Existing City of Selah Personnel Rules and Regulations

CITY OF SELAH
PERSONNEL RULES AND REGULATIONS

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CHAPTER 1
GENERAL

1.1 PURPOSE/SCOPE

(a) This manual is a general informational guide to the City's current employment policies and shall not be construed as a contract. The City reserves the right to amend, delete, supplement, or rescind any of the provisions of this manual, as the City deems necessary and appropriate, without advance notice. These policies shall not be construed to create contractual rights or any type of promise or guarantee of specific treatment upon which any employee may rely. The City also reserves the right to deviate from these policies in individual situations, particularly in an emergency, in order to achieve its primary mission of providing orderly and cost efficient services to its citizens.

(b) These personnel policies shall apply to all City employees. They shall not apply to elected officials and independent contractors. In the event of conflict between any provision of this manual and any provision of a valid and effective collective bargaining contract or in cases where the application of these policies would conflict with applicable Civil Service rules and regulations, the provisions of the labor contract and/or the Civil Service rules shall govern. In all other cases, these policies shall govern.

1.2 EQUAL EMPLOYMENT OPPORTUNITY

(a) The City is an equal opportunity employer. The City employs, retains, promotes, terminates and otherwise treats all employees and job applicants on the basis of merit, qualifications, and competence. This policy shall be applied without regard to any individual's sex, race, color, religion, national origin, pregnancy, age, marital status, medical condition, physical handicap or disability.

(b) The City will not discriminate against applicants or employees with a sensory, physical or mental impairment, unless the impairment cannot be reasonably accommodated and prevents proper performance of an essential element of the job.

(c) Employees with life-threatening illnesses, such as cancer, heart disease, or AIDS/HIV conditions, or communicable diseases such as tuberculosis or influenza are treated the same as all other employees. They are permitted to continue working so long as they are able to maintain an acceptable level of performance and medical evidence shows they are not a threat to themselves or their co-workers and the condition does not compromise public health or safety. The City will work to preserve the safety of all of its employees and reserves the right to reassign employees or take other job actions when a substantial and unusual safety risk to fellow City employees or the public exists.

1.3 SEXUAL HARASSMENT

(a) It is the policy of the City to provide a work environment for its employees which is free from discrimination and intimidation. The City will not tolerate any form of sexual harassment. Prompt disciplinary action will be taken against an employee who commits or participates in any form of sexual harassment.

(b) Sexual harassment is defined as unwanted, unwelcome sexual advances, requests for sexual favors, and other verbal or sexually motivated physical conduct which has the effect of creating an offensive,

intimidating, degrading or hostile work environment, or which adversely interferes with or affects an employee's work performance or job advancement opportunities.

(c) Any employee who believes he or she is being sexually harassed by supervisors or co-workers should immediately notify his/her Department Director and follow the complaint procedures set out in Section 8.13. In the event that the harassment involves the Department Director, he/she should notify the City Supervisor. The City will not retaliate against an employee who complains of sexual harassment. The City will designate an alternate person to notify for employees who feel more comfortable with the alternate.

1.4 DEFINITIONS

(a) Department Director: An employee who is responsible to the Mayor for the administration of one or more departments.

(b) Immediate Family: An employee's immediate family includes the employee's spouse, child, stepchild, parent, brother or sister, mother or father-in-law, son or daughter-in-law, grandparent.

(c) Regular Full-time Employee: An employee who has completed his/her trial period and who regularly works a minimum of forty (40) hours a week on a continuing basis.

(d) Regular Part-time Employee: An employee who works fewer than forty (40) but at least twenty (20) hours a week in a budgeted position and is eligible for pro-rated City benefits.

(e) Temporary Employee: Temporary employees are defined as those employees who hold jobs of limited duration, arising out of special projects, seasonal work requirements, abnormal work loads or emergencies. Temporary employees are not eligible for City benefits.

(f) Mayor: The term "Mayor" shall mean the Mayor of the City of Selah and/or any individual designated by the Mayor to perform the duties and responsibilities of the Mayor.

1.5 EMPLOYEE PERSONNEL RECORDS

(a) A personnel file for each employee is kept in a locked file cabinet, and access is limited to the Mayor, City Attorney, Payroll Clerk, City Supervisor, Clerk/Treasurer and Department Directors. An employee's personnel file contains the employee's name, title and/or position held, job description, department to which the employee is assigned, salary, changes in employment status, training received, performance evaluations, personnel actions affecting the employee, including discipline, and other pertinent information allowed by state or federal law.

(b) An employee has the right to review his/her file. An employee may request removal of irrelevant or erroneous information in his/her personnel file. If the City denies the employee's request to remove the information, the employee may file a written rebuttal statement to be placed in his/her file.

(c) Personnel files are kept confidential to the maximum extent permitted by law. Except for routine verifications of employment, no information from an employee's personnel file will be released to the public, including the press, without the employee's written release of specific information or as required by court order.

(d) A working personnel file may be maintained by the Department Director.

1.6 REFERENCES

(a) The City does not give references, other than to confirm the dates of employment and last salary, without the express written consent of the employee. The city reserves the right to decline to give a reference even in situations where an employee gives consent.

(b) Only the Mayor or his designee will provide employment references on current or former regular City employees.

CHAPTER 2
HOURS AND ATTENDANCE

2.1 WORKING HOURS

(a) Eight (8) consecutive hours, inclusive of rest periods, to exclude one (1) hour meal period, shall constitute a workday. Five (5) consecutive days, Monday through Sunday shall constitute a workweek. 4/10's Option: During the daylight savings time period (April through October) the workweek can be a 4/10's schedule. Ten (10) consecutive hours, inclusive of rest periods, but to exclude a one (1) hour meal period, shall constitute a workday. Four consecutive days, Monday through Sunday shall constitute a workweek. During Holiday weeks (as defined in Article 12.2) any employee working a 4/10 schedule shall automatically work 5/8's during the holiday week. The Mayor or his/her designee shall have sole discretionary power in determining sufficient staffing levels regarding scheduling.

(b) Part-time and temporary employees will work hours as specified by their Department Directors.

2.2 OVERTIME AND COMPENSATORY TIME

(a) All City positions are designated as either "exempt" or "non-exempt" according to the Fair Labor Standards Act (FLSA) regulations.

(b) Non-exempt employees are entitled to additional compensation, either in additional monetary compensation or compensatory time off, when they work more than 40 hours during a work period.

(c) All work performed in excess of the work day and/or work week as provided in Section 2.1 above, shall be compensated for at one and one-half (1½) times the employee's regular straight time hourly rate. All overtime work must be authorized in advance by the supervisor authorized to sign overtime. Exception: The employee may, at his option, take equivalent time off on the basis of one and one-half (1½) hours of compensatory time off for each one (1) hour of overtime worked. Compensatory time may accrue to a limit of forty (40) hours, with any time in excess of forty (40) hours paid at the applicable rate. Employees taking compensatory time off must use the accrued time within the following month's pay period. If the time off is not taken timely as stated above, the employee will be compensated at the applicable rate in the last pay period in the month following the accrual date. All compensatory time off must be scheduled seven days in advance. The Department Director or his

designee, shall confirm or deny the requested compensatory time off.

**Note: Any accrued compensatory time currently on the books must be used prior to December 31, 2002. Any accrued but unused compensatory time from calendar year 2002 and not used prior to December 31, 2002 shall be paid in the next payroll period.

(d) When computing overtime, holidays, sick leave and vacation time are not counted as hours worked.

(e) Exempt employees are not covered by the FLSA overtime provisions and do not receive either overtime pay or compensatory time in lieu of overtime pay. The Mayor or his designee shall administer exempt employee compensatory time policies as established by the Mayor.

2.3 ATTENDANCE

(a) Punctual and consistent attendance is a condition of employment. Each Department Director is responsible for maintaining an accurate attendance record of his/her employees.

(b) Employees unable to work or unable to report to work on time should notify their supervisor as soon as possible, ordinarily before the work day begins or within thirty (30) minutes of the employee's usual starting time. If an absence continues beyond one (1) day, the employee is responsible for reporting in each day. If the supervisor is unavailable, the employee may leave a message with the Department Director stating the reason for being late or unable to report for work.

(c) Employees are expected to be at work even during inclement weather. Department Directors may allow employees to be late or leave early during severe weather conditions; however, nonattendance may be counted as absence from work and may be charged to accrued leave time.

(d) An employee who is absent without authorization or notification is subject to disciplinary action, including possible termination.

2.4 BREAKS AND MEAL PERIODS

Employees may take one (1) fifteen (15) minute break for every four (4) hours worked. All breaks shall be arranged so that they do not interfere with City business or service to the public. Meal periods shall be scheduled by the employee's Department Director. The scheduling of meal periods may vary depending on department workload. Meal periods are unpaid and usually one (1) hour in length.

2.5 STAND-BY

Many City positions are subject to periodic stand-by responsibilities. Unless the employee is specifically restricted to his home, work-site or other identified location during periods of stand-by, such time is not considered hours worked and is not eligible for compensation.

2.6 CALL BACK

All employees are subject to call-back in emergencies or as needed by the City to provide necessary services to the public. A refusal to respond to a call-back is grounds for immediate disciplinary action, including possible termination. An employee should not respond to a call-back request if the employee has consumed

alcohol or drugs which may affect the employee's ability to safely conduct his or her work. The employee shall inform the supervisor of the reason for failure to respond at the time the call-back is requested. Employees called back to duty will be paid their appropriate rate of pay for hours worked, including overtime pay, if applicable. Non-exempt employees will be credited with a one (1) hour minimum for reporting back to work after completion of a normal work day.

2.7 PAYROLL RECORDS

The official payroll records are kept by the Clerk/Treasurer. Each Department Director shall turn in on a semi-monthly basis a signed work record for each employee within their department, noting time not worked and reason, i.e., vacation, sick leave, etc. Each work record shall be signed by the employee and approved by the Department Director. The Mayor or his designee shall approve work records for Department Directors.

CHAPTER 3
RECRUITING AND HIRING

3.1 RECRUITING

(a) Recruiting practices are conducted solely on the basis of ability, merit, qualifications and competence, without regard to race, color, religion, national origin, sex, marital status, pregnancy, physical handicap, disability or age.

(b) Each applicant shall complete and sign an application form prior to being considered for any position. Resumes may supplement, but not replace, the City's official application.

(c) Any applicant supplying false or misleading information is subject to immediate termination, if hired.

3.2 HIRING

(a) When a position becomes vacant, the Department Director shall review the position, its job description and the need for such a position prior to any posting or advertisement of the vacancy. The Department Director will prepare and submit a written request to fill the position to the Mayor or his designee. The position will be posted and/or advertised only after the Mayor or his designee has approved the request.

(b) Residency within the City shall not be a condition of initial appointment or continued employment; provided, however, that an employee's selection of residence shall not interfere with the daily performance of his/her duties and responsibilities. The City may establish response time requirements for public safety and other positions.

(c) Applicants for positions in which the applicant is expected to operate a motor vehicle must be at least eighteen (18) years old and will be required to present a valid Washington State driver's license with any necessary endorsements. Special licenses may be required to operate certain vehicles. Driving records of applicants may be checked. Applicants with poor driving records, as determined by the City, may be disqualified for employment with the City in positions requiring driving.

(d) The City may administer pre-employment examinations to test the qualifications and ability of applicants, as determined necessary by the City. The City may contract with any competent agency or individual to prepare and/or administer examinations.

(e) After an offer of employment has been made and prior to commencement of employment, the City may require persons selected for employment to successfully pass a medical examination, and shall require testing for alcohol and other controlled substances as allowed by law. The purpose of the examinations is to determine if the individual is physically able to perform the job and to ensure his/her physical condition will not endanger the health, safety or wellbeing of other employees or the public. The offer of employment may be conditioned on the results of the examination.

(f) A candidate may be disqualified from consideration if: (1) the candidate is found physically unable to perform the duties of the position, and the individual's condition cannot reasonably be accommodated in the work place; (2) the candidate refuses to submit to a medical examination or complete medical history forms; or (3) if the exam reveals use of alcohol or other controlled substances.

3.3 TEMPORARY EMPLOYEES

(a) With approval of the Department Director, temporary employees may be used during emergencies or other peak workload periods, to temporarily replace regular employees absent due to disability, illness, vacation or other approved leave, or to temporarily fill a vacancy until a regular employee is hired.

(b) Temporary employees may be hired without competitive recruitment or examination.

(c) Temporary employees are in positions not expected to last more than 1 year (may be extended to 2 years in some cases). Temporary employees are not eligible for benefits (insurance, retirement, holiday pay, vacations, etc.) regardless of hours worked.

(d) Temporary employees are eligible for overtime pay as required by law.

3.4 TRIAL PERIOD

(a) All newly hired employees or employees promoted to a new classification enter a trial period which is considered an integral part of the selection and evaluation process. During the trial period an employee is required to demonstrate suitability for the position through actual work performance.

(b) The normal trial period is six (6) months from the employee's date of hire or promotion; however, longer periods may be established for positions requiring technical, professional, specialized, unusual or unique skills or qualifications.

(c) An employee's trial period may be extended for up to an additional six (6) months (when needed due to circumstances such as extended illness or a need to continue to evaluate marginal performance) to properly evaluate the employee's performance. The trial period will not be shortened for any reason.

(d) Trial employees accrue and may use sick leave. Vacation leave does not vest or become available for

use until after the trial period is completed.

(e) During the trial period, the employee may be terminated at any time without cause and without the right of appeal.

(f) When a Department Director determines an employee has satisfactorily completed the trial period, the Department Director shall prepare a written performance evaluation, which will be reviewed by the Mayor or his designee. If the trial period is satisfactorily completed, the employee may be certified to regular employment status.

3.5 EMPLOYMENT OF RELATIVES (NEPOTISM)

(a) Employees' immediate family members will not be employed by the City under any of the following circumstances:

(1) Where one of the parties would have authority (or practical power) to supervise, appoint, remove, or discipline the other;
(2) Where one party would be responsible for auditing the work of the other;
(3) Where both parties would report to the same immediate supervisor;
(4) Where other circumstances might lead to potential conflict among the parties or conflict between the interest of one or both parties and the best interests of the City; or
(5) Where one of the parties is a Council Member or Mayor of the City.

3.6 PROMOTIONS AND TRANSFERS

(a) The City encourages current City employees to apply for vacant City positions for which they are qualified. Promotions and transfers are based on the Department Director's recommendation, work force requirements, performance evaluations, job descriptions and related City requirements.

(b) Regular employees are eligible for promotion, transfer or voluntary demotion. To be considered for another position, an employee must have satisfactorily completed his/her trial period and possess the qualifications for the vacant position, unless such requirements are waived by the Mayor or his designee in the best interests of the City.

CHAPTER 4
COMPENSATION

4.1 SALARY CLASSIFICATION AND GRADES

Each job title within the City is classified into one of the City's classifications for salary purposes, based on job qualifications, level of responsibility, difficulty, working conditions, skill, hazard, and amount of supervision required for the specific job title. Each classification is designated a particular salary or salary range shown on the City's salary and wage schedule, which is approved annually by the City Council.

4.2 EMPLOYEE PAY RATES

(a) Employees shall be paid within the limits of the wage range to which their positions are assigned.

(b) Usually, new employees will start their employment at the minimum wage rate for their classification. However, a new employee may be employed at a higher rate than the minimum when the employee's experience, training or proven capability warrant, or when prevailing market conditions require a starting rate greater than the minimum.

(c) Pay increases are contingent on satisfactory performance.

(d) The Mayor or his designee may propose and the City Council may grant an across the board pay adjustment (cost of living increase) from time to time, raising the salaries of all positions by a specified amount within a defined group of classifications. Such adjustment, if any, will not change an employee's pay anniversary date.

4.3 PAYDAY

City employees are paid on the 15th and last day of each month. If a regularly scheduled payday falls on a weekend or holiday, paychecks will be distributed on Friday.

4.4 DEDUCTIONS

Some regular deductions from the employee's earnings are required by law; other deductions are specifically authorized by the employee. The City will withhold from the employee's paycheck those deductions required by law and any voluntary deductions authorized by the employee, applicable union contract, or statute.

4.5 TRAVEL - GENERAL

(a) Travel is defined to include meals, lodging, public transportation, mileage reimbursement for private auto, and incidental expenses of travel. Rental auto expense shall be reimbursable only with the prior authorization of the Department Director.

(b) City vehicles should be used for travel when assigned for such purposes. City vehicles shall only be used to transport City employees and persons directly involved in City operations.

(c) When private transportation is used, mileage shall be advanced or reimbursed at the per mile rate approved by the Internal Revenue Service, from the work site to the destination and return.

(d) Meal expense in local restaurants is not reimbursable unless the employee is attending a meeting or workshop at the restaurant and the meal is an integral part of the program. Business luncheons and dinners are reimbursable with the authorization of the City Supervisor. Reimbursements shall be for actual costs, including tips, limited by the applicable meal rates set in section 4.6(g). Receipts are required. Alcoholic beverage expenses will not be reimbursed. The procedure used for requesting an advance or reimbursement is the same as for out-of-town travel.

(e) City credit cards shall not be used for private purposes.

