



RIDING PONY STUD BOOK SOCIETY LTD.

ETHICS POLICY

For all Board Directors & State Committee Members

Adopted October 2019

The RPSBS Ltd. Board of Directors has adopted the following ethics policy for its board members and state committee members. This policy is intended to provide guidance with ethical issues and a mechanism for addressing unethical conduct.

A. BOARD RESPONSIBILITIES

The general duties for directors are to enforce the Society's governing documents, collect and preserve the Society's financial resources, insure the Society's assets against loss, and keep the common areas in a state of good repair. To fulfill that responsibility, directors must:

- regularly attend board meetings,
- review material provided in preparation for board meetings,
- review the Society's financial reports, and
- make reasonable inquiry before making decisions.

B. PROFESSIONAL CONDUCT

In general, directors and state committee members must conduct all dealings with vendors and employees with honesty and fairness, and safeguard information that belongs to the Society.

1. **Self-Dealing:** Self-dealing occurs when directors or state committee members make decisions that materially benefit themselves or their relatives at the expense of the Society. "Relatives" include a person's spouse, parents, siblings, children, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone who shares the person's residence. Benefits include money, privileges, special benefits, gifts or other item of value. Accordingly, no director or state committee member may:

- solicit or receive any compensation from the Society for serving on the board or any committee,
- make promises to vendors unless with prior approval from the board,
- solicit or receive, any gift, gratuity, favor, entertainment, loan, or any other thing of value for themselves or their relatives from a person or company who is seeking a business or financial relationship with the Society,
- seek preferential treatment for themselves or their relatives,
- use Society property, services, equipment or business for the gain or benefit of themselves or their relatives, except as is provided for all members of the Society.

- **Confidential Information:** Directors and state committee members are responsible for protecting the Society's confidential information. As such they may not use confidential information for the benefit of themselves or their relatives. Except when disclosure is duly authorized or legally mandated, no director or committee member may disclose confidential information. Confidential information includes, without limitation private personal information of fellow directors and state committee members,

- private personnel information of the Society's employees,
- disciplinary actions against members of the Society,
- assessment collection information against members of the Society, and legal disputes in which the Society is or may be involved. Directors may not discuss such matters with persons not on the board without the prior approval of the Society's legal counsel. Failure to follow these restrictions could constitute a breach of the attorney-client privilege and loss of confidential information.

2. **Misrepresentation:** Directors and committee members must not knowingly misrepresent facts. All Society data, records and reports must be accurate and truthful and prepared in a proper manner.

3. **Interaction with Employees:** To ensure efficient management operations, avoid conflicting instructions from the board to management and avoid potential liability, state committee members and directors shall observe the following guidelines:

- The chair of the board shall serve as liaison between the board and management (including contractors)

and provide direction on day to day matters.

- Except for the board and state committee chairs, state committee members and directors must not give direction to management, contractors, employees or vendors.
- Directors must not contact management or contractors after hours unless there is an emergency representing a threat of harm to persons or property.
- If directors or state committee members are contacted by members with complaints, the members shall be instructed to contact the National Office or the board as a whole.
- No director must threaten or retaliate against an employee, contractor or member who brings information to the board regarding improper actions of a director or state committee member.
- Directors and state committee members are prohibited from harassing or threatening employees, contractors, vendors, directors, state committee members, and RPSBS members, whether verbally, physically or otherwise.

4. **Proper Decorum:** Directors and state committee members are obligated to act with proper decorum. Although they may disagree with the opinions of others on the board or state committee, they must act with respect and dignity and not make personal attacks on others. Accordingly, directors and state committee members must focus on issues, not personalities and conduct themselves with courtesy toward each other and toward employees, contractors, vendors and members of the Society. Directors and state committee members shall act in accordance with board decisions and shall not act unilaterally or contrary to the board's decisions.

C. WHEN CONFLICTS OF INTEREST ARISE

Situations may arise that are not expressly covered by this policy or where the proper course of action is unclear. Directors and state committee members should immediately raise such situations with the board. If appropriate, the board will seek guidance from the Society's legal counsel.

1. **Disclosure & Recusal:** Directors and state committee members must immediately disclose the existence of any conflict of interest, whether their own or others. Directors and state committee members must withdraw from participation in decisions in which they have a material interest.

2. **Violations of Policy:** Directors and state committee members who violate the Society's ethic's policy are deemed to be acting outside the course and scope of their authority. Anyone in violation of this policy may be subject to disciplinary action, including, but not limited to:

- censure,
- removal from state committees,
- removal as an officer of the board,
- request for resignation from the board,
- suspension of membership, and
- legal proceedings.

Prior to taking any of the actions described above, the board shall investigate the violation. The committee shall review the evidence of violation, endeavor to meet with the director/state committee member believed to be in violation, confer with the Society's legal counsel, and present its findings and recommendations to the board for appropriate action. The board shall endeavor to meet with the director/state committee member in executive session prior to imposing disciplinary action against that person.

D. PLEDGE

I have read the Ethics Policy and pledge to act in accordance with my obligations as described above.

Signature: _____ Date: _____

Print Name: _____

Position: _____