

CODE OF CONDUCT FOR DIRECTORS & COMMITTEE MEMBERS: Nov 2023-Nov 2024

A. BOARD RESPONSIBILITIES

The general duties of Directors are to enforce the Cooperative's governing documents, collect and preserve the Cooperative's financial resources, ensure the Cooperative'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 Cooperative's financial reports
- Make reasonable inquiry before making decisions

B. PROFESSIONAL CONDUCT

In general, Directors and committee members must conduct all dealings with vendors, management and management employees with honesty and fairness, and safeguard information that belongs to the Cooperative.

1. Self-Dealing. Self-dealing occurs when Directors or committee members make decisions that materially benefit themselves, their family or anyone who shares the Director's residence. Benefits include money, privileges, gifts or other item of value. Accordingly, no Director or committee member may:

- solicit or receive compensation from the Cooperative for serving on the Board or on any committee;
- make promises to vendors or enter into a contract without prior authorization from the board;
- solicit or receive any gift, favor, loan, or any other thing of value for themselves, their family or other household residents from a person or company who is seeking a business or financial relationship with the Co-op;
- seek preferential treatment for themselves, their family or other household residents;
- use Cooperative property, services, equipment or business for the gain or benefit of themselves, their family or other household residents, except as is provided for and available to all Members of the Cooperative.

2. Confidential Information. Directors and committee members are responsible for protecting the Cooperative's confidential information and may not use confidential information for the benefit of themselves or others. 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 Cooperative members disclosed to Directors or committees;
- private personal or employment-related (personnel) information of the Cooperative's employees;
- specific details of discussions taken in executive session (the general nature of such topics and actions taken are reported at the next public Board meeting);
- disciplinary actions being considered or taken with respect to identified Members of the Cooperative;
- the identity of individuals & the details of issues contained in the Board's Confidential packet;
- assessment delinquencies and collection efforts pertaining to specific Members of the Cooperative;
- legal matters in which the Cooperative is or may become involved. Directors may not discuss such matters with persons not on the Board without the prior approval of the association's legal counsel. Failure to follow these restrictions may constitute a breach of the Co-op's attorney-client privilege. Such discussions should take place in executive session only.

Directors and committee members are obligated to safeguard confidential information they have been made privy to, in perpetuity, extending past the time of their service.

3. Access to Member Files. The Board may direct management to look into a Member's file for information related to a specific project, topic or inquiry.

An individual Director wishing to examine a Member's file should declare the reason for the request at a public Board meeting. Such request should be for a specific legitimate purpose. The Board will appoint another Board member to be present during examination of the file. Inspection must take place during regular office hours, as the file drawers are locked and only management has access. Files may not be removed from the office.

4. Misrepresentation. Directors and committee members may not knowingly misrepresent facts. All association data, records and reports must be accurate and truthful and prepared in a proper manner.

5. Interaction with Employees. To ensure efficient management operations, avoid conflicting instructions from the Board to management and avoid potential liability, committee members/chairs and Directors shall observe the following communication guidelines and protocols:

- As provided for in the Management Contract, the President of the Board shall serve as liaison between the Board and management and provide direction on day-to-day matters.
- The President, in consultation with management, may delegate specific authorities and/or communications with management to Directors as appropriate e.g. the Treasurer typically interacts with the Accounting Department.
- Directors and committee members should not interfere with management in the performance of its day-to-day duties. Directors and committee chairs should approach the President to discuss issues regarding management that they think need addressing.
- Directors and committee members may not threaten or retaliate against management, a management employee or Cooperative Member who brings information to the Board regarding alleged improper actions of a Director or committee member.
- Directors and committee members are prohibited from harassing or threatening management, vendors, other Directors, committee members or other Cooperative members, whether verbally or physically.

6. Proper Decorum. Directors and committee members should focus on issues, not personalities, and conduct themselves with courtesy toward each other and toward management, vendors and Members of El Rio. Directors shall act in accordance with Board decisions and not attempt to unilaterally contravene or undermine them.

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 committee members/chairs should immediately raise such situations with the Board. If appropriate, the Board will seek guidance from the Cooperative's legal counsel.

1. Disclosure & Recusal. When issues arise, Directors and committee members should immediately disclose the existence of any conflict of interest they are aware of - whether their own or others'. Directors and committee members must withdraw from participation in discussion and decisions in which they have a material interest.

2. Violations of Policy. Directors and committee members who violate this ethics policy are deemed to be acting outside the scope of their authority. Depending upon severity, a violation of this policy may result in disciplinary action, including:

- censure – a vote to reprimand a Director per Board majority vote at a public Board meeting

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- removal of a committee member by majority vote of the Board
- removal of a Director as an Officer of the Board per Board majority vote at a public Board meeting
- request for a Director's resignation from the Board. The Director is not legally required to comply.
- recall of a Director by the membership per the process outlined in the Bylaws
- legal proceedings, if deemed advised or required per consultation with legal counsel

Prior to taking any of the actions described above, the Board shall appoint an executive committee of the Board to investigate the alleged violation. The executive committee shall review the evidence of violation, endeavor to meet with the Director or committee member believed to be in violation, confer with the Cooperative's legal counsel if necessary, and present its findings and recommendations to the Board for appropriate action. The Board shall endeavor to meet with the Director or committee member in executive session prior to imposing disciplinary action against that person.