4.6 OUT OF TOWN TRAVEL

(a) All out-of-town travel, with the exception of routine travel within Yakima County, must be approved. Travel requests shall be forwarded to the Department Director for approval (Council members are exempt from this requirement). Unauthorized travel is not reimbursable.

(b) Travel requests should be submitted at least seven (7) days before anticipated travel on the "Travel Request and Expense Report" form.

(c) Travel approval will be conditional upon whether the travel will benefit the City or the employee's performance of assigned duties, whether the travel was budgeted, whether sufficient budgeted funds remain in the travel line item and how the employee's absence will impact City operations.

(d) Request for travel advances should be submitted in sufficient time to be processed within the regular accounts payable schedule. Travel advances are for travel costs only and not for direct payment to vendors, pre-registration fees, airline tickets, etc.

(e) Overnight travel shall be authorized only when made necessary by meeting schedules.

(f) Lodging compensation: Receipts are required for reimbursement of lodging.

(g) Meals: Meal entitlement will be paid by the City in a set amount approved by the Council in advance of travel. Meal entitlements may vary depending on the location of the conference or meeting.

Approved amounts shall include tips. Meal entitlements will not be paid when meals are included in the conference or meeting fees.

(h) Reimbursement for miscellaneous expenses incidental to the travel may be approved when demonstrated to be necessary. Receipts are required.

(i) Requests for travel reimbursement must be submitted on the "City Travel and Expense Report" form. Receipts must accompany reimbursement for lodging, commercial transportation and miscellaneous expenses.

(j) If the traveler is authorized to use a City credit card for the travel, a copy of the credit receipt for each charge shall be attached to the travel form and the specific amount entered in the appropriate category.

(k) Expense claim forms and travel advance reconciliations shall be submitted to an immediate supervisor within ten (10) days of return from travel. Class or seminar agendas are to be attached.

(1) Travelers shall not receive double reimbursement for travel. Reimbursement from other agencies shall be deposited with the City if the traveler is reimbursed by the City. Employees shall travel under the expense guidelines of the reimbursing agency when such guidelines exist.

4.7 COMPENSATION UPON TERMINATION

When an employee's employment with the City is terminated, the employee will receive the following compensation:

(a) Regular wages for all hours worked up to the time of termination, which have not already been paid.

(b) Any overtime or holiday pay due.

(c) A lump sum payment of any accrued but unused vacation.

(d) Non-exempt employees will receive compensation for accrued compensatory time.

CHAPTER 5
PERFORMANCE EVALUATIONS AND TRAINING

5.1 PERFORMANCE EVALUATIONS

(a) To achieve the City's goal to train, promote and retain the best qualified employee for every job, the City conducts periodic performance evaluations for all positions.

(b) The City Supervisor is responsible for developing and maintaining the City's performance evaluation program.

(c) Employees should be evaluated by their Department Directors at the midpoint and again prior to completion of their trial period and then at least once every twelve (12) months thereafter on the employee's anniversary date with the City.

(d) The evaluation is part of an employee's personnel record and may be a factor in determining the employee's conversion to regular status, whether the employee receives a step increase, or is to be promoted, transferred, demoted, laid off, or terminated.

(e) Failure to receive an evaluation should not be construed as approval or disapproval of job performance.

5.2 TRAINING POLICY

The City seeks, within the limits of available resources, to offer training to increase an employee's skills, knowledge, and abilities directly related to City employment, to obtain or maintain required licenses and certifications, and to develop staff resources. Opportunities may include, but are not limited to: on-the-job training, in-house workshops, classes and seminars sponsored by other agencies or organizations.

CHAPTER 6
BENEFITS

6.1 RETIREMENT BENEFITS

(a) The City makes contributions on behalf of all eligible employees to the Social Security System in addition to those contributions made by the employee through FICA payroll deductions.

(b) All regular uniformed employees in the police and fire departments are covered by the Law Enforcement Officers and Firefighters Retirement System (LEOFF). Benefit levels and contribution rates are set by the State of Washington.

(c) All regular full-time and eligible part-time, non-uniformed employees are covered under the Public Employees' Retirement System (PERS). Benefit levels and contribution rates are set by the State of Washington.

(d) Employees intending to retire should notify their Department Director of their intent to retire at least three (3) months prior to the date of retirement.

6.2 DISABILITY BENEFITS

(a) All employees are covered by the State Industrial insurance program (worker's compensation). This type of insurance covers employees in case of on-the-job injuries or job-related illnesses. For qualifying cases, State Industrial insurance will pay the employee for workdays lost for any disability resulting from job-related injuries or illnesses. All job-related accidents should be reported immediately to the Department Director.

(b) When an employee is absent due to an on-the-job injury or accident, he/she is required to file a claim for Worker's Compensation. If the employee files a report to the Department of Labor & Industries, the City will continue to pay (by use of the employee's unused sick leave) the employee's regular salary pending receipt of Worker's Compensation benefits.

(c) When the employee receives Worker's Compensation benefits, he/she is required to repay to the City the amount covered by Worker's Compensation previously advanced by the City. This policy is to ensure that employees will receive prompt and regular payment during periods of injury or disability so long as accrued sick leave is available, while ensuring that no employee receives more than he/she would have received had the injury not occurred. Upon the repayment of funds advanced, the appropriate amount of sick leave shall be restored to the employee's account.

(d) The City may require an examination at its expense, performed by a physician of its choice, to determine when the employee can return to work and if he/she will be capable of performing the duties and responsibilities of the position.

6.3 INSURANCE BENEFITS

(a) Regular full-time and regular part-time employees are eligible (and in some cases may be required) to participate in the City's insurance programs. Waiting/eligibility periods may apply to certain

insurance programs. The City reserves the right to make changes in the carriers and provisions of these programs when deemed necessary or advisable.

(b) Upon mutual agreement between the employee and the City, and in accordance with the terms and conditions of the insurance policy, the City will continue health insurance coverage at the employee's expense during an approved unpaid leave of absence. COBRA continuation rights may apply in the event coverage is not extended through the City.

(c) While an employee is receiving Worker's Compensation benefits, the City may continue to pay the employee's health insurance premiums for one (1) month, after which the employee may choose to use his/her COBRA rights and self-pay insurance premiums.

(d) Upon an employee's termination from City employment, at the employee's option and expense, the employee may elect to continue City health insurance benefits to the extent provided under COBRA.

(e) An administrative handling fee over and above the cost of the insurance premium may be charged the employee or his/her dependents who elect to exercise their COBRA continuation rights.

(f) The City will review annually its contribution toward employee health, vision and dental insurance benefits.

6.4 UNEMPLOYMENT COMPENSATION

City employees may qualify for Washington State Unemployment Compensation after termination from City employment depending on the reason for termination and if certain qualifications are met.

6.5 TUITION PAYMENT

(a) Any regular full-time employee shall be eligible and receive educational incentive pay for college degrees earned while in service as an employee with the City in fields related to job function or classification.

AA Degree - $25.00 per month

BA Degree - $50.00 per month

Masters Degree - $75.00 per month

The City will reimburse any eligible employee for tuition cost incurred when attending job-related and accredited courses approved in advance. The employee must first utilize monies under other education subsidy programs utilizing State, Federal, or Private funds. Tuition repayment will be made upon presenting evidence of satisfactory completion to the City. Satisfactory completion means a final grade of C (2.0) or better. Thereupon, reimbursement will be made within the next pay period.

(b) Any employee who utilized the Tuition Assistance Program cannot receive education incentive pay until the amount of assistance paid by the City has been repaid to the City at the rate of the degree earned. Upon completion of payment for the assistance received, the employee will then be eligible for degree monthly payments as appropriate to the degree earned.

The City will pay tuition costs for employees' job-related approved courses, unless tuition funds are available under other subsidized plans, such as L.E.A.P. The Department Directors will have the authority to identify courses as job-related. When employees are required to attend training sessions, they will be reimbursed for food, lodging, and transportation expenses in accordance with Sections 4.5 and 4.6. Tuition or seminar costs for required training sessions will be paid in advance by the City if notification has been provided to the Clerk/Treasurer's office within a reasonable time prior to the class.

6.6 LONGEVITY INCENTIVE PAY

Each regular part time and regular full time employee of the City of Selah shall be eligible to receive longevity pay, based on the schedule below as a separate check with their mid-December payroll, less standard deductions. Once a regular part time or regular full time employee has become eligible for longevity pay, they shall continue to be eligible so long as they remain either a regular full time or regular part time employee. In order to receive the longevity incentive pay an employee must be on the payroll of the City as of December 15 for the year longevity incentive pay is claimed. There will be no proration for employees who leave the City's employment prior to the December 15th cutoff date. Notwithstanding any statements to the contrary above, the Mayor, in his or her sole discretion may deny longevity incentive pay to an employee who has used excessive paid leave during the year of the claimed longevity incentive pay.

By way of example and not by limitation, the following example illustrates a situation where the Mayor would be justified in denying longevity incentive pay:

> Employee is eligible to receive longevity pay. Employee commits conduct which would be grounds for termination by the City. Prior to official termination by the City, the employee, with a note from a doctor, takes sick leave. The employee remains on sick leave until December 15 of that year. The Mayor may deny longevity incentive pay.

Length of Service	Incentive Pay
0 to 60 months of service	0
61 to 120 months of service	2% of gross annual salary
Over 120 months of service	5% of gross annual salary

6.7 EMPLOYEE ASSISTANCE PROGRAM

The purpose of the City Employee Assistance Program is to establish a voluntary program of professional and confidential counseling and assistance to regular full-time and regular part-time employees whose job performance, health, or well-being are adversely affected by personal problems. The City recognizes that a wide range of personal problems, such as emotional or mental stress, marital or financial difficulties, or drug or alcohol dependency, can affect an employee's performance. These problems may or may not be caused by or related to the individual's responsibilities as an employee, but nevertheless, they have an effect on work performance, safety, or overall welfare of that employee, co-workers, and the City. Many times the employee is able to overcome these problems independently, once the fact that work performance is being affected is brought to his or her attention. However, in other instances, professional assistance may be needed to aid the employee in recognizing and overcoming personal difficulties.

In an effort to provide a means for assisting employees and their families in identifying, beginning to deal

with, and hopefully overcoming problems of this nature, the City has established an Employee Assistance Program (EAP). The program is designed to allow the employee and his or her family to voluntarily and confidentially seek professional assistance from an independent counseling service. An EAP agency is an independent agency which provides professional and confidential diagnostic, counseling and referral service to City employees and their families by contract and at no cost to the employee.

When work performance problems are identified and cannot be corrected by the supervisor through normal corrective actions, use of the EAP will be suggested by the supervisor. The existence of non-work related personal problems does not release the employee from the responsibility to perform his/her job responsibility satisfactorily. Participation in the EAP will in no way jeopardize an employee's professional status, job security or promotional status. Utilization of the EAP agency during normal working hours will be subject to the use of sick leave.

The employee and his or her family may choose to use the agency's services independently without the suggestion of a supervisor. The self-initiated contact between the employee, his or her family and the agency will be confidential and records are not accessible to either the supervisor or the City. The EAP agency will provide up to three diagnostic sessions and, if necessary, a referral to potential service agencies for specific treatment. Coordination of medical benefits for the additional counseling or referral assistance by the EAP is determined by the medical plan covering the individual employee. Questions concerning insurance coverage can be referred to Human Resources.

CHAPTER 7
LEAVES OF ABSENCE AND TIME OFF

7.1 LEAVES

The City has eight (8) different types of leave:

(a) Vacation leave
(b) Sick leave
(c) Leave without pay
(d) Jury and Witness leave
(e) Administrative leave
(f) Military leave
(g) Maternity leave
(h) Childbirth leave
(i) Performance leave

7.2 VACATION

(a) Each regular full-time employee is entitled to vacation leave as follows:

Years of Employment	Vacation Hours Earned
0-7 years	80 hours/2 weeks
8-10 years	120 hours/3 weeks
10+ years	144 hours/3 weeks + 3 days
15+ years	160 hours/4 weeks

(b) An employee's vacation shall vest as of the completion of their probationary period. Regular part-time employees will receive vacation on a pro-rata basis. Temporary employees are not eligible for any vacation benefits.

(c) Each department director is responsible for scheduling his/her employees' vacations without undue disruption of department operations. Leave requests shall be submitted at least two (2) weeks prior to taking vacation leave.

(d) Vacation hours may be accrued; however, employees may not carry more than 240 hours at year-end. Employees will be paid for unused vacation time up to 240 hours, upon termination of employment.

7.3 SICK LEAVE

(a) All full-time regular employees accrue sick leave benefits at the rate of eight (8) hours for each calendar month of continuous employment.

(b) Employees accrue and may use sick leave during their trial periods. Temporary employees do not earn sick leave benefits. Employees do not accrue sick leave benefits during a leave without pay.

(c) Sick leave covers those situations in which an employee is absent from work due to:

(1) Physical injury, illness of the employee or preventive health care;

(2) The need to care for (a) a child of the employee with a health condition that requires treatment or supervision or (b) a spouse, parent, parent-in-law or grandparent of the employee who has a serious health condition ot an emergency condition.

(3) Medical or dental appointments for the employee, dependent child, or other dependent family member if the employee is their primary caretaker, provided that the employee must make a reasonable effort to schedule such appointments at times which have the least interference with the work day.

(4) Exposure to a contagious disease where on-the-job presence of the employee would jeopardize the health of others;

(5) Use of a prescription drug which impairs job performance or safety;

(6) Actual periods of temporary disability associated with pregnancy or childbirth. Employees may request additional time off beyond the actual period of disability; vacation leave, performance leave, compensatory time, or leave without pay may be used.

(7) The death of an immediate family member, not to exceed three (3) days without supervisor approval.

(d) An employee may be required to provide a letter from a physician verifying an illness when absent in excess of three (3) consecutive days. The City may also request the opinion of a second doctor at the City's expense to determine whether the employee suffers from a chronic physical or mental condition which impairs his/her ability to perform the job. Employees who are habitually absent due to illness or disability may be terminated if their disability cannot be reasonably accommodated and/or when the employee's absenteeism prevents the orderly and efficient provision of services to the citizens of the City. The City may require a written release from a physician prior to allowing the employee to return to work.

(e) Employees who use all their accumulated sick leave and require more time off work due to illness or

injury may, with the Department Director's prior approval, take leave without pay.

(f) Employees leaving City service for any reason will not be paid for any unused sick leave accrued prior to December 31, 1999.

(g) Sick Leave Incentive Program: Sick leave accrued after January 1, 2000 will be accounted for such that employees may, upon retirement (which shall be defined as immediately receiving PERS or LEOFF payments), exercise an option to convert any of this unused sick leave at a rate equal to one (1) full day of the employee's monetary compensation for each four (4) full days accrued sick leave up to a maximum of 180 days converted to a maximum of 45 days pay.

7.4 LEAVE WITHOUT PAY

(a) The Department Director may grant leaves of absence without pay for absence from work not covered by any other type of leave or if other leave balances are exhausted. Examples of situations for which leave without pay may be granted include time off work for personal reasons, such as prolonged illness, parenting, caring for an ill relative, pursuing an education, or fulfilling a military obligation in excess of fifteen (15) days per year.

(b) The following requirements apply to leave without pay:

(1) Leave may be granted to an employee for a period of up to ninety (90) days upon the approval of the Mayor or his designee. Further extensions are at the discretion of the Mayor or his designee.

(2) Accrued compensatory time, if any, must be exhausted prior to taking any leave without pay.

(3) An employee's benefits may be suspended during the period of unpaid leave until the employee returns to work. Vacation, sick leave and/or any other benefits may not accrue while an employee is on leave without pay.

(4) In certain circumstances, self-payment of benefits may apply. See Section 6.3 Insurance Benefits.

(5) An employee who fails to report promptly at the end of the unpaid leave is presumed to have abandoned the position. An employee returning from an unpaid leave may, at the City's option, return to the same position or similar position at a comparable rate of pay.

(6) If the leave without pay is due to an illness, the City may require a written release from a physician stating that the employee is capable of returning to work and performing the work, duties and responsibilities of the employee's position.

7.5 JURY AND WITNESS LEAVE

(a) Employees may be granted time off with pay to serve on a jury or as a court witness. If an employee is summoned during a critical work period, the City may ask the employee to request a waiver from duty.

(b) An employee granted such leave shall reimburse the City for any pay received while serving as a juror or witness.

7.6 ADMINISTRATIVE LEAVE

On a case-by-case basis, the City may place an employee on administrative leave with pay for an indefinite period of time, as determined by the Mayor or his designee to be in the best interests of the City.

7.7 MILITARY LEAVE

Employees who are members of the National Guard or federal reserve military units may be absent from their duties, with pay, for a period of up to fifteen (15) days per calendar year when they are performing ordered military training duty and while going to and from that duty.

7.8 MATERNITY LEAVE/CHILDBIRTH LEAVE

The City shall comply with all State and Federal laws regarding maternity leave and childbirth leave.

7.9 PERFORMANCE LEAVE

The Mayor may grant to selected employees additional paid leave as a reward for superior performance. Employees will not be paid for unused performance leave upon termination, resignation or retirement.

7.10 HOLIDAYS

(a) The following holidays are recognized by the City:

New Year's Day	January 1
Martin Luther King's Birthday	3rd Monday in January
President's Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September
Veterans' Day	November 11
Thanksgiving Day	4th Thursday in November
Day after Thanksgiving	Day after Thanksgiving
Christmas Day	December 25
Floating Holiday	Upon Approval of Department Director

(b) Any holiday falling on Saturday will be celebrated on the preceding Friday. Any holiday falling on Sunday will be celebrated on the following Monday.

