



Executive Board of Directors Code of Conduct & Conflict of Interest Policy

Purpose

The purpose of this policy is to clarify *Discover Lancaster's (the Organization)* expectations for its Executive Board of Directors regarding a code of conduct so that conflicts of interest may be avoided. *Discover Lancaster* requests that Directors review this policy, agree to its provisions and acknowledge their agreement by executing the attached Annual Statement. Any questions regarding this Policy should be directed to the Chair and/or President.

Background

The Executive Board of Directors of *Discover Lancaster*, collectively and individually, have a fiduciary duty of care and a duty of loyalty in performing their duties for the Organization. In performing duties for the Organization, Directors are expected to use the degree of care, skill, caution and diligence that a prudent person would use in handling corporate affairs.

Directors are also expected to perform their duties in good faith with the best interests of *Discover Lancaster* in mind. This means that Directors engage in ethical and professional conduct, exercising authority appropriately and acting with decorum. Directors must not seek to derive private gain from business transactions with the Organization or advance their own personal or business interests at the expense of the Organization. In that regard, Directors have a duty to avoid potential or apparent conflicts of interest. To avoid the appearance of impropriety, it is important for Directors to be honest and open with one another at all times. It is particularly important for Directors to disclose relevant information regarding potential conflicts of interest so that any appearance of impropriety is avoided and the risk of liability is negated. This Policy is designed to outline a code of conduct expected of Directors and to summarize pertinent information regarding conflicts of interest.

Conflict of Interest

A conflict of interest exists whenever a Director's personal or business interests are inconsistent with, adverse or harmful to the policies and interests of *Discover Lancaster*, or whenever such personal or business interests impair the Director's ability to fulfill his/her fiduciary obligations to the Organization. A conflict of interest also exists when a Director acts in a position of authority on an issue that is before the Organization in which the Director has financial or other interests. When there is a dual interest--or the appearance of a dual interest--for any Director, the potential for a conflict of interest exists.

When a Director has an interest in a transaction being considered by the Executive Board, the Director is expected to disclose the conflict (or potential conflict) before any action is taken on the matter. In cases of potential conflict of interest, Directors must act to preserve and enhance public trust in the Organization by putting the interests of *Discover Lancaster* ahead of all other business and personal interests by disclosing even the potential for a conflict.

In the course of serving on the Executive Board, a Director may encounter a situation where his/her duty to the Organization may be affected by personal interests or obligations to another person or entity. Generally, a Director's conflict will be cleared of any consequence by full disclosure, made before any action is taken, and by approval of the action by a disinterested majority of Directors. The Director in interest should excuse him/herself from that part of the meeting when the matter is discussed and must abstain from voting on the matter. The Director's absence from the discussion and abstention from the vote should be recorded in the minutes.

Code of Conduct

1. A Director must fully disclose his/her desire to engage in transactions with *Discover Lancaster* from which the Director will benefit and for which the value of the contract exceeds \$5,000.

- Acts of self-dealing or private business or personal services constitute a breach of fiduciary duty. Full disclosure of any self interest(s) by a Director under this provision allows the Organization to procedurally control transactions and to ensure openness, competitive opportunity, and equal access to otherwise "inside" information.
- A Director may not use his/her position to obtain, for him/herself or for family members, employment or contractual relationships with *Discover Lancaster*. Should a Director be considered for employment with the Organization, he/she must resign from the Executive Board of Directors prior to the consideration of his/her candidacy. If the individual is not offered employment, he/she may be considered by the Nominating Committee for an Executive Board of Directors seat.

2. Directors have a duty of loyalty and fidelity to *Discover Lancaster*.

- Directors are encouraged to support and endorse the goals and programs of the Organization. If a Director individually opposes an Organization position, goal, or program, it is expected that he/she will not publicly promote his/her individual views that openly conflict with the same.
- It is not the Organization's intent to insist on absolute loyalty in all conflicts that may arise between a Director in his/her professional capacity and *Discover Lancaster's* positions, goals or programs. However, it is expected that a Director will disclose to the Organization any professional loyalties or positions that conflict with the Organization's formal positions on issues. Professional conflicts arising under this provision of this Policy will be addressed on a case-by-case basis.

3. Directors may not attempt to exercise individual authority within *Discover Lancaster* except as explicitly authorized by the Board or as set forth in Board policies.

- Directors are expected to understand and acknowledge that they lack individual authority in interactions with the Organization's President or staff except as noted above.
- Directors are expected to understand and acknowledge the same lack of individual authority as it relates to interactions with the public, press or other entities. A Director has no authority to speak for the Board or *Discover Lancaster* unless specifically authorized to do so.
- Directors are expected to confine their public assessment of the performance of the Organization's President or staff to the official process outlined in Board policies.

- 4. Directors are expected to interact with one another, outside entities or individuals, clients and staff in an ethical manner reflecting fair play, respect and straightforward communication.**
- 5. Directors are expected to maintain confidentiality of information that is proprietary and confidential to *Discover Lancaster*.**
 - The term “Confidential Information” includes without limitation any confidential and proprietary information relating to the affairs of the Organization, its products and services, the Organization’s databases and programs; marketing, financial or personnel operations and techniques; technical and research data; Executive Board of Directors’ discussions; and letterhead and logos which are not otherwise publicly available.
 - Directors are expected to treat as confidential all matters involving the Organization until there has been general public disclosure or unless the information is a matter of public record or common knowledge.
 - Disclosures should only be made through *Discover Lancaster’s* designated spokesperson.
 - A Director should not use confidential information for his/her benefit or for the benefit of any other person or entity.
- 6. Upon completion of service as a Director, the Director agrees that he/she will not keep, copy or deliver to any other person or entity, any and all items and copies of items containing Confidential Information.**



Executive Board of Directors

Annual Statement Concerning Possible Conflict of Interest

The undersigned individual acknowledges receipt of a copy of the *Discover Lancaster* "Code of Conduct and Conflict of Interest Policy" ("Policy") on ____/____/_____. [insert date]

By signature affixed below, I understand and acknowledge my agreement with the spirit and intent of the Policy, and I acknowledge my fiduciary duty and agree to report to the Chair of the Executive Board of Directors any possible conflicts (other than those stated below) that may arise in the future.

Resolution Concerning Conflict of Interest

- I am not aware of any conflict of interest
- I wish to disclose the following relationships that might be construed as a conflict of interest.

Business(es) or Organization(s)

Relationship

Print Name _____

Company/Employer _____

Signed _____

Date _____