relationships among colleagues based on friendship and common interests as natural and appropriate. However, such relationships may not improperly impact business decisions. If a non-business relationship arises between individuals where one party has the ability to affect (positively or negatively) the other party's role within the Association through assignments, evaluations, compensation, promotion, etc., then the parties involved are required to report the relationship to the governance committee of the Association.

**Reporting Legal, Ethical and Personnel Issues**

All directors and trustees are encouraged to report potential problems or concerns whenever they arise. In addition, all directors and trustees have a responsibility to immediately report any business conduct that potentially raises a legal or ethical issue or if they believe someone is being treated or behaving in a manner inconsistent with the Association's policies. All such concerns should be brought to the attention of the President.

## **WHISTLEBLOWER POLICY**

### **Introduction**

The Association requires its directors, trustees, officers, employees and volunteers (each, a “Protected Person”), to observe high standards of business and personal ethics in the performance of their duties on the Association’s behalf. Protected Persons are expected to practice honesty and integrity in fulfilling their responsibilities and are required to comply with all applicable laws and regulations.

The objectives of this Whistleblower Policy are to encourage and enable Protected Persons, without fear of retaliation, to raise concerns regarding suspected unethical and/or illegal conduct or practices on a confidential and, if desired, anonymous basis so that the Association can address and correct inappropriate conduct and actions

### **Reporting Responsibility**

It is the responsibility of all Protected Persons to report in good faith any concerns they may have regarding actual or suspected activities which may be illegal or in violation of the Association’s policies with respect to, without limitation, fraud, theft, embezzlement, accounting or auditing irregularities, bribery, kickbacks, and misuse of the Association’s assets, as well as any violations or suspected violations of high business and personal ethical standards, including issues related to alleged employment discrimination or sexual or any other form of unlawful harassment, as such standards relate to the Association (each, a “Concern”), in accordance with this Whistleblower Policy.

### **No Retaliation**

No Protected Person who in good faith reports a Concern shall suffer intimidation, harassment, retaliation, discrimination or adverse employment consequence because of such report. Any director, trustee, officer or employee of the Association who retaliates against someone who has reported a Concern in good faith is subject to discipline up to and including termination of employment or removal from the Board of Directors. Notwithstanding anything contained herein to the contrary, this Whistleblower Policy is not an employment contract and does not modify the employment relationship between the Association and its employees, nor does it change the fact that employees of the Association are employees at will. Nothing contained herein is intended to provide any Protected Person with any additional rights or causes of action, other than those provided by law.

### **Reporting Concerns**

Any Concerns should be reported as soon as shall be practicable to the President or the head of the Employment Committee of the Board of Directors (the “Compliance Officer”). Any questions with regard to the scope, interpretation or operation of this Whistleblower Policy should also be directed to the Compliance Officer.

### **Compliance Officer**

The Compliance Officer is responsible for investigating and resolving all reported Concerns and shall advise the Board of Directors of all reported Concerns. The Compliance Officer shall report to the full Board of Directors at each regularly scheduled board meeting on compliance activity.

### **Accounting and Auditing Matters**

The Board of Directors shall address all reported Concerns regarding accounting practices, internal controls or auditing (“Accounting Concerns”). The Compliance Officer shall immediately notify the Board of Directors of any Accounting Concern and shall work with the committee until its resolution. Promptly upon receipt, the Board of Directors shall evaluate whether a Concern constitutes an Accounting Concern and, if so, shall promptly determine what professional assistance, if any, it needs in order to conduct an investigation. The Board of Directors will be free in its sole discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.

### **Investigations**

The Compliance Officer may delegate the responsibility to investigate a reported Concern, whether an Accounting Concern or otherwise, to one or more employees of the Association or to any other individual, including persons not employed by the Association, selected by the Compliance Officer; provided that the Compliance Officer may not delegate such responsibility to an employee or other individual who is the subject of the reported Concern or in a manner that would compromise either the identity of an employee who reported the Concern anonymously or the confidentiality of the complaint or resulting investigation. Notwithstanding anything herein to the contrary, the scope, manner and parameters of any investigation of a reported Concern shall be determined by the Board of Directors in its sole discretion and the Association and its employees shall cooperate as necessary in connection with any such investigation.

### **Acting in Good Faith**

Anyone reporting a Concern must act in good faith and have reasonable grounds for believing that the information disclosed may indicate a violation of law and/or ethical standards. Any allegations that prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

### **Confidentiality**

The Association takes seriously its responsibility to enforce this Whistleblower Policy and therefore encourages any person reporting a Concern to identify him or herself so as to facilitate any resulting investigation. Notwithstanding the foregoing, in reporting a Concern, a Protected Person may request that such report be treated in a confidential manner (including that the Association take reasonable steps to ensure that the identity of the reporting person remains anonymous). Concerns may also be reported on an anonymous basis. Reports of Concerns will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

### **Handling of Reported Concerns**

The Compliance Officer will acknowledge receipt of each reported Concern within five business days, but only to the extent the reporting person's identity is disclosed or a return address is provided. All reports will be promptly investigated; the scope of any such investigation being within the sole discretion of the Board of Directors, and appropriate corrective action will be taken if warranted by the investigation.

**Records**

The Association will retain on a strictly confidential basis records relating to any reported Concern and to the investigation and resolution thereof. All such records are confidential to the Association and such records will be considered privileged and confidential.

**Distribution**

The Association shall distribute a copy of this Whistleblower Policy to all Protected Persons.

**ACKNOWLEDGMENT**

**DIRECTOR OR TRUSTEE**

I acknowledge receipt of a copy of the Association’s Director and Trustee Handbook (“Handbook”) and have reviewed and understand its contents.

I understand that it is my responsibility to read the Handbook, to become familiar with the information presented, and to comply with the policies and procedures set forth therein. I understand failure to do so may result in removal from the Board of Directors.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (Please print)

\_\_\_\_\_  
Date