(c) Non-exempt regular full-time or part-time employees will be paid for the holiday plus their regular

rate of pay for any time worked on the holiday. Such time must be pre-authorized by the Department Director.

(d) Temporary employees will be paid at their regular straight-time rate for hours worked on a holiday.

(e) New employees hired prior to July 1 will be entitled to a floating holiday for that year. New employees hired after that date will receive one half day floating holiday in the year hired. A floating holiday must be taken during the calendar year in which it is earned unless the employee has requested a personal holiday and the request has been denied. Upon termination of employment, an employee will not be compensated for an unused floating holiday.

7.11 RELIGIOUS HOLIDAYS

If an employee's religious beliefs require observance of a holiday not included in the basic holiday schedule, the employee may, with his/her Department Director's approval, take the day off using vacation, compensatory time, or leave without pay.

CHAPTER 8
EMPLOYEE RESPONSIBILITIES AND CONDUCT

8.1 GENERAL POLICY

(a) All City employees are expected to represent the City to the public in a professional manner which is courteous, efficient and helpful. Employees must maintain a clean and neat appearance appropriate to their work assignment, as determined by the position and Department Director.

(b) Since the proper working relationship between employees and the City depends on each employee's on-going job performance, professional conduct and behavior, the City has established certain minimum standards of personal conduct. Among the City's expectations are: basic tact and courtesy towards the public and fellow employees; adherence to City policies, procedures, safety rules and safe work practices; compliance with directions from supervisors; preserving and protecting the City's equipment, grounds, facilities and resources; and providing orderly and cost-efficient services to its citizens.

8.2 OUTSIDE EMPLOYMENT AND CONFLICTS OF INTEREST

(a) Employees shall not, directly or indirectly, engage in any outside employment or financial interest which may conflict, in the City's opinion, with the best interests of the City or interfere with the employee's ability to perform his/her assigned City job. Examples include, but are not limited to, outside employment which:

(1) prevents the employee from being available for work beyond normal working hours, such as emergencies or peak work periods, when such availability is a regular part of the employee's job;
(2) is conducted during the employee's work hours;
(3) utilizes City telephones, computers, supplies, or any other resources, facilities or equipment;

(4) is employment with a firm which has contracts with or does business with the City; or
(5) may reasonably be perceived by members of the public as a conflict of interest or otherwise discredits public service.

(b) An employee who chooses to have an additional job, contractual commitment or self-employment, may do so provided he/she obtains prior approval from the Mayor or his designee. Each employee engaged in outside employment shall file a notice of intent to continue such employment prior to December 31 of each year.

8.3 POLITICAL ACTIVITIES

(a) City employees may participate in political or partisan activities of their choosing provided that City resources and property are not utilized, and the activity does not adversely affect the responsibilities of the employees in their positions. Employees may not campaign on City time or in a City uniform or while representing the City in any way. Employees may not allow others to use City facilities or funds for political activities.

(b) Any City employee who meets with or may be observed by the public or otherwise represents the City to the public, while performing his/her regular duties may not wear or display any button, badge or sticker relevant to any candidate or ballot issue during working hours. Employees shall not solicit, on City property or City time, for a partisan political cause contribution.

(c) Except as noted in this policy, City employees are otherwise free to fully exercise their constitutional First Amendments Rights.

8.4 TOBACCO USE POLICY

For health and safety considerations, the City prohibits tobacco use by employees in all City facilities, including City-owned buildings, vehicles, and offices or other facilities rented or leased by the City, including individual employee offices.

8.5 USE OF CITY VEHICLES AND EQUIPMENT

Use of City phones for local personal phone calls should be kept to a minimum; long distance personal use is prohibited. Other City equipment, including vehicles, should be used by employees for City business only. An employee's misuse of City services, telephones, vehicles, equipment or supplies can result in disciplinary action including termination.

8.6 BULLETIN BOARDS

Information of special interest to all employees is posted regularly on the City bulletin boards. Employees may not post any information on these bulletin boards without the authorization of the mayor or his designee.

8.7 CONTACT WITH NEWS MEDIA

The Mayor or his designee shall be responsible for all official contacts with the news media during working hours, including answering of questions from the media. The Mayor or his designee may designate specific employees to give out procedural, factual or historical information on particular subjects.

8.8 SEAT BELT POLICY

Per Washington law, anyone operating or riding in City vehicles must wear seat belts at all times.

8.9 DRIVER'S LICENSE REQUIREMENTS

(a) As part of the requirements for certain specific City positions, an employee may be required to hold a valid Washington State Driver's license.

(b) If an employee's license is revoked, suspended or lost, or is in any other way not current, valid and in the employee's possession, the employee shall promptly notify his/her Department Director and will be immediately suspended from driving duties. The employee may not resume driving until proof of a valid, current license is provided to his/her Department Director.

(c) Depending on the duration of license suspension, revocation or other inability to drive, an employee may be subject to disciplinary action, including termination.

8.10 SAFETY

(a) Every employee is responsible for maintaining a safe work environment and following the City's safety rules. Each employee shall promptly report all unsafe or potentially hazardous conditions to his/her Department Director. The City will make every effort to remedy problems as quickly as possible.

(b) In case of an accident involving a personal injury, regardless of how serious, employees shall immediately notify the Department Director who shall immediately provide the Mayor or his designee with a written report of the nature, cause and extent of the accident.

8.11 MEDICAL EXAMS

(a) Any physical examination, T.B. skin test, X-rays, required by the Employer shall be taken on Employer time whenever practical, and shall be paid by the Employer, provided said services are by a physician or institution specified by the Employer. All full-time regular employees will be subject to random urinalysis drug testing. The cost of the urinalysis shall be paid by the Employer and the testing shall occur on Employer time.

8.12 SUBSTANCE ABUSE POLICY

(a) Purpose - The City of Selah recognizes that employees are its most important resource. In order to ensure that health, welfare, and safety of its employees, and the citizens whom they serve, the

following policy regarding substance abuse in the work place is adopted.

(b) Objectives:

(1) It is the policy of the City of Selah to provide a drug free work place for its employees.

(2) The City's philosophy on substance abuse is to emphasize training and rehabilitation. Counseling and support will be made available through an Employee Assistance Program, and the employees' right to privacy will be respected at all times.

(3) The following sections provide guidelines for employees and supervisors for the detection and deterrence of substance abuse. This is provided through pre-employment screening, supervisor and co-worker education, and, where reasonable cause exists, verified testing of current employees. The standards by which such tests will be conducted are set out. Acts which constitute a violation of this policy are defined, and the consequences for violation, are established.

(c) Applicability - This policy applies to all permanent and temporary employees of the City of Selah. It is a condition of employment that the employee abide by the terms of this policy.

(d) Definitions - For the purpose of this directive, the following terms have the meanings indicated:

(1) Substance abuse means the use of a substance, including medically authorized drugs, which impairs job performance or poses a hazard to the safety and welfare of the employee, the public, or other employees.

(2) Reasonable cause means all of the facts and circumstances available at the time of an incident which would lead any reasonable person to the same conclusion.

(3) Medically authorized drugs or substances means a drug or substance prescribed by a licensed practitioner/physician or dentist for use in the course of medical treatment.

(4) Controlled substance means a substance whose dissemination or use is controlled by regulation or statute, including, but not limited to alcohol, narcotics, depressants, stimulants, hallucinogens and cannabis.

(5) Conviction means a finding of guilt (including a plea of nolo cotendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of Federal, State or City drug laws.

(6) Criminal drug statute means a criminal law involving the manufacture, distribution, dispensing, use or possession of any controlled substance.

(7) Written medical authorization means a prescription or other written approval from a licensed practitioner/physician or dentist for the use of a drug in the course of medical treatment. The authorization must include the name of the substance, the period of authorization, and whether the prescribed medication may impair job performance.

(8) Unreasonable delay means a delay of the testing procedure for a period of time which would render the test useless or inaccurate.

(9) Counseling means participation in a substance abuse counseling program provided through the City of Selah Employee Assistance Program (E.A.P.)

(e) Education

(1) The City of Selah recognizes the need to provide education and training in the areas of substance abuse and the major factors which contribute to it.

(2) The City recognizes that substance abuse can be successfully treated, enabling an employee to return to satisfactory job performance. Employees who are concerned about their own substance abuse are encouraged to voluntarily seek assistance through the City Employee Assistance Program. All such Voluntary Requests for assistance will remain confidential.

(3) An employee who has not received substance abuse awareness training shall not be subject to disciplinary action under this policy.

(f) Employee Rights and Responsibilities

(1) Any voluntary request by an employee for assistance with his/her own substance abuse problem will remain confidential and shall not be used as the basis for any disciplinary action, provided that the request for assistance is initiated prior to a substance abuse related on-the-job incident.

(2) Each employee using medically authorized drugs or substances which can impair job performance shall report this fact to his/her supervisor prior to beginning duty, and shall provide proper written medical authorization to work. It is the employee's responsibility to determine from the physician whether or not the prescribed drug would impair his/her job performance.

(3) In accordance with the Drug Free Work Place Act of 1988, an employee who is convicted of any criminal drug statute for a violation occurring in the work place shall notify the City Personnel Office no later than five days after such conviction.

(4) Each employee who observes or has knowledge of another employee in a condition which impairs his/her ability to perform job duties or poses a hazard to the safety and welfare of others shall promptly report the incident to his/her immediate supervisor.

(5) An employee who is the subject of a substance abuse investigation, or who requests or is required to submit to a Substance Abuse Examination in accordance with this policy, shall be entitled to have a Union Representative or other observer of his/her own choosing present during the investigation, provided that such a request for an observer does not cause an unreasonable delay.

(g) Detection

(1) Pre-employment Examination. All prospective employees of the City of Selah shall undergo a drug screening test prior to employment. A confirmed positive test for controlled substances, or refusal to take the examination, will result in disqualification for employment for a period of six months.

(2) Examination for reasonable cause. An employee may be required to undergo a Substance Abuse Examination when reasonable cause exists to believe the employee is under the influence of a controlled substance and the steps outlined in the attached "Supervisors Checklist for Substance Abuse" are followed. The decision to conduct a Substance Abuse Examination shall be made only by the supervisor's Department Director or the Department Director's management level designee.

(3) Searches of City owned property. The City reserves the right to search, without employee consent, all City owned property, and any property or area jointly or fully controlled by the City when reasonable cause exists to believe the search will reveal evidence of violation of this policy. Nothing herein shall be construed to permit the City to the warrantless search of employee owned vehicles.

(h) Rehabilitation

(1) The City recognizes the value of trained, experienced employees, and, to the extent it deems treatment and rehabilitation are effective, it will pursue those avenues prior to resorting to disciplinary measures.

(2) Any counseling required or agreed to under this policy shall be at City expense. Further, appointments with the E.A.P. may be scheduled on City time with prior approval of the employee's supervisor, for up to three (3) visits per year. The E.A.P. counselor may contact the Department Director for authorization for additional time off. Sick leave or other accrued time shall be used for time spent beyond the above limit request for the purpose of extended counseling or treatment. If the employee requests that the leave not be disclosed to his/her immediate supervisor, the Department Director shall maintain confidentiality regarding the reason for the leave.

(3) The cost of treatment and rehabilitation beyond counseling by the E.A.P. shall be born by the City to the extent covered by existing labor contracts and health benefit plans.

(i) Testing Protocol

(1) All Substance Abuse Examinations required under this policy shall be administered at Central Washington Occupational Medicine.

(2) The employee shall provide samples of urine to test for the presence of alcohol and/or drugs, and shall sign an authorization to release the results of those tests to the City Personnel Office.

(3) Whenever a test sample of urine is required by this directive, it shall be administered in accordance with the following procedure:

(i) The urine sample is produced by the employee alone in a rest room. Hospital personnel examines the rest room before and after to ensure that no other samples were present and that no substances were available for tampering. Each sample shall be subjected to a laboratory testing protocol to detect tampering.

(ii) Hospital personnel takes the samples, seals them, labels them with the employee's identification, and signs a document which begins a formal chain-of-possession

procedure. Each person who handles the samples, including the person who performs the test, must sign this document. When not being handled, the samples are stored appropriately. The purpose of this procedure is to insure that samples do not get switched during testing.

(iii) The laboratory test is conducted in two steps. The first is a general screen test for the major drugs of abuse and alcohol using the EMIT or comparable test. If any positive result is obtained, a second test is performed using a gas chromatograph/mass spectrometer (GC/MS) which provides molecular identification of the substances found in the sample. If alcohol is detected in the urine, the blood sample will be used for confirmation and to determine an accurate Blood Alcohol Level. 30

(4) Examination results will be delivered only to designated City personnel who shall notify the employee's Department Director. The results may be made known to other management level City Personnel who are required to know for the purpose of determining appropriate discipline or counseling, but otherwise shall be kept confidential. Provided the personnel division has the employee's current address and telephone number, the employee will be notified immediately when the results are received.

(j) Prohibited Acts

(1) Reporting for work while under the influence of alcohol or drugs, or any substance which impairs an employee's mental or physical capacity, is prohibited.

(2) The unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance in the work place, is prohibited.

(3) Refusal to submit to or willful interference with any Substance Abuse Examination required in accordance with this policy is prohibited.

(4) Failure to notify the Department Director within five (5) days of conviction of criminal drug statute violated in the work place is prohibited.

(5) Failure to attend and cooperate in counseling when required in accordance with this policy is prohibited.

(k) Treatment/Discipline

(1) In all cases of suspected substance abuse in the work place, the supervisor's Substance Abuse Incident Report shall be forwarded to the employee's Department Director for further action. An employee suspected of substance abuse shall be relieved of duty, with pay, following any required examination, and shall be required to notify the office of his/her Department Director of his/her whereabouts at all times for the duration of the investigation. The Personnel Officer and the Department Director will determine the course of treatment or discipline as provided below.

(2) Disciplinary action resulting from enforcement of this policy shall be in accordance with applicable bargaining agreement, City Administrative Code, and Civil Service rules. All established grievance procedures shall apply.

(3) The emphasis of this policy is training and rehabilitation. Disciplinary action for job misconduct in violation of this policy will be imposed, up to and including termination, when an employee does not make use of an approved treatment opportunity and the City finds discipline to be an appropriate response to the misconduct. An employee who has had treatment through the E.A.P. and who subsequently commits misconduct in violation of this policy may or may not be offered another opportunity for treatment in place of discipline, depending on the seriousness of the job misconduct and the lapse of time since last in

treatment through the E.A.P.

(4) As required by the Federal Drug-Free Work Place Act of 1988 (Pub. L. 100-690, Title V, Subtitle D), within thirty (30) days of the City's receiving notice that an employee has been convicted of violating a criminal drug statute in the work place, the City will either take appropriate personnel action, up to and including termination, or require the employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved by a federal, state, or local health, law enforcement, or other appropriate agency.

(1) Savings Clause - It is understood that all provisions of this policy are subject to applicable Federal, State, and Local laws, and if any provision of any section of this agreement is held or found to be in conflict therewith, said provision shall be void. However, such invalidity shall not affect the remaining sections of this policy.

8.13 DRUG-FREE WORK PLACE

(a) The manufacturing, distribution, dispensation, possession and use of unlawful drugs or alcohol on City premises or during work hours by City employees is strictly prohibited.

(b) Employees must notify the City prior to the next work shift of any conviction for a drug violation in the work place.

(c) Violation of this policy can result in disciplinary action, including termination. Continued poor performance or failure to successfully complete an assigned rehabilitation program is grounds for termination.

8.14 COMPLAINT PROCEDURES

The City recognizes that sometimes situations arise in which an employee feels that he or she has not been treated fairly or in accordance with City rules and procedures. For this reason the City provides its employees with procedures for resolving complaints.

(a) Step 1: An employee should first try to resolve any problem or complaint with his/her supervisor.

(b) Step 2: When normal communication between an employee and the supervisor is not successful, or when an employee disagrees with the application of City policies and procedures, the employee should attempt to resolve the problem with his/her Department Director. The Department Director will respond to the employee in writing within five (5) days after meeting with him/her, if possible.

(c) Step 3: If the employee is not satisfied with the response from the Department Director, the employee may submit the problem, in writing, to the Mayor or his designee. The written complaint must contain, at a minimum:

(1) A description of the problem;
(2) A specific policy or procedure which the employee believes has been violated or misapplied;
(3) The date of the circumstances leading to the complaint or the date when the employee first became aware of those circumstances;
(4) The remedy sought by the employee to resolve the complaint.

The written complaint should be filed within ten (10) working days of the occurrence leading to the

complaint, or ten (10) working days after the employee becomes aware of the circumstances.

(d) The mayor or his designee may meet with the parties, either individually or together, and will respond in writing to the aggrieved employee within ten (10) days of the meeting. The Mayor or his designee's response and decision shall be final and binding.

(e) Certain employees may have more than one source of dispute resolution rights, i.e. the City's Civil Service rules, a collective bargaining agreement, if any, and this complaint process. Employees represented by a bargaining unit or who are covered under civil service rules should follow grievance procedures set out in their respective labor contracts or civil service rules, where applicable. In all other cases, the procedures described in this section shall be used. Under no circumstances shall an employee have the right to utilize both this process and any other complaint or appeal procedure that may be available to an employee.

8.15 WHISTLE BLOWER POLICY

The City of Selah adopts this policy on procedures for reporting improper governmental actions as required by the Local Government Employee Whistleblower Protection Act, Chapter 44 Laws of 1992 (SSB 6321). It is the policy of the legislature that local government employees should be encouraged to disclose, to the extent not expressly prohibited by law, improper governmental actions of local government officials and employees. It is the purpose of the Act to protect local government employees who make good-faith reports to appropriate governmental bodies and to provide remedies for such individuals who are subjected to retaliation for having made such reports. This policy sets forth the appropriate procedures to follow for reporting such information. The adoption of this policy on procedures creates no affirmative duty not otherwise existing upon any employee to report improper governmental actions; creates no duties or obligations upon the City not otherwise existing; creates no benefit or right in any third party or employee not otherwise existing; and does not create, amend, or enlarge any contract between the City and any person.

(a) Definitions - Unless the context clearly requires otherwise, these definitions apply throughout this policy on procedures:

(1) "Improper governmental action" means any action by a local governmental officer or employee:

(i) That is undertaken in the performance of the officer's or employee's official duties, whether or not the action is within the scope of the employee's employment; and

(ii) That is in violation of any federal, state, or local law or rule, is an abuse of authority, is of substantial and specific danger to the public health or safety, or is a gross waste of public funds.

(2) "Improper governmental action" does not include personnel actions. Personnel actions include but are not limited to employee grievances, complaints, appointments, promotions, transfers, assignments, reassignments, reinstatements, restorations, re-employments, performance evaluations, reductions in pay, dismissals, suspensions, demotions, violations of the local government collective bargaining and civil service laws, alleged labor agreement violations, reprimands, or any action that may be taken under Chapter 41.08, 41.12, 41.14, 41.56, 41.59, or 53.18 RCW or RCW 54.04.170 and 54.04.180.

(3) "Retaliatory action" means any adverse change in a local government employee's employment status, or the terms and conditions of employment including denial of adequate staff to perform duties, frequent staff changes, frequent and undesirable office changes, refusal to assign meaningful work, unwarranted and unsubstantiated letters of reprimand or

unsatisfactory performance evaluations, demotion, transfer, reassignment, reduction in pay, denial of promotion, suspension, dismissal, or any other disciplinary action.

(4) "Emergency" means a circumstance that if not immediately changed may cause damage to persons or property.

(b) Procedures for Reporting - City employees who fail to make a good-faith attempt to follow these procedures in reporting improper governmental action shall not receive the protections provided by the Local Government Employees Whistleblower Protection Act.

The employee may also report the information to the Yakima County Prosecutor. Except in case of an emergency, before a City employee provides information of an improper governmental action to a person or entity who is not listed above, the employee must submit a written report to the City.

The supervisor, the Mayor or his designee, as the case may be, shall take prompt action to assist the City in properly investigating the report of improper governmental action. City officers and employees involved in the investigation shall keep the identity of reporting employees confidential to the extent possible under law, unless the employee authorizes the disclosure of his or her identity in writing.

City employees who fail to make a good-faith attempt to follow these procedures in reporting improper governmental action shall not receive the protections provided by the Local Government Employees Whistleblower Protection Act.

(c) Employee Protection Against Retaliatory Action - The City of Selah shall not take retaliatory action against any employee because the employee in good-faith provided information that an improper governmental action occurred in accordance with the Local Government Employee Whistleblower Protection Act. To obtain relief under the Act, any employee who believes he/she has been retaliated against for reporting improper governmental action shall provide a written notice of the charge of retaliatory action to the City of Selah Council. The notice shall specify the alleged retaliatory action and the relief requested. The charge must be delivered to the City no later than thirty (30) days after the occurrence of the alleged retaliatory action. The City shall have thirty (30) days to respond. After receipt of the City's response or after the last day upon which the City could respond, the employee may within fifteen (15) days request a hearing to be held before an administrative law judge. The employee's request for hearing shall be delivered to the Mayor or the Mayor's designee within the fifteen (15) day period. Upon receipt of request for hearing, the City shall apply within five (5) working days to the State Office of Administrative Hearings for an adjudicative proceeding before an administrative law judge. At the hearing, the employee carries the burden of proving his or her claim by a preponderance of the evidence. The final decision of the administrative law judge is subject to review as set forth in the Act.

(d) Availability/Amendment of Policy on Procedures - The City will post this policy on procedures, or a summary thereof, in a place where all employees will have reasonable access to it. A copy of this policy on procedures, or a summary thereof, will be made available to any employee upon request. The City reserves the right to amend this policy on procedures at any time and at will, and will post and make available upon request any such amendments.

CHAPTER 9
DISCIPLINE AND TERMINATIONS

9.1 DISCIPLINE

(a) All employees are expected to exercise good judgment, loyalty, common sense, dedication, and courtesy in the performance of their duties. The primary mission of every employee is to provide courteous, orderly, efficient, and economic delivery of services to the citizens of the City.

(b) Acts, errors, or omissions which discredit the public service or impair the provision of orderly services to the citizens of the City may result in discipline, including termination.

(c) The Mayor or his designee, as appropriate, has full discretion and authority to impose disciplinary action in accordance with City policy and the circumstances of the particular case.

(d) The following are examples of the types of behavior which may result in discipline:

(1) Drinking alcohol or the abuse of non-prescription or prescription drugs or other controlled substances on the job, or arriving on the job under the influence of or while in possession of alcohol, drugs, or other controlled substances.
(2) Violation of a lawful duty.
(3) Insubordination.
(4) Absence from work without first notifying and securing permission from the supervisor.
(5) Habitual absence or tardiness for any reason.
(6) Unsatisfactory job performance, as determined by the City.
(7) Conviction of a felony or a misdemeanor involving moral turpitude.
(8) Acceptance of fees, gratuities or other valuable items in the performance of the employee's official duties for the City.
(9) Inability, refusal or failure to perform the duties of the assigned job.
(10) Violation of duties or rules imposed by this manual or by any other City rule, regulation or administrative order.

This list is not all-inclusive, but only serves as a general guide. The City may discipline or terminate employees for other reasons not stated above.

(e) In the event that discipline is necessary, the following types of disciplinary actions may be used, depending on the particular situation:

(1) Oral Warning. An oral warning is a counseling session between the employee's supervisor and the employee on the subject of the employee's conduct and performance, or his/her failure to observe a rule, regulation, or administrative instruction. It is intended to increase an employee's efficiency and value to the City by changing the employee's conduct, attitude, habits, or work methods. Following the counseling session the supervisor shall provide the Mayor or his designee with documentation of the oral warning, a copy of which shall be placed in the employee's personnel file.
(2) Written Reprimand. A reprimand is a formal written disciplinary action for misconduct, inadequate performance, or repeated lesser infractions. Written reprimands are placed in the employee's personnel file.
(3) Upon request by an employee, documentation of an oral warning or a written reprimand may

be removed from an employee's personnel file with authorization by the Mayor and/or his/her designee.

(4) Suspension. A suspension is a temporary, unpaid absence from duty which may be imposed as a penalty for significant misconduct or repeated lesser infractions. A suspension is a severe disciplinary action which is made part of the employee's permanent record.

(f) Suspensions with pay, where the employee is placed on administrative leave, may be utilized by the Mayor or his/her designee pending the results of an investigation or disciplinary action where the Department Director determines that factors such as public confidence, the safety of the employee or the efficient functioning of the City call for such a suspension.

9.2 TERMINATION

In the case of termination of an employee other than trial employees, the City will conduct a pre-termination hearing. The pre-termination hearing serves as a check against mistaken decisions and to determine whether there is a reasonable presumption that the charges against the employee are valid and support termination.

(a) In the event a Department Director desires to terminate an employee, the employee (other than at-will or trial employees) shall be provided with a notice of the recommendation for termination. The notice shall include an explanation of the charges on which the recommendation is based, and the time and date for a pre-termination hearing. If the employee fails or refuses to appear, the termination may proceed.

(b) Pre-termination hearings will be presided over by the mayor or his designee or a designated representative.

(c) At the hearing, the employee may show cause why he/she should not be terminated. The employee may bring one person to the hearing as an observer who is not allowed to participate in the hearing or interfere with its orderly process.

(d) The Mayor or his/her designee will within a reasonable period of time issue a decision on whether there are reasonable grounds to believe the charges against the employee are true and support termination. If the Mayor finds the charges credible, the termination may proceed. If the Mayor finds the charges questionable or insufficient for termination, the matter returns to the Department Director for further investigation or other disciplinary action short of termination.

9.3 LAYOFF

(a) The Mayor or his/her designee may lay off employees for lack of work, budgetary restrictions or other changes that have taken place.

(b) Temporary employees or employees who have not completed their trial period will be laid off before regular employees are affected.

(c) In determining who is to be laid off, consideration will be given to individual performance and the qualifications required for remaining jobs. Seniority will be considered when performance and qualifications are equal.

(d) Employees who are laid off may be eligible to be re-employed if a vacancy occurs in a position for which they are qualified.

9.4 RESIGNATION

An employee should provide two (2) weeks notice of resignation. This time limit may be waived by the Mayor or his designee.

9.5 DEATH

Upon the death of an employee, all compensation due shall be paid to the surviving spouse or the estate of the employee.

Existing Selah Code 1.06.130

1.06.130
Rules of decorum.

(a) It shall be the constant duty of each council member to maintain respect for each other, the staff and the public. Likewise, the council shall require corresponding respect from all persons who attend a meeting.

(b) While the council is in session, all members must preserve order, decency and decorum at all times and no member shall, by conversation or otherwise, delay or interrupt the proceedings or the peace of the council nor disturb any member while speaking or refuse to obey the order of the presiding officer. Members of the city council shall not leave their seats during a meeting without first obtaining the permission of the presiding officer except in an emergency. No member of the city council shall use any impertinent, degrading or other slanderous language or impugn the integrity of any other member, employee of the city or the public. The city council may punish any member for violation of this section upon first notifying the councilmember of the specifics and giving the accused councilmember an opportunity to respond at a council meeting.

(c) Members of the city staff and employees shall observe the same rules of order and decorum as are applicable to members of the city council, with the exception that members of the city staff may leave their seats during the meeting without first obtaining the permission of the presiding officer. (Ord. 972 § 34, 1989.)

The “Sunnyside” Sample that former City Attorney Bob Noe had been Working on

The City of ~~Sunnyside~~Selah Council Code of Conduct

The ~~Sunnyside~~Selah City Council shall hold themselves accountable to the following principles and guidelines for Code of Conduct.

Council Member Conduct with One Another

This council is composed of individuals with a wide variety of backgrounds, personalities, values, opinions, and goals. Despite this diversity, each council member has chosen to serve in public office in order to preserve and protect the present and the future of the city of ~~Sunnyside~~Selah. This common goal should be acknowledged even as council members may "agree to disagree" on contentious issues.

In Public Meetings

1. Practice Civility and Decorum in Discussions and Debate. Difficult questions, tough challenges to a particular point of view, and criticism of ideas and information are legitimate elements of a free democracy in action. This does not allow, however, council members to make belligerent, personal, impertinent, slanderous, threatening, abusive, or disparaging comments. No shouting or physical actions that could be construed as threatening will be tolerated.

Council members shall preserve order and decorum during council meetings, and shall not, by conversation or other action, delay or interrupt the proceedings or refuse to obey the orders of the Presiding Officer or this Code of Conduct. Council members shall, when addressing staff or members of the public, confine themselves to questions or issues then under discussion, shall not engage in personal attacks, shall not impugn the motives of any speaker, and shall at all times, while in session or otherwise, conduct themselves in a manner appropriate to the dignity of their office.

2. Honor the Role of the Mayor in Maintaining Order. It is the responsibility of the Mayor to keep the comments of the council members on track during all meetings. Council members should honor efforts by the Presiding Officer to focus discussion on current agenda items. If there is a disagreement about the agenda or the Presiding Officer's actions, those objections should be voiced politely and with reason, following procedures outlined in parliamentary procedures.

3. Avoid Personal Comments that Could Offend other Council Members. If a council member is personally offended by remarks of another council member, the offended council member should make notes of the actual words used and call for a "point of personal privilege" that challenges the other council member to justify or apologize for the language used. The right of a council member to address the council on a question of personal privilege shall be limited to cases in which his or her integrity, character or motives are assailed, questioned or impugned. The Mayor will maintain control of this

discussion.

4. **Demonstrate Effective Problem Solving Approaches.** Council members have a public stage to show how individuals with disparate points of view can find common ground and seek a compromise that benefits the community as a whole.

5. **Code of Ethics.** Council members shall conduct themselves so as to bring credit upon the city as a whole, and to set an example of good ethical conduct for all citizens of the community. Council members should constantly bear in mind these responsibilities to the entire electorate, and refrain from actions benefiting any individual or special interest group at the expense of the city as a whole. Council members should likewise do everything in their power to insure impartial application of the law to all citizens, and equal treatment of each citizen without regard to race, national origin, sex, social station, or economic position.

In Private Encounters

6. **Continue Respectful Behavior in Private.** The same level of respect and consideration of differing points of view that is deemed appropriate for public discussions should be maintained in private conversations.

7. **Be Aware of the Insecurity (Non Confidentiality) of Written Notes, Voicemail, and Email.** Technology allows words written or said without much forethought to be distributed wide and far. *Would you feel comfortable to have this note faxed to others? How would you feel if this voicemail message was played on a speakerphone in a full office? What would happen if this Email message were forwarded to others?* Written notes, voicemail messages and Email should be treated as potentially "public" communication!

8. **Even Private Conversations can have Public Presence.** Elected officials are always on display — their actions, mannerisms, and language are monitored by people around them that they may not know. Lunch table conversations will be eavesdropped upon, parking lot debates will be watched, and casual comments between individuals before and after public meetings noticed.

9. Quick Tips:

a. Preserve dignity and self-respect.
b. Listen for the message even if you don't agree with it.
c. Respect others as they are.
d. Express your independent perspective.
e. Participate intelligently.
f. Be willing to delegate and let others make decisions.
g. Lead from the front of the parade.
h. Control all you should not all you can.
i. Use few words after much thought rather than many words after little thought.
j. Seek to create change and overcome the influence of conventional wisdom.
k. Recognize when you need outside experts.
l. Recognize the efforts of others.

m. Continuously pursue excellence.

Council Member Conduct with City Staff and City Attorney

Governance of the city of ~~Sunnyside~~Selah relies on the cooperative efforts of all council members, who set policy, and city staff who implement and administer the council's policies. Therefore, every effort should be made to be cooperative and show mutual respect for the contributions made by each individual for the good of the community.

10. Treat all Staff as Professionals. Clear, honest communication that respects the abilities, experience, and dignity of each individual is expected. Poor behavior towards staff is not acceptable.

11. Direct Administrative and Operational Questions to City Management. Questions of city staff and/or requests for additional information that would be of interest to all councilors should be directed to the City Administrator ~~Manager~~ or designee. The City Manager should be copied on any request. Materials supplied to a council member in response to a request will be made available to all members of the council so that all have equal access to information.

12. When Possible, Keep Communication with City Staff Short, to the Point and at the Best Possible Time. Every effort should be made to limit disruption to the work of city staff. Council members should avoid making requests to staff who are in meetings, on the phone, or engrossed in performing their job functions.

13. Never Publicly Criticize an Individual Employee. Council members should refrain from expressing ~~never express~~ concerns about the performance of a city employee in public or to the employee directly. Comments about staff performance should only be made to the City Administrator ~~Manager~~ through private correspondence or conversation.

14. Do Not Get Involved in Administrative Functions. Council members shall not attempt to unethically influence or coerce the City Administrator ~~Manager~~ or department heads concerning either their actions or recommendations to council about personnel, purchasing, awarding contracts, selection of consultants, processing of development applications, or the granting of city licenses and permits.

15. Check with City Staff on Correspondence Before Taking Action. Before sending correspondence, council members should check with the City Administrator ~~Manager~~ to see if an official city response has already been sent or is in progress.

16. Do not Attend City Staff Meetings Unless Requested by Staff. Even if the council member does not say anything, the council member's presence implies support, or may show partiality, intimidate staff, and hamper staffs ability to do their job objectively.

17. Legal Advice. ~~Requests to the City Attorney for advice requiring legal research shall not~~

~~be made by a councilor except with concurrence of the council.~~ Before requesting research or other action by the City Attorney, the council is encouraged to consider consulting with the Mayor, City Administrator, ~~Manager~~ or obtain the concurrence of Council to ascertain whether the request or action can be accomplished more cost-effectively by alternative means.

Outside of a council meeting, council members should make requests of the City Attorney through the City Administrator ~~Manager~~. Exceptions to this are issues related to the performance of the City Administrator ~~Manager~~ and unique and sensitive personal, yet city business-related, requests. The City Attorney shall in either case provide any written response to the full council and the City Administrator ~~Manager~~.

Council Member Conduct with the Public

Making the public feel welcome is an important part of the democratic process. No signs of partiality, prejudice, or disrespect should be evident on the part of individual council members toward an individual participating in a public forum. Every effort should be made to be fair and impartial in listening to public testimony.

In Public Meetings

18. Be Welcoming to Speakers and Treat Them with Care and Gentleness. Because personal concerns are often the issue of those who come to present to the council, council members should remember that how they treat the speaker will either help them relax or push their emotions to a higher level of intensity.

19. Give the Appearance of Active Listening. It is disconcerting to speakers to have council members not look at them when they are speaking. It is fine to look down at documents or to make notes, but reading for a long period of time or gazing around the room gives the appearance of disinterest. Be aware of facial expressions, especially those that could be interpreted as "smirking," disbelief, anger, or boredom.

20. Ask for Clarification, But Avoid Debate and Argument With the Public. Only the Chair (and not individual council members) may interrupt a speaker during a presentation. However, a council member may ask the Mayor for a "point of order" if the speaker is off the topic or exhibiting behavior or language the council member finds disturbing.

If speakers become flustered or defensive by council questions, it is the responsibility of the Mayor to calm and focus the speaker and to maintain the order and decorum of the meeting. Questions by council members to members of the public should seek to clarify or expand information. It is never appropriate to belligerently challenge or belittle the speaker. Council member's personal opinions or inclinations about upcoming votes should not be revealed until after the public hearing.

21. No Personal Attacks of any Kind, Under any Circumstances. Council members should be aware that their body language and tone of voice, as well as the words they

use, can appear to be intimidating or aggressive.

In Unofficial Meetings

22. Make no Promises on Behalf of the Council or Staff. It is inappropriate to overtly or implicitly promise council action, or to promise city staff will do something specific (i.e. fix a pothole, replace flowers, fix a leak, etc.) When approached by the public to correct a situation, council members should refer them to the City Manager.

23. Speak with One Voice. Council members will frequently be asked to explain a council action or to give their opinion about an issue as they meet and talk with constituents in the community. It is appropriate to give a brief overview of the facts or city policies as they relate to council action. Objectively present the council's collective decision or direction, even when you may not agree. If you feel the need to express your own opinion, state it in terms such as: "I would have preferred "x" but the council wanted "y" so that's what we will be doing." Explaining council decisions, without giving your personal criticism of the council's actions, will serve to strengthen the community's image of the city council.

24. Make no Personal Comments About Other Council Members. It is acceptable to publicly disagree about an issue, but it is unacceptable to make derogatory comments about other council members, their opinions, and their actions. Honesty and respect for the dignity of each individual should be reflected in every word and action taken by council members. **It is a serious and continuous responsibility.**

25. Right to Appeal. Any member may appeal to the Council from a ruling of the Presiding Officer, and if the appeal is seconded, the member making the appeal may briefly state his reason for the appeal and the Presiding Officer may briefly explain his ruling; but there shall be no debate on the appeal and no other member shall participate in the discussion. The Presiding Officer shall then put the question, "Shall the decision of the chair stand as the decision of the Council?" If the majority of the members vote Aye, the ruling of the chair is sustained; otherwise it is overruled.

The ~~Sunnyside~~Selah Council Principles of Proper Conduct

- ❑ Keep promises...
- ❑ Be dependable...
- ❑ Build a solid reputation...
- ❑ Participate and be available...
- ❑ Demonstrate patience...
- ❑ Show empathy...
- ❑ Hold onto ethical principles under stress...
- ❑ Listen attentively...
- ❑ Study thoroughly...
- ❑ Keep integrity intact...
- ❑ Overcome discouragement...
- ❑ Go above and beyond, time and time again...

- ❑ Model a professional manner...
- ❑ Respect one another as individuals...
- ❑ Respect validity of different opinions...
- ❑ Respect the democratic process...
- ❑ Respect the community we serve.

Selah City Council
Rules of Procedure

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10. SUSPENSION AND AMENDMENT OF THESE RULES

1. **AUTHORITY:**

1.1 SelahSunnyside Municipal Code. The SelahSunnyside Municipal Code (SMC 1.062.08.060) provides that the Council may determine its own rules of procedure for meetings. The following set of rules shall be in effect upon their adoption by the Council and until such time as they are amended or new rules adopted in the manner provided by these rules.

2. **GENERAL RULES:**

2.1 Meetings to be Public. All official meetings of the Council shall be open to the public with the exception of the executive sessions for certain limited topics, as defined in Section 1.06.0503.5. The journal of proceedings (minute book) shall be open to public inspection.

2.2 Quorum. Four Council members shall be in attendance to constitute a quorum and be necessary for the transaction of business, including participation in, and conducting of, scheduled regular meetings, study sessions workshop meetings and special meetings. If a quorum is not present, those in attendance will be named, and the meeting promptly adjourned.

2.3 Attendance, Excused Absences. RCW 35A.12.060 provides that a Councilmember shall forfeit his/her office by failing to attend three (3) consecutive regular meetings of the Council without being excused by the Council. Members of the Council may be so excused by complying with this section. The member shall contact the City Administrator or the Mayor's Administrative Assistant Chair prior to the meeting and state the reason for his/her inability to attend the meeting. If the member is unable to contact the City Administrator or the Mayor's Administrative Assistant Chair, the member shall contact the City Clerk, who shall convey the message to the Mayor Chair. Upon request of the member, the Mayor Chair shall inform the Council of the member's absence, state the reason for such absence and inquire if there is a motion to excuse the member. In the event a Councilmember fails to attend three (3) consecutive regular meetings without being excused by the Council, the Council, in accordance with RCW 35A.12.060 shall declare the seat forfeited and vacant at the next regular meeting.

2.4 Journal of Proceedings. An account of all proceedings of the Council, except for proceedings in executive session or matters exempt from the Open Public Meetings Act, shall be kept and maintained by the City Clerk (RCW 35A.39.010).

Commented [LM1]: Is this the minutes? According to records retention and management the log notes I take are transitory and not subject to disclosure.

2.5 Ordinances - Confined to one Subject; Exceptions. No ordinance except an appropriation ordinance, an ordinance adopting or embodying an administrative or governmental code, or an ordinance adopting a code of ordinances, shall relate to more than one subject, which shall be clearly stated in its title.

2.6 Right of Floor. Any member desiring to speak shall be recognized by the Chair, and shall confine his or her remarks to one subject under consideration or to be considered.

2.7 City Administrator ~~Manager~~. The City Administrator ~~Manager~~ shall attend all meetings of the Council, unless advance notice has been provided to the Mayor ~~Chair~~. He shall keep the Council fully advised as to the financial condition and needs of the City. He may make recommendations to the Council and may take part in discussion on all matters concerning the welfare of the City. He shall have a seat, but no vote, in the meetings of the City Council.

2.8 City Attorney. The City Attorney shall ~~only~~ attend all meetings of the Council, unless advance notice has been provided to the Mayor or City Administrator ~~if requested by the City Manager~~. Any member of the Council may, at any time during a regular or special meeting of the Council, call upon the City Attorney, if in attendance, for an oral or written opinion to decide any question of law but not to decide upon any parliamentary rules.

2.9 City Clerk. The City Clerk, or such other person as the City Administrator ~~Manager~~ may designate, shall keep minutes of the meeting and perform such other duties in the meeting as may be directed.

2.10 Rules of Order. *"Robert's Rules of Order – Newly Revised ~~the Modern Edition~~"* shall govern the deliberations of the City Council, except as they may be in conflict with the following specific rules:

Motion to be Stated by Chair - Withdrawal. When a motion is made and seconded, it shall be stated by the chair before debate. Any member may demand that it be put in writing. A motion may not be withdrawn by the mover without the consent of member seconding it, and the approval of the council;

Motion Out of Order. The presiding officer may at any time by concurrence of members present, permit a member to introduce an ordinance, resolution, or motion out of the regular order;

Motion to Adjourn. When not in order, not debatable, a motion to adjourn shall be in order at any time, except as follows:

(a) When repeated without intervening business or discussion,
(b) When made as an interruption of a member while speaking,
(c) When the previous question has been ordered,
(d) While a vote is being taken. A motion to adjourn is debatable only as to the time to which the meeting is adjourned;

Notwithstanding the above, the Mayor ~~Chair~~ may adjourn any meeting by declaration in the event of emergency.

Amend to Strike Out and Insert. On an amendment to "strike out and insert" the paragraph to be amended shall first be read as it stands, then the words proposed to be stricken out and those to be inserted shall be read, and finally the paragraph as it would stand if so amended shall be read.
Reconsideration. After the decision on any question any member who voted with the prevailing side may move a reconsideration of any action at the same or the next succeeding meeting; provided, however, that a resolution authorizing or relating to any contract may be reconsidered at any time before the final execution there of. After a motion for reconsideration has once been acted on, no other motion for reconsideration thereof shall be made without unanimous consent.

2.11 Budget Policies:

Commented [LM2]: Do we need to run this section by Don and Dale?

- The City will offer quality service programs that are effective. If expenditure reductions become necessary as a result of changing economic conditions or revenue shortfalls, options will be presented to the Council to either make cuts to services or across the board reductions and cuts.

- Unpredictable revenues (either sources of revenue that are unpredictable, or levels of known revenue sources above which there is the potential to fluctuate unpredictably) should be used for one-time capital needs, not operating needs.

- Funding for programs should be limited to the extent that they can reasonably be funded over the near- to long-term using the current revenue stream.

- Resources (fund balances) greater than budget estimates in any fund shall be considered "one-time" resources and shall not be used to fund ongoing services.

- City Council identified goals will be established annually, based on the available one-time resources of the City. The annual operating budget should allocate resources to accomplish these goals.

- Balanced Budget: Current revenues will be sufficient to support current expenditures. Revenue estimates will be realistic and one-time revenues or debt financing will not be used for current operating expenses.

- Fiscal reserves will be maintained according to the reserve policy established by Council to protect against the need to reduce service levels, raise taxes, or fees due to temporary revenue shortfalls or unprecedented one-time expenditures.

- The City's water, sewer, storm water, and transportation infrastructure constitute the City's largest physical asset. These assets will be managed in a manner that provides an effective level of service, in a manner that seeks to provide the lowest possible long-term cost for doing so.

- Investments that delay future cost increases: When practical, resources should be allocated for preventative investments that avoid larger future capital and/or operating costs.

- Investments that forestall adding permanent staff: Recognizing that personnel costs continue to increase faster than revenues, methods to increase efficiency and effectiveness of services through technology improvements should receive priority for funding if they forestall the need to add permanent staff.

- The City will seek to provide services that benefit the general public using general revenues (local taxes, ongoing intergovernmental revenue). Services that provide greater benefit to individuals or groups, but not as much to the general public, will be identified for cost recovery through user fees on a sliding percentage scale based on the level of public benefit.

- Enterprise funds (water, sewer, storm water, garbage, ambulance funds) will be funded entirely using a user fee rate structure that covers the true cost of operation, including operation, maintenance, periodic capital replacement, debt service requirements and other costs deemed necessary.

- Overhead and Full Cost Allocation: Department budgets should be prepared in a manner that reflects the true and full cost of providing services.

- Opportunities to diversify revenue sources will be sought to decrease the dependence upon any single revenue source as a general revenue source.

- Debt will be used sparingly within the limits and capacity authorized by law and voter approval.

- Cash will be managed in a manner that balances the City's need for liquidity and return, based on the investment vehicles adopted by Council policy. No City cash will be invested in derivative or speculative risks.

- Operating Accountability: The City shall review expenditures and revenues periodically, and decide on actions to bring the budget into balance, if necessary.

- Capital Asset Replacement and Inventory: The City shall assess the condition and anticipated replacement needs of all major capital assets, and include them in capital improvement budgets as needed.

- Long-term projections: The City shall include in the budget a forward-looking examination of revenues and expenditures based on historical trends and anticipated major events to allow the greatest amount of time to adjust revenues and/or expenditures to accomplish balance.

~~(Adopted pursuant to Resolution No. 2008-46, August 25, 2008; amended pursuant to Resolution No. 2009-83, October 12, 2009)~~

3. **TYPES OF MEETINGS:** All meetings of the Council are held in accordance with the provisions of the Washington State Open Public Meetings Act RCW 42.30 and Title 1.06 ~~2.08~~ of the Selah~~Sunnyside~~ Municipal Code.

3.1 Regular Council Meeting. Regular Council meetings shall be held in accordance with SMC1.06 ~~2.08~~. Regular Council meetings shall not exceed three (3) hours in length unless a majority of the Council, by motion duly approved, consents to exceed such limit. Any matter on the agenda not considered due to lack of time shall be placed on the agenda for the next regular Council meeting, or any special meeting called for such purpose. The City Council may cancel or reschedule regular meetings at a different date or time by a motion. The place of the meeting shall be the Council chambers in the Sunnyside Law & Justice Center or at such other location designated by Council, and all regular and special meetings shall be public.

3.2 Special Meetings. Special meetings shall be called in accordance with SMC 1.06.050 ~~2.08~~ and RCW 42.30.080.

3.3 Adjourned Sessions. Adjournments are defined by RCW 42.30.090. Any session of the Council may be continued or adjourned from day-to-day, or for more than one day, but no adjournment shall be for a longer period than the next regular meeting thereafter.

3.4 Study Sessions~~**Workshops Meetings**~~. Study Sessions~~Workshop meetings~~ shall be held in accordance with SMC 1.06 ~~2.08~~. The Council may meet informally in workshops to review forthcoming programs of the City, review budget information, receive progress reports on current programs or projects, or receive other similar information from the City Administrator ~~Manager~~; provided that all discussions and conclusions thereon shall be informal.

Commented [LM3]: I don't actually see these listed in the code.

3.5 Executive Sessions. Executive sessions shall be held in accordance with RCW 42.30.110.

3.6 Attendance of Media at Council Meetings. All official meetings of the City Council and its committees shall be open to the media, freely subject to recording by radio, television and photographic services at any time, provided that such arrangements do not interfere with the orderly conduct of the meetings (RCW 42.30.050).

4. **DUTIES OF THE CHAIR:**

4.1 Chair. The Mayor, if present, shall preside as Chair at all meetings of the Council. In the absence of the Mayor, the Mayor Pro Tem shall preside. In the absence of both the Mayor and the Mayor Pro Tem, the Council shall elect a member to preside as Chair.

Commented [LM4]: Keep?

4.2 Call to Order. The meetings of the Council shall be called to order by the Mayor or, in his absence, by the Mayor Pro Tem. In the absence of both the Mayor and the Mayor Pro Tem, the meeting shall be called by to order by the City Clerk for the election of a temporary Chair. The roll shall then be called by the City Clerk, who shall enter in the minutes of the meeting the names of the members present.

Commented [LM5]: Keep?

4.3 Preservation of Order. The Chair shall preserve order and decorum, prevent attacks on personalities or the impugning of members' motives, and confine members in debate to the question under discussion.

4.4 Points of Order. The Chair shall determine all points of order, subject to the right of any member to appeal to the Council.

4.5 Questions to be Stated. The Chair shall state all questions submitted for a vote and announce the result. A roll call vote shall be taken upon the request of any member.

4.6 Presiding Officer – Powers. The presiding officer may move, second, and debate from the chair, subject only to such limitations of debate as are by these rules imposed on all members, and shall not be deprived of any of the rights and privileges of a Council member by reason of his/her acting as the presiding officer.

Commented [LM6]: This is really for a Council Member selected as Mayor, not an elected Mayor.

5. ORDER OF BUSINESS AND AGENDA:

5.1 Order of Business. The business of all regular meetings of the Council shall be transacted in the following order, unless the Council, by a majority vote of the members present, suspends the rules and changes the order.

(a) Call to order;
(b) Roll call;
(c) Councilmember absence—Motion to excuse;
(d) Pledge of Allegiance;
(e) Invocation;
(f) Agenda changes;
(g) Public appearances/introductions/presentations;
(h) Getting to know our businesses;
(i) Communications:
  (1) Oral,
  (2) Written;
(j) Proclamations/announcements;
(k) Consent agenda;

(l) Public hearings;
(m) General business:
(1) New business,
(2) Old business;
(n) Resolutions;
(o) Ordinances;
(p) Public appearances;
(q) Reports/announcements;
(1) Departments,
(2) Council members,
(3) City administrator,
(4) Boards,
(5) Mayor;
(r) Executive session;
(s) Adjournment.

~~(1) Call to Order - Roll Call~~
~~(2) Invocation~~
~~(3) Pledge of Allegiance~~
~~(4) Unscheduled Appearances by Citizens Regarding Agenda Items (Time limit three minutes per person per Rule 8.)~~
~~(5) Consent Agenda~~
~~(6) Active Agenda (Old/New)~~
~~(7) Items from Council Members~~
~~(8) Items from City Manager~~
~~(9) Executive Session~~
~~(10) Adjournment~~

5.2 Invocation. Each regular meeting of the City Council shall be opened with an invocation by a member of the Selah ~~Sunnyside~~ Ministerial Association or as scheduled by the Mayor. In the event that a Ministerial Association representative or other scheduled minister cannot attend the meeting, the Mayor shall select someone to provide the Invocation, or it ~~Invocation~~ shall be omitted.

The Consent Agenda may contain items which are of a routine and non-controversial nature which may include, but are not limited to, the following: communications, memos and reports for information of Council, resolutions, agreements, petitions, minutes of commissions and boards, applications, approval of accounts, which may be accepted by consent of the Council by a single vote without reading, unless the Council, by motion duly approved, requests such reading, or pertinent portion thereof. Minutes of the preceding meeting, and bills tendered for payments shall not be read in detail at each meeting prior to approval, unless the Council, by motion duly approved, should request such reading, or pertinent portion thereof. In such instances the request shall be granted. Any item on the consent agenda may be removed and considered separately as an agenda item at the request of any Councilmember.

5.3 Agenda. Except as otherwise authorized by the Mayor, all reports, communications, ordinances, resolutions, contract documents or other matters to be submitted to the Council shall be delivered to the City Administrator ~~Manager~~ whereupon he shall arrange a list of such matters according to the order of business. The City Clerk or other appointed staff member shall publish the agenda on the City's website prior to the meeting and under normal circumstances on the Friday~~Thursday~~ preceding regular meetings. The City Clerk or other appointed staff member shall also provide a summary of the agenda to the City's official newspaper and other media of record prior to each regular, study~~workshop~~, and special Council meeting.

5.4 Items from Council Members. The agenda shall provide a time when the Mayor or any Councilmember may bring before the Council any business that he/she feels should be deliberated upon by the Council. These matters need not be specifically listed on the agenda.

5.5 Election of Mayor Pro Tempore. The position of mayor pro tempore shall be chosen annually by majority vote of those members present. The selection shall be made within the month of January. The mayor pro tempore shall perform all the duties of the office of the mayor in the mayor's absence with the exception of hiring or discharge of city employees or veto of policy matters during a meeting. Duties shall include voting on all issues where the mayor is required to vote but may be prohibited due to a disqualifying interest. ~~The Mayor shall be elected by the Council by the following procedure: The Mayor shall open by requesting nominations from Council members for the position of Mayor. All Council members are eligible for nomination. When nominations are closed, the Mayor shall call for the vote upon each nominee. If more than one vote is required, all names shall remain on the ballot. Voting shall continue until one Councilmember receives a majority of the votes cast by Council members present.~~

~~Immediately after the election, the new Mayor shall take the chair, and announce that the next item of business is the election of a Mayor Pro Tem. The same procedure will be followed as for the election of a Mayor.~~

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6. ORDINANCES, RESOLUTIONS AND MOTIONS:

6.1 Form. Ordinances and resolutions shall be presented to the Council only in printed or typewritten form. Motions may be made in any appropriate form, including spoken or written form.

6.2 Recording of Votes. The votes for and against shall be taken upon the passage of all ordinances and resolutions and entered upon the official record of the Council.

6.3 Tie Vote. In the event of a tie in votes on any motion, the motion shall be considered defeated.

6.4 Numbering Ordinances and Resolutions. A number shall be assigned to each ordinance or resolution by the City Clerk.

6.5 Ordinance Passage Procedure. When passed by the Council, an ordinance shall be signed by the presiding officer and be attested by the City Clerk; and it shall be immediately filed and thereafter preserved in the office of the City Clerk. If the presiding officer fails for ten (10) days to sign the ordinance, it shall become valid without his/her signature. (RCW 35A.39.010)

6.6 Ordinances - When Effective. No ordinance shall take effect until three days after the date of its publication unless otherwise provided by statute, except an ordinance passed by a majority plus one of the whole membership of the Council, designated therein as a public emergency ordinance necessary for the protection of public health, public safety, public property or the public peace, may be made effective upon adoption, but such ordinance may not levy taxes, grant, renew, or extend a franchise, or authorize the borrowing of money. The City Clerk will normally publish a summary of all ordinances unless otherwise directed by the City Council or Administrator ~~Manager~~ or unless publication of the entire ordinance or portion thereof is required by law.

6.7 Requests for Ordinances or Legal Opinions. The City Council may request the City Administrator ~~Manager~~ to have prepared proposed ordinances with such ordinances to be placed on the agenda of the next scheduled council meeting, provided the ordinance can be drafted and distributed to members of the Council. The City Council may request written legal opinions, relating to City business, from the City Attorney.

7. CREATION OF COMMITTEES, BOARDS AND COMMISSIONS:

7.1 Citizen Committees, Boards and Commissions. The Council may create committees, boards, and commissions to advise in the conduct of the operation of the city government with such duties as the Council may specify not inconsistent with the Selah ~~Sunnyside~~ Municipal Code and laws of the State of Washington.

7.2 Membership and Selections. Membership and selection of members shall be as provided by the Council if not specified by the Selah ~~Sunnyside~~ Municipal Code. Any committee, board, or commission so created shall cease to exist upon the accomplishment of the special purpose for which it was created, or when abolished by a majority vote of the Council. No committee so appointed shall have powers other than advisory to the Council or to the City Administrator ~~Manager~~ except as otherwise specified by the Selah ~~Sunnyside~~ Municipal Code and laws of the State of Washington.

7.3 Removal of Members of Boards and Commissions. The Council may remove any member of any board or commission which it has created by a vote of at

least a majority of the Council upon compliance with any applicable laws of the State of Washington or ordinances of the City of Selah ~~Sunnyside~~.

8. **CITIZENS' RIGHTS:**

8.1 Addressing the Council:

8.1.1 Individual Agenda Items. The Council does not normally take public comment on individual agenda items that are not set for public hearing. These items are related to decisions that must be made in public but do not require public input. Any citizen wishing to address the council on any such item must make such request by filling out the available form prior to the Council meeting. The Mayor will decide whether to allow input at the meeting.

Commented [LM7]: Did we want to leave that in? We don't have this procedure at present.

8.1.2 Public Hearings. Citizens may address the Council at the appropriate time during Public Hearings by approaching the podium and being recognized by the Mayor. Citizens must identify themselves and their city of residence. The Mayor may limit the time allowed to speak to two ~~three~~ minutes or other duration due to time constraints. Normally citizens will have only one opportunity to address the council during a public hearing.

8.1.3 Oral Communications. ~~Unscheduled Appearances by Citizens.~~ Citizens may address the Council during the "Oral Communications" ~~"Unscheduled Appearances by Citizens"~~ item on any issues provided the questions/comments are limited to three minutes or other duration due to time constraints. Issues will either be referred to staff or the Council may schedule the item for a future Council agenda.

8.2 Manner of Addressing the Council - Time Limit. Each person addressing the Council shall step up to the microphone, give his/her name and city of residence in an audible tone of voice for the record and, unless a different time is granted by the Chair due to time constraints, shall limit their address to two ~~three~~ minutes. All remarks shall be addressed to the Council as a body, and not to any member thereof. No person, other than members of the Council and the person having the floor shall be permitted to enter into any discussion, either directly or through the members of the Council. No questions shall be asked of the Council members, except through the presiding officer. The Council will then determine the disposition of the issue (placed on present agenda, referred to City Administrator ~~Manager~~, placed on other agendas, or no action taken).

8.3 Personal and Slanderous Remarks. Any person making personal, impertinent or slanderous remarks, or who shall become boisterous, while addressing the Council may be requested to leave the meeting and may be forthwith, by the presiding officer, barred from further audience before the Council during that Council meeting.

8.4 Reading of Protests. Interested persons, or their authorized representatives, may address the Council for the reading of protest, petitions, or communications

relating to any matter over which the Council has control, when the item is under consideration by the Council, if a majority of the Council present agrees to let them be heard.

8.5 Mayor May Appoint Committee or Refer Citizens' Complaints. The Mayor may appoint a committee of three members of the City Council to hear citizens' complaints, refer the matter for review by the City Administrator ~~Manager~~, or may refer citizens' complaints to an executive session of the City Council, whenever the subject would be appropriate.

8.6 Written Communications. Interested parties, or their authorized representatives, may address the Council by written communication in regard to any matter concerning the City's business or over which the Council had control at any time by direct mail or by addressing the City Clerk and copies will be distributed to the Council members.

9. COUNCIL ACTIVITIES:

9.1 Holding Office Positions in Outside Organizations. Council Members who seek appointment or run for office in regional, state, national or international organizations where the possibility exists that they may be required to attend meetings outside our local area at City expense, shall obtain council approval prior to accepting an appointment or seeking office in the outside organization.

9.2 Travel Policy – Conferences and Meetings.

9.2.1 Conferences. Any Council Member who attends a Council-approved state conference to which all Council Members are invited may be reimbursed for travel expenses in accordance with the City's Travel Policy, subject to availability of budgeted funds. Appropriation of funds in the annual budget line item for Council travel and training for such conference shall constitute Council approval of such conference.

9.2.2 Meetings. Any Council Member who attends any meeting of an outside organization as set forth in Rule 9.1 above for which prior Council approval has been given may be reimbursed for travel expenses in accordance with the City's Travel Policy, subject to availability of budgeted funds.

9.3 Legislative Testimony. If any Council Member speaks at another meeting to provide legislative testimony, he or she will first advise the body receiving such testimony that he or she is speaking as an individual and not as a representative of the City of Selah ~~Sunnyside~~, unless the City Council has previously acted on the issue in its official capacity and the speaking Council Member states and communicates such official City Council action.

9.4 Use of City Letterhead and Logo. Letters and written correspondence directed by the City Council, and written correspondence necessary or appropriate to conduct or facilitate City business, shall be upon City letterhead bearing the logo of the City of Selah ~~Sunnyside~~. Letters and correspondence from the City Council shall be signed by the Mayor, or, in the Mayor's absence, by the Mayor Pro Tem, who shall execute such correspondence for and on behalf of the City and City Council. Use of the City's letterhead or logo by individual Council Members shall not be allowed.

9.5 Council – City Administrator ~~Manager~~ Communication. As a Council-Manager form of government, the Council recognizes the role of the City Manager in administering the business of the City and supervising its employees. The Council and the City Manager also recognize the importance of communication between them to assure that administration and management proceeds openly and efficiently. To this end, the City Council enjoys an ability to communicate directly with staff for the purpose of inquiry, but shall deal with the administrative service solely through the City Manager (RCW 35A.13.120).

Commented [LM8]: Do we want a modified version of this?

10. SUSPENSION AND AMENDMENT OF THESE RULES:

10.1 Suspension of Rules. Any provision of these rules not governed by the Selah ~~Sunnyside~~ Municipal Code or state law may be temporarily suspended by a vote of a majority plus one of the Council members then in attendance. The vote on any such suspension shall be taken by ayes and noes and entered upon the record.

10.2 Amendment of Rules. These rules may be amended, or new rules adopted, by a majority vote of all members of the Council, provided that the proposed amendments or new rules shall have been introduced into the record at a prior Council meeting.

City Administrator Job Description and Current Contract

CITY OF SELAH

CITY ADMINISTRATOR

*Class specifications are intended to present a descriptive list of the range of duties performed by employees in the class. Specifications are **not** intended to reflect all duties performed within the job.*

DEFINITION

Performs high level administrative, technical and professional work in directing and supervising the administration of City government.

SUPERVISION RECEIVED AND EXERCISED

Works under the direct supervision of the Mayor.
Under the direction and authority of the Mayor: Supervises, administers and coordinates the activities of all City departments, carrying out the Ordinances of the Council; Supervises over all municipal employees either directly or through subordinate supervisors.

ESSENTIAL JOB FUNCTIONS:

Essential responsibilities and duties may include, but are not limited to, the following:

1. Reports to the Mayor and Council concerning the status of all assignments, duties and functions of the various city offices, departments, commissions and boards.
2. In cooperation with the City Clerk/Treasurer, keeps the Mayor and Council advised of the financial condition of the City and its future needs, and assists in the preparation and submission of a preliminary budget to the mayor and council.
3. Serves as personnel officer for the City, including, without necessary limitation, the hiring and discharging, subject to the approval of the Mayor, of all City employees, except those employees and officers required by law to be appointed by the Mayor.
4. Supervises all purchasing of City all departments, commissions and boards; for the purpose of keeping the same within the limitations of the annual budget of the City.
5. Assists the Mayor and Council in conducting the city's business in all matters and performs other duties as the Mayor and Council direct.
6. Attends all meetings of the City Council and such other meetings as may be suggested by the Mayor.
7. Manages and supervises all departments, agencies and offices of the City to achieve goals within available resources. Plans and organizes workloads and staff assignments.
8. Trains, motivates and evaluates assigned staff. Reviews progress and directs changes as needed.
9. Provides leadership and direction in the development of short and long range plans. Gathers, interprets, and prepares data for studies, reports and recommendations. Coordinates department activities with other departments and agencies as needed.
10. Provides professional advice to the Mayor, City Council and department heads. Makes presentations to councils, boards, commissions, civic groups and the general public.
11. Communicates official plans, policies and procedures to staff and the general public.
12. Issues written and oral instructions. Assigns duties and examines work for exactness, neatness, and conformance to policies and procedures.
13. Maintains harmony among workers and resolves grievances. Performs or assists subordinates in performing duties.
14. Appoints and removes all department heads, officers, and employees of the city, except members of the Council.

PERIPHERAL DUTIES:

- Recommends for adoption by the Council such measures as City Supervisor may deem necessary or expedient.
- Prepares and submits to the council such reports as may be required by that body or as manager may deem it advisable to submit.
- May serve as the head of one or more departments of City government.
- Other duties as assigned.

NECESSARY KNOWLEDGE, SKILLS AND ABILITIES:

- Considerable knowledge of modern policies and practices of public administration
- Working knowledge of municipal finance, human resources, public works, public safety, and community development;
- Skill in preparing and administering municipal budgets
- Skill in planning, directing and administering municipal programs
- Skill in operating the listed tools and equipment;
- Ability to prepare and analyze comprehensive reports
- Ability to carry out assigned projects to their completion
- Ability to communicate effectively verbally and in writing
- Ability to establish and maintain effective working relationships with employees, city officials and the public
- Ability to efficiently and effectively administer a municipal government.

TOOLS AND EQUIPMENT USED:

- Requires frequent use of personal computer, including word processing and spreadsheet programs; calculator, telephone, copy machine and fax machine.

QUALIFICATIONS

Education, Experience, and Training Guidelines

Any combination of experience and training that would likely provide the required knowledge and abilities is qualifying. A typical way to obtain the knowledge and abilities would be:

Education:

- Graduation from an accredited four-year college or university with a degree in public administration, political science, business management or a closely related field. Master's Degree preferred.

Experience:

- Five (5) years of experience as a municipal administrator.
- Background in accounting and budgeting.

Training, licensing, or certifications:

- Possession of valid Washington State Driver's License
- Must be bondable

WORKING CONDITIONS

Environmental Conditions:

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The noise level in the work environment is usually moderately quiet.

Physical Conditions:

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is frequently required to sit and talk or hear. The employee is occasionally required to walk; use hands to finger, handle, or feel objects, tools, or controls; and reach with hands and arms.

The employee must occasionally lift and/or move up to 10 pounds. Specific vision abilities required by this job include close vision and the ability to adjust focus.

Note:

1. Any combination of education and experience may be substituted, so long as it provides the desired skills, knowledge and abilities to perform the essential functions of the job.
2. All requirements are subject to possible modification to reasonably accommodate individuals with disabilities. However, some requirements may exclude individuals who pose a direct threat or significant risk to the health and safety of themselves or other employees.
3. While requirements may be representative of minimum levels of knowledge, skills and abilities to perform this job successfully, the employee will possess the abilities or aptitudes to perform each duty proficiently.
4. This job description in no way implies that these are the only duties to be performed. Employees occupying the position will be required to follow any other job-related instructions and to perform any other job related duties requested by their supervisor.

EMPLOYMENT AGREEMENT BETWEEN THE CITY OF SELAH, WASHINGTON AND DONALD WAYMAN

THIS EMPLOYMENT AGREEMENT is made between THE CITY OF SELAH, a Washington Municipal Corporation ("the City") and Donald Wayman ("the Employee"),

RECITALS

A. The relationship between the Mayor, City Council, and its City Administrator requires the utmost confidence and trust to lawfully carry out and implement city policies and practices.

B. The City desires to employ Donald Wayman as City Administrator for the City of Selah, County Council, and in such other capacities as the County and the Employee may agree to serve.

C. The City and the Employee desire to establish and delineate the terms and conditions of employment and, to that end, the City and the Employee desire to enter into this agreement.

NOW THEREFORE the City and the Employee agree as follows:

Section 1. EMPLOYMENT

The City hereby employs the Employee as the City Administrator to perform such duties as are currently prescribed under Selah Municipal Code section 1.10.015 or as may be prescribed by the Mayor or City Council in their sole discretion consistent with the laws of the State of Washington.

Section 2. TERM

This agreement shall commence on May 1, 2015 and shall continue until terminated as provided herein.

Section 3. DUTIES OF EMPLOYEE

Employee will:

A. Devote the time, skill, labor and attention to employment during the term of this employment as may be necessary to accomplish the work. This position is considered to be full time, but the Employee is granted flexibility to determine the hours of such work.

B. Not engage in any employment that will interfere with his employment with the City.

C. Faithfully adhere to the Code of Ethics for Municipal Officers in Chapter 42.23 RCW, as amended.

D. Disclose prior to entering into this agreement, or at such time as the Employee becomes aware of such circumstance, any known contracts or financial arrangements that the Employee would reasonably expect would be affected by actions by the City.

E. Not disclose, during employment or at any time thereafter, to any person, firm, or corporation any non-public information concerning the business or affairs of the City which he may have acquired in the course of, or as an incident to, his employment to the financial detriment or reasonable expectation of financial detriment to the City.

F. To leave in place or to return immediately upon termination of employment with the City all property of the City, including but not limited to keys, phones, pagers, automobiles, computer hardware and software, original drawings, plans, specifications, manuals, procedures, and any and all other documents of any kind which were provided to or generated by him in the course of, or in connection with, his employment by the City.

Section 4. **COMPENSATION**

A. The City will pay The Employee as compensation for services a monthly salary of $8,750.00, and maintain such increases to salary as provided below. The employee will be eligible for up to $5,000 in actual moving expenses, upon submitting a written request with proper documentation.

B. Upon completion of satisfactory work performance and at the Mayor's discretion, the employee's pay will be increased up to 5% May 1, 2016 and May 1, 2017.

C. At the beginning of each fiscal year, the City may increase or decrease the salary for a cost-of-living adjustment so long as all salaries of those in the Management and Non-represented group are changed accordingly.

D. At any time the City may increase said salary based on merit at the sole discretion of the Mayor and City Council.

E. As the Employee is engaged in a professional and executive capacity and is compensated on a predetermined salary basis, the position is exempt from the maximum hours provisions of the Fair Labor Standards Act.

Section 5. **BENEFITS**

A. The City will provide fringe benefits as provided to other personnel under the provisions of the City of Selah Personnel Policies. Except that the employee shall receive a starting credit of 80 hours of vacation leave and shall accrue vacation leave at the rate of 18 days per year. The Employee understands that the City may, in its sole discretion, add, alter, amend, modify, or terminate such benefits at any time without any notice as allowed by law.

B. Expenses incurred for travel on City business shall be reimbursed per the City's Personnel Policies and Travel Policy.

C. The Employee will be provided with the use of a cellular telephone, and the use of a City vehicle, for conducting City business.

D. The City shall pay an amount equal to the Employer Contribution Rate established for PERS 3 members to either a PERS 3 account or other deferred compensation program available to City employees.

E. The cost for professional subscriptions, and association and member dues will be provided for within the City Administrator budget.

Section 6. **TERMINATION**

This contract is for an indefinite period, that is, without a designated date as to when the appointment will end. The agreement can be terminated or modified for any reason that does not unlawfully discriminate or violate public policy, including but not limited to: lack of work, lack of funds, reorganization, or unsatisfactory performance, as determined in the sole discretion of the Mayor. Employee serves at the will and the pleasure of the Mayor. There is no probationary period, nor attainment of permanent employee status.

Termination is to occur as provided below.

A. With Notice. This agreement may be terminated with thirty days written notice:

(1) By the Mayor for any reason; or

(2) By the Employee by voluntary resignation; provided, however, that the City may, at its option, discharge the Employee immediately and pay salary and benefits as if the Employee were fully employed until the end of the notice period.

B. Without Notice. This agreement may be terminated without notice, for misconduct. For purposes of this agreement "misconduct" includes dishonesty, fraud, commission of a felony or of a crime involving moral turpitude, destruction or theft of City property, physical attack resulting in injury to a fellow employee, uses of narcotics or alcohol to an extent that materially impairs the Employee's performance of his or her duties, willful malfeasance or gross negligence in the performance of the Employee's duties. Such dismissal must, be based on facts that are supported by substantial evidence reasonably believed by the City to be true, and not be for any arbitrary or capricious or illegal reason.

Section 7. **COMPENSATION AFTER TERMINATION -- SEVERANCE PAY**

A. In the event the Employee is terminated by the City for misconduct as provided in Section 6(B), the Employee shall receive no severance pay, however the Employee shall be entitled to receive earned pay, accrued vacation leave pay and accrued sick leave pay as provided for upon termination in the City of Selah Personnnel Policies.

B. In the event this contract is terminated by the Employee without the full notice required by Section 6, then the Employee shall receive all earned pay and accrued vacation leave pay, but no severance pay, and no accrued sick leave pay.

C. In the event this contract is terminated by the Employee with full notice required in Section 6, the Employee shall receive all earned pay, accrued sick leave pay and accrued vacation pay, as provided by City of Selah Personnel Policies, but no severance pay.

D. In the event this contract is terminated by the City for any other reason, the Employee shall be entitled to receive within 30 days of the Employee's last scheduled work day all earned pay, accrued sick leave pay and accrued vacation pay as provided by the City of Selah Personnel Policies and severance pay equal to three months' salary (if less than one year of employment) or severance pay equal to six months' salary (if more than one year of employment).

Section 8. **APPLICABLE LAWS**

The Employee agrees to abide by all applicable local, state, and federal laws. This agreement shall be governed by the laws of the State of Washington and venue of any action concerning this agreement shall be in Yakima County, Washington.

Section 9. **MEDIATION**

The parties shall attempt to resolve any controversies or disputes arising out of or relating to this Agreement and the employment of the City Administrator through a good faith attempt at mediation. The City shall pay the mediator's fee and any administrative expenses imposed by the mediator. Each party will pay its own attorney's fees and costs.

Section 10. **ARBITRATION**

A. Any controversy or claim arising out of or relating to this Agreement that is not resolved through mediation, shall be resolved by final and binding arbitration pursuant to RCW 7.04. Demand for arbitration shall be made in writing to the other party. The arbitration shall be held in Yakima County before a single arbitrator selected by the agreement of the parties. If the parties cannot agree upon an arbitrator within fifteen (15) days after the demand for arbitration is made, the arbitrator shall be selected by a judge in the Superior Court of Yakima County in accordance with the procedures set out in RCW 7.04.050.

B. Unless the parties agree otherwise in writing, the arbitration hearing shall occur no later than sixty days after the date the arbitrator is appointed.

C. The parties agree that, with the exception of the circumstances set out in RCW 7.04.160, the arbitrator's decision shall be binding, final and not appealable to any court of law.

D. Each party shall pay its own costs of arbitration including attorneys' fees. The arbitrator's fee and any administrative expenses imposed by the arbitrator shall be shared equally by the parties.

E. This agreement shall be governed by laws of the state of Washington, both as to interpretation and performance.

F. This agreement to arbitrate applies not only to claims arising out of an alleged breach of this Agreement, but to *all* claims, disputes or controversies arising out of or relating to the Employee's employment and/or cessation of employment with the City. All such claims, disputes or controversies shall be resolved exclusively by final and binding arbitration as provided in this Agreement. By way of example only, such claims include claims under federal, state, and local statutory or common law, such as the Age Discrimination in Employment Act, Title VII of the Civil Rights Act of 1964, as amended, including the Civil Rights Act of 1991, the Americans with Disabilities Act, the Washington Law Against Discrimination, the law of contract, and the law of tort.

Section 11. **INDEMNIFICATION**

The City shall protect, defend and indemnify the Employee and his marital community from personal liability for acts or omissions committed by such the Employee while within the scope of the official city duties. Defense will be provided by the City of Selah City Attorney's Office or through an attorney appointed as Defense Council through the City of Selah insurance pool, the Cities Insurance Association of Washington (CIAW). The necessary expenses of defending the action or proceeding shall be paid by the City and/or CIAW and any final money judgment against said the Employee or the marital community shall be paid by the City and/or CIAW.

Except as specifically directed by the City Attorney or CIAW the Employee may not engage in any of the following acts with respect to actions or proceedings for damages defended pursuant to this Agreement:

A. Negotiate or otherwise affect the settlement of such an action or proceeding for damages against the City;

B. Make an admission of liability involving such an action or proceeding for damages against the City; or

C. Discuss with persons who are not city employees incidents which could reasonably lead to actions or proceedings for damages against the City, or its officers or employees.

D. Engage or retain legal counsel at city expense.

This indemnification provision shall survive termination of this contract. The Employee agrees to cooperate and participate as may be necessary to carry out the defense of any action, and if not a current employee to be compensated for all such activities at an hourly rate equal to the Employee's salary, adjusted to an hourly rate.

Section 12. **AMENDMENT**

The terms of this agreement may not be altered, amended, or otherwise modified except by the express written agreement of the parties.

Section *13.* **SEVERABILITY**

If any provision of this agreement is held to be invalid or unenforceable, the remaining provisions shall remain in full force and effect.

Section 14. **WAIVER**

The waiver or the failure to take action with respect to breach of any term, covenant or condition shall not affect the Employee's duties hereunder or waive any rights concerning any subsequent breach. All remedies afforded in this Contract shall be taken as cumulative, that is, in addition to every other remedy provided therein or by law.

Section 15. **ENTIRE AGREEMENT**

Except as provided in Sections 4 and 5, above, this employment agreement constitutes the entire agreement between the parties with respect to the subject matter thereof, and supersedes all prior written agreements and all prior or contemporaneous oral agreements or understandings between the parties.

EXECUTED ON THIS 24th day of March, 2015 in Selah, Washington.

City of Selah	Employee
Mayor John Gawlik	Donald Wayman

ATTEST:

Dale Novobielski, City Clerk/Treasurer

APPROVED AS TO FORM:

Robert F. Noe, City Attorney

RCW Chapter 42.23
Code of Ethics for Municipal Officers

Chapter Listing

Chapter 42.23 RCW

CODE OF ETHICS FOR MUNICIPAL OFFICERS—CONTRACT INTERESTS

Sections

42.23.010 Declaration of purpose.
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NOTES:

*Cities, free passes, services prohibited: RCW **35.17.150**.*

*County officers, general provisions: Chapter **36.16** RCW.*

*Ethics in public service act: Chapter **42.52** RCW.*

*Public employment, civil service: Title **41** RCW.*

*State officers, general provisions: Chapter **43.01** RCW.*

RCW 42.23.010

Declaration of purpose.

It is the purpose and intent of this chapter to revise and make uniform the laws of this state concerning the transaction of business by municipal officers, as defined in chapter 268, Laws of 1961, in conflict with the proper performance of their duties in the public interest; and to promote the efficiency of local government by prohibiting certain instances and areas of conflict while at the same time sanctioning, under sufficient controls, certain other instances and areas of conflict wherein the private interest of the municipal officer is deemed to be only remote, to the end that, without sacrificing necessary public responsibility and enforceability in areas of significant and clearly conflicting interests, the selection of municipal officers may be made from a wider group of responsible citizens of the communities which they are called upon to serve.

[1961 c 268 § 2.]

RCW 42.23.020

Definitions.

For the purpose of chapter 268, Laws of 1961:

(1) "Municipality" shall include all counties, cities, towns, districts, and other municipal corporations and quasi municipal corporations organized under the laws of the state of Washington;

(2) "Municipal officer" and "officer" shall each include all elected and appointed officers of a municipality, together with all deputies and assistants of such an officer, and all persons exercising or undertaking to exercise any of the powers or functions of a municipal officer;

(3) "Contract" shall include any contract, sale, lease or purchase;

(4) "Contracting party" shall include any person, partnership, association, cooperative, corporation, or other business entity which is a party to a contract with a municipality.

[**1961 c 268 § 3.**]

RCW 42.23.030

Interest in contracts prohibited—Exceptions.

*** CHANGE IN 2020 *** (SEE **6326.SL**) ***

No municipal officer shall be beneficially interested, directly or indirectly, in any contract which may be made by, through or under the supervision of such officer, in whole or in part, or which may be made for the benefit of his or her office, or accept, directly or indirectly, any compensation, gratuity or reward in connection with such contract from any other person beneficially interested therein. This section shall not apply in the following cases:

(1) The furnishing of electrical, water or other utility services by a municipality engaged in the business of furnishing such services, at the same rates and on the same terms as are available to the public generally;

(2) The designation of public depositaries for municipal funds;

(3) The publication of legal notices required by law to be published by any municipality, upon competitive bidding or at rates not higher than prescribed by law for members of the general public;

(4) The designation of a school director as clerk or as both clerk and purchasing agent of a school district;

(5) The employment of any person by a municipality for unskilled day labor at wages not exceeding two hundred dollars in any calendar month. The exception provided in this subsection does not apply to a county with a population of one hundred twenty-five thousand or more, a city with a population of more than one thousand five hundred, an irrigation district encompassing more than fifty thousand acres, or a first-class school district;

(6)(a) The letting of any other contract in which the total amount received under the contract or contracts by the municipal officer or the municipal officer's business does not exceed one thousand five hundred dollars in any calendar month.

(b) However, in the case of a particular officer of a second-class city or town, or a noncharter optional code city, or a member of any county fair board in a county which has not established a county purchasing department pursuant to RCW **36.32.240**, the total amount of such contract or contracts authorized in this subsection (6) may exceed one thousand five hundred dollars in any calendar month but shall not exceed eighteen thousand dollars in any calendar year.

(c)(i) In the case of a particular officer of a rural public hospital district, as defined in RCW **70.44.460**, the total amount of such contract or contracts authorized in this subsection (6) may exceed one thousand five hundred dollars in any calendar month, but shall not exceed twenty-four thousand dollars in any calendar year.

(ii) At the beginning of each calendar year, beginning with the 2006 calendar year, the legislative authority of the rural public hospital district shall increase the calendar year limitation described in this subsection (6)(c) by an amount equal to the dollar amount for the previous calendar year multiplied by the change in the consumer price index as of the close of the twelve-month period ending December 31st of that previous calendar year. If the new dollar amount established under this subsection is not a multiple of ten dollars, the increase shall be rounded to the next lowest multiple of ten dollars. As used in this subsection, "consumer price index" means the consumer price index compiled by the bureau of labor statistics, United States department of labor for the state of Washington. If the bureau of labor statistics develops more than one consumer price index for areas within the state, the index covering the greatest number of people, covering areas exclusively within the boundaries of the state, and including all items shall be used.

(d) The exceptions provided in this subsection (6) do not apply to:

(i) A sale or lease by the municipality as the seller or lessor;

(ii) The letting of any contract by a county with a population of one hundred twenty-five thousand or more, a city with a population of ten thousand or more, or an irrigation district encompassing more than fifty thousand acres; or

(iii) Contracts for legal services, except for reimbursement of expenditures.

(e) The municipality shall maintain a list of all contracts that are awarded under this subsection (6). The list must be made available for public inspection and copying;

(7) The leasing by a port district as lessor of port district property to a municipal officer or to a contracting party in which a municipal officer may be beneficially interested, if in addition to all other legal requirements, a board of three disinterested appraisers and the superior court in the county where the property is situated finds that all terms and conditions of such lease are fair to the port district and are in the public interest. The appraisers must be appointed from members of the American Institute of Real Estate Appraisers by the presiding judge of the superior court;

(8) The letting of any employment contract for the driving of a school bus in a second-class school district if the terms of such contract are commensurate with the pay plan or collective bargaining agreement operating in the district;

(9) The letting of an employment contract as a substitute teacher or substitute educational aide to an officer of a second-class school district that has two hundred or fewer full-time equivalent students, if the terms of the contract are commensurate with the pay plan or collective bargaining agreement operating in the district and the board of directors has found, consistent with the written policy under RCW **28A.330.240**, that there is a shortage of substitute teachers in the school district;

(10) The letting of any employment contract to the spouse of an officer of a school district, when such contract is solely for employment as a substitute teacher for the school

district. This exception applies only if the terms of the contract are commensurate with the pay plan or collective bargaining agreement applicable to all district employees and the board of directors has found, consistent with the written policy under RCW **28A.330.240**, that there is a shortage of substitute teachers in the school district;

(11) The letting of any employment contract to the spouse of an officer of a school district if the spouse was under contract as a certificated or classified employee with the school district before the date in which the officer assumes office and the terms of the contract are commensurate with the pay plan or collective bargaining agreement operating in the district. However, in a second-class school district that has less than two hundred full-time equivalent students enrolled at the start of the school year as defined in *RCW **28A.150.040**, the spouse is not required to be under contract as a certificated or classified employee before the date on which the officer assumes office;

(12) The authorization, approval, or ratification of any employment contract with the spouse of a public hospital district commissioner if: (a) The spouse was employed by the public hospital district before the date the commissioner was initially elected; (b) the terms of the contract are commensurate with the pay plan or collective bargaining agreement operating in the district for similar employees; (c) the interest of the commissioner is disclosed to the board of commissioners and noted in the official minutes or similar records of the public hospital district prior to the letting or continuation of the contract; and (d) and the commissioner does not vote on the authorization, approval, or ratification of the contract or any conditions in the contract.

A municipal officer may not vote in the authorization, approval, or ratification of a contract in which he or she is beneficially interested even though one of the exemptions allowing the awarding of such a contract applies. The interest of the municipal officer must be disclosed to the governing body of the municipality and noted in the official minutes or similar records of the municipality before the formation of the contract.

[**2007 c 298 § 1**; **2006 c 121 § 1**; **2005 c 114 § 1**; **1999 c 261 § 2**; **1997 c 98 § 1**; **1996 c 246 § 1**. Prior: **1994 c 81 § 77**; **1994 c 20 § 1**; **1993 c 308 § 1**; **1991 c 363 § 120**; **1990 c 33 § 573**; **1989 c 263 § 1**; **1983 1st ex.s. c 44 § 1**; prior: **1980 c 39 § 1**; **1979 ex.s. c 4 § 1**; **1971 ex.s. c 242 § 1**; **1961 c 268 § 4**.]

NOTES:

***Reviser's note:** RCW **28A.150.040** was repealed by 2009 c 548 § 710, effective September 1, 2011.

Findings—Intent—1999 c 261: "The legislature finds that:

(1) The current statutes pertaining to municipal officers' beneficial interest in contracts are quite confusing and have resulted in some inadvertent violations of the law.

(2) The dollar thresholds for many of the exemptions have not been changed in over thirty-five years, and the restrictions apply to the total amount of the contract instead of the portion of the contract that pertains to the business operated by the municipal officer.

(3) The confusion existing over these current statutes discourages some municipalities from accessing some efficiencies available to them.

Therefore, it is the intent of the legislature to clarify the statutes pertaining to municipal officers and contracts and to enact reasonable protections against inappropriate conflicts of interest." [**1999 c 261 § 1**.]

Purpose—Captions not law—1991 c 363: See notes following RCW **2.32.180**.

Purpose—Statutory references—Severability—1990 c 33: See RCW **28A.900.100** through **28A.900.102**.

Severability—1989 c 263: "If any provision of this act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [**1989 c 263 § 3**.]

Severability—1980 c 39: "If any provision of this amendatory act or its application to any person or circumstance is held invalid, the remainder of the act or the application of the provision to other persons or circumstances is not affected." [**1980 c 39 § 3**.]

RCW 42.23.040

Remote interests.

A municipal officer is not interested in a contract, within the meaning of RCW **42.23.030**, if the officer has only a remote interest in the contract and the extent of the interest is disclosed to the governing body of the municipality of which the officer is an officer and noted in the official minutes or similar records of the municipality prior to the formation of the contract, and thereafter the governing body authorizes, approves, or ratifies the contract in good faith by a vote of its membership sufficient for the purpose without counting the vote or votes of the officer having the remote interest. As used in this section "remote interest" means:

(1) That of a nonsalaried officer of a nonprofit corporation;

(2) That of an employee or agent of a contracting party where the compensation of such employee or agent consists entirely of fixed wages or salary;

(3) That of a landlord or tenant of a contracting party;

(4) That of a holder of less than one percent of the shares of a corporation or cooperative which is a contracting party.

None of the provisions of this section are applicable to any officer interested in a contract, even if the officer's interest is only remote, if the officer influences or attempts to influence any other officer of the municipality of which he or she is an officer to enter into the contract.

[**1999 c 261 § 3; 1961 c 268 § 5.**]

NOTES:

Findings—Intent—1999 c 261: See note following RCW **42.23.030**.

RCW 42.23.050

Prohibited contracts void—Penalties for violation of chapter.

Any contract made in violation of the provisions of this chapter is void and the performance thereof, in full or in part, by a contracting party shall not be the basis of any claim against the municipality. Any officer violating the provisions of this chapter is liable to the municipality of which he or she is an officer for a penalty in the amount of five hundred dollars, in addition to such other civil or criminal liability or penalty as may otherwise be imposed upon the officer by law.

In addition to all other penalties, civil or criminal, the violation by any officer of the provisions of this chapter may be grounds for forfeiture of his or her office.

[1999 c 261 § 4; 1961 c 268 § 6.]

NOTES:

Findings—Intent—1999 c 261: See note following RCW **42.23.030**.

RCW 42.23.060

Local charter controls chapter.

If any provision of this chapter conflicts with any provision of a city or county charter, or with any provision of a city-county charter, the charter shall control if it contains stricter requirements than this chapter. The provisions of this chapter shall be considered as minimum standards to be enforced by municipalities.

[1999 c 261 § 5; 1961 c 268 § 16.]

NOTES:

Findings—Intent—1999 c 261: See note following RCW **42.23.030**.

RCW 42.23.070

Prohibited acts.

(1) No municipal officer may use his or her position to secure special privileges or exemptions for himself, herself, or others.

(2) No municipal officer may, directly or indirectly, give or receive or agree to receive any compensation, gift, reward, or gratuity from a source except the employing municipality, for a matter connected with or related to the officer's services as such an officer unless otherwise provided for by law.

(3) No municipal officer may accept employment or engage in business or professional

activity that the officer might reasonably expect would require or induce him or her by reason of his or her official position to disclose confidential information acquired by reason of his or her official position.

(4) No municipal officer may disclose confidential information gained by reason of the officer's position, nor may the officer otherwise use such information for his or her personal gain or benefit.

[1994 c 154 § 121.]

NOTES:

Effective date—1994 c 154: See RCW **42.52.904**.

RCW 42.23.900

Construction—Chapter applicable to state registered domestic partnerships—2009 c 521.

For the purposes of this chapter, the terms spouse, marriage, marital, husband, wife, widow, widower, next of kin, and family shall be interpreted as applying equally to state registered domestic partnerships or individuals in state registered domestic partnerships as well as to marital relationships and married persons, and references to dissolution of marriage shall apply equally to state registered domestic partnerships that have been terminated, dissolved, or invalidated, to the extent that such interpretation does not conflict with federal law. Where necessary to implement chapter 521, Laws of 2009, gender-specific terms such as husband and wife used in any statute, rule, or other law shall be construed to be gender neutral, and applicable to individuals in state registered domestic partnerships.

[2009 c 521 § 104.]

From Chris Lantz

City employees including (Council members, law enforcement, Fire and Safety, Park and Rec. or any other job that has a City of Selah Representation are Cautioned too!

~~1. Perform official capacity~~

1.A. Not Give a political view or agenda when on duty in Uniformed capacity or involved in official business w/public.

B. when operating any vehicle of City of Selah that may represent any listed departments or capacities.

C. Introduce oneself under their official title, City Works, law enforcement, clerk ie, City position when representing (one selfs views or opinions politically).

This is a suggestion of representation of one self as a City of Selah Reperesentative at any level. This does not prohibit any view one may have potilitically or realigiously to support, boycott or uphold ones beliefs in a personal capacity.

If one is found to be using an official capacity or ~~introducting~~ introduction, During or after such views or statements actions may follow at Supervisors or Mayors discretion.

1. Verbal Warning or review of report made
2. Second offense 30 probationary period
3. If reoccurrence in 30 day period a suspension of duties may follow after review.

From Kevin Wickenhagen

Desires any Code of Conduct to apply only to elected officials and to appointed officials (but not, by contrast, to all employees). Would also be okay with any Code of Conduct applying only to the City Administrator position.

City of Belmont

Code of Ethics and Conduct
For
Elected and Appointed Officials

"Always do right. This will gratify some people and astonish the rest."

-- Mark Twain

Adopted June 10, 2014 by Resolution No. 2014-095
Amended February 11, 2016 by Resolution No. 2016-019
Amended February 2, 2017 by Resolution No. 2017-008

Policy Purpose

The Belmont City Council adopts this Code of Ethics and Conduct to assure that all elected and appointed officials, while exercising their office, conduct themselves in a manner that will instill public confidence and trust in the fair operation and integrity of Belmont's City government.

A. ETHICS

The citizens and businesses of Belmont are entitled to have fair, ethical and accountable local government. To this end, the public should have full confidence that their elected and appointed officials:

- Comply with both the letter and spirit of the laws and policies affecting the operations of government;
- Are independent, impartial and fair in their judgment and actions;
- Use their public office for the public good, not for personal gain; and
- Conduct public deliberations and processes openly, unless required by law to be confidential, in an atmosphere of respect and civility.

Therefore, members of the City Council, City Treasurer, and City Clerk and of all Boards, Committees and Commissions shall conduct themselves in accordance with the following ethical standards:

1. **Act in the Public Interest.** Recognizing that stewardship of the public interest must be their primary concern, members will work for the common good of the people of Belmont and not for any private or personal interest, and they will assure fair and equal treatment of all persons, claims and transactions coming before them.

2. **Comply with both the spirit and the letter of the Law and City Policy.** Members shall comply with the laws of the nation, the State of California and the City of Belmont in the performance of their public duties.

3. **Conduct of Members.** The professional and personal conduct of members while exercising their office must be above reproach and avoid even the appearance of impropriety. Members shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of other members of Council, Boards, Committees and Commissions, the staff or public.

4. **Respect for Process.** Members shall perform their duties in accordance with the processes and rules of order established by the City Council.

5. **Conduct at Public Meetings**. Members shall prepare themselves for public issues; listen courteously and attentively to all public discussions before the body; and focus on the business at hand.

6. **Decisions Based on Merit.** Members shall base their decisions on the merits and substance of the matter at hand, rather than on unrelated considerations. When making adjudicative decisions (those decisions where the member is called upon to determine and apply facts peculiar to an individual case), members shall maintain an open mind until the conclusion of the hearing on the matter and shall base their decisions on the facts presented at the hearing and the law.

For ease of reference the term "member" refers to any member of the Belmont City Council, City Treasurer, City Clerk or City Boards, Committees and Commissions established by City ordinance or Council policy.

7. **Communication.** For adjudicative matters pending before the body, members shall refrain from receiving information outside of an open public meeting or the agenda materials, except on advice of the City Attorney. Members shall publicly disclose substantive information that is relevant to a matter under consideration by the body which they may have received from sources outside of the public decision-making process.

8. **Conflict of Interest.** In order to assure their independence and impartiality on behalf of the common good and compliance with conflict of interest laws, members shall use their best efforts to refrain from creating an appearance of impropriety in their actions and decisions. Members shall not use their official positions to influence government decisions in which they have (a) a material financial interest, (b) an organizational responsibility or personal relationship which may give the appearance of a conflict of interest, or (c) a strong personal bias.

   A member who has a potential conflict of interest regarding a particular decision shall disclose the matter to the City Attorney and reasonably cooperate with the City Attorney to analyze the potential conflict. If advised by the City Attorney to seek advice from the Fair Political Practices Commission (FPPC) or other appropriate state agency, a member shall not participate in a decision unless and until he or she has requested and received advice allowing the member to participate. A member shall diligently pursue obtaining such advice. The member shall provide the Mayor and the City Attorney a copy of any written request or advice, and conform his or her participation to the advice given. In providing assistance to members, the City Attorney represents the City and not individual members.

   In accordance with the law, members shall disclose investments, interests in real property, sources of income, and gifts; and if they have a conflict of interest regarding a particular decision, shall not, once the conflict is ascertained, participate in the decision and shall not discuss or comment on the matter in any way to any person including other members unless otherwise permitted by law.

9. **Gifts and Favors.** Members shall not take any special advantage of services or opportunities for personal gain, by virtue of their public office that is not available to the public in general. They shall refrain from accepting any gifts, favors or promises of future benefits which might compromise their independence of judgment or action or give the appearance of being compromised.

10. **Confidential Information.** Members must maintain the confidentiality of all written materials and verbal information provided to members which is confidential or privileged. Members shall neither disclose confidential information without proper legal authorization, nor use such information to advance their personal, financial or other private interests.

11. **Use of Public Resources.** Members shall not use public resources which are not available to the public in general (e.g., City staff time, equipment, supplies or facilities) for private gain or for personal purposes not otherwise authorized by law.

12. **Representation of Private Interests.** In keeping with their role as stewards of the public interest, members of Council shall not appear on behalf of the private interests of third parties before the Council or any Board, Committee, Commission or proceeding of the City, nor shall members of Boards, Committees and Commissions appear before their own bodies or before the

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Council on behalf of the private interests of third parties on matters related to the areas of service of their bodies.

13. **Advocacy.** Members shall represent the official policies or positions of the City Council, Board, Committee or Commission to the best of their ability when designated as delegates for this purpose. When presenting their individual opinions and positions, members shall explicitly state they do not represent their body or the City of Belmont, nor will they allow the inference that they do. Councilmembers and Board, Committee and Commission members have the right to endorse candidates for all Council seats or other elected offices. It is inappropriate to mention or display endorsements during Council meetings, or Board, Committee and Commission meetings, or other official City meetings.

14. **Policy Role of Members.** Members shall respect and adhere to the council-manager structure of Belmont City government as outlined in the Belmont City Code. In this structure, the City Council determines the policies of the City with the advice, information and analysis provided by City staff, Boards, Committees and Commissions, and the public. Except as provided by the City Code, members shall not interfere with the administrative functions of the City or the professional duties of City staff; nor shall they impair the ability of staff to implement Council policy decisions.

15. **Independence of Boards, Committees and Commissions**. Because of the value of the independent advice of Boards, Committees and Commissions to the public decision-making process, members of Council shall refrain from using their position to unduly influence the deliberations or outcomes of Board, Committee and Commission proceedings.

16. **Positive Work Place Environment.** Members shall support the maintenance of a positive and constructive work place environment for City employees and for citizens and businesses dealing with the City. Members shall recognize their special role in dealings with City employees to in no way create the perception of inappropriate direction to staff.

B. CONDUCT GUIDELINES

The Conduct Guidelines are designed to describe the manner in which elected and appointed officials should treat one another, City staff, constituents, and others they come into contact with while representing the City of Belmont.

1. Elected and Appointed Officials' Conduct with Each Other in Public Meetings

Elected and appointed officials are individuals with a wide variety of backgrounds, personalities, values, opinions, and goals. Despite this diversity, all have chosen to serve in public office in order to preserve and protect the present and the future of the community. In all cases, this common goal should be acknowledged even though individuals may not agree on every issue.

(a) *Honor the role of the chair in maintaining order*
It is the responsibility of the chair to keep the comments of members on track during public meetings. Members should honor efforts by the chair to focus discussion on current agenda items. If there is disagreement about the agenda or the chair's actions, those objections should be voiced politely and with reason, following procedures outlined in parliamentary procedure.

For ease of reference the term "member" refers to any member of the Belmont City Council, City Treasurer, City Clerk or City Boards, Committees and Commissions established by City ordinance or Council policy.

(b) *Practice civility and decorum in discussions and debate*
Difficult questions, tough challenges to a particular point of view, and criticism of ideas and information are legitimate elements of debate by a free democracy in action. Free debate does not require nor justify, however, public officials to make belligerent, personal, impertinent, slanderous, threatening, abusive, or disparaging comments.

(c) *Avoid personal comments that could offend other members*
If a member is personally offended by the remarks of another member, the offended member should make notes of the actual words used and call for a "point of personal privilege" that challenges the other member to justify or apologize for the language used. The chair will maintain control of this discussion.

(d) *Demonstrate effective problem-solving approaches*
Members have a public stage and have the responsibility to show how individuals with disparate points of view can find common ground and seek a compromise that benefits the community as a whole.

2. Elected and Appointed Officials' Conduct with the Public in Public Meetings

Making the public feel welcome is an important part of the democratic process. No signs of partiality, prejudice or disrespect should be evident on the part of individual members toward an individual participating in a public forum. Every effort should be made to be fair and impartial in listening to public testimony.

(a) *Be welcoming to speakers and treat them with care and gentleness.*
While questions of clarification may be asked, the official's primary role during public testimony is to listen.

(b) *Be fair and equitable in allocating public hearing time to individual speakers.*
The chair will determine and announce limits on speakers at the start of the public hearing process.

(c) *Practice active listening*
It is disconcerting to speakers to have members not look at them when they are speaking. It is fine to look down at documents or to make notes, but reading for a long period of time or gazing around the room gives the appearance of disinterest. Members shall try to be conscious of facial expressions, and avoid those that could be interpreted as "smirking," disbelief, anger or boredom.

(d) *Maintain an open mind*
Members of the public deserve an opportunity to influence the thinking of elected and appointed officials.

(e) *Ask for clarification, but avoid debate and argument with the public*
Only the chair – not individual members – can interrupt a speaker during a presentation. However, a member can ask the chair for a point of order if the speaker is off the topic or exhibiting behavior or language the member finds disturbing.

For ease of reference the term "member" refers to any member of the Belmont City Council, City Treasurer, City Clerk or City Boards, Committees and Commissions established by City ordinance or Council policy.

3. Elected and Appointed Officials' Conduct with City Staff

Governance of a City relies on the cooperative efforts of elected officials, who set policy, appointed officials who advise the elected, and City staff who implement and administer the Council's policies. Therefore, every effort should be made to be cooperative and show mutual respect for the contributions made by each individual for the good of the community.

(a) *Treat all staff as professionals*
Clear, honest communication that respects the abilities, experience, and dignity of each individual is expected. Poor behavior towards staff is not acceptable.

(b) *Do not disrupt City staff from their jobs*
Elected and appointed officials should not disrupt City staff while they are in meetings, on the phone, or engrossed in performing their job functions in order to have their individual needs met. Do not attend City staff meetings unless requested by staff – even if the elected or appointed official does not say anything, his or her presence implies support, shows partiality, may intimidate staff, and hampers staff's ability to do their job objectively.

(c) *Never publicly criticize an individual employee*
Elected and appointed officials should never express concerns about the performance of a City employee in public, to the employee directly, or to the employee's manager. Comments about staff performance should only be made to the City Manager through private correspondence or conversation. Appointed officials should make their comments regarding staff to the City Manager or the Mayor.

(d) *Do not get involved in administrative functions*
Elected and appointed officials acting in their individual capacity must not attempt to influence City staff on the making of appointments, awarding o f contracts, selecting of consultants, processing of development applications, or granting of City licenses and permits.

(e) *Do not solicit political support from staff*
Elected and appointed officials should not solicit any type of political support (financial contributions, display of posters or lawn signs, name on support list, etc.) from City staff. City staff may, as private citizens with constitutional rights, support political candidates but all such activities must be done away from the workplace.

(f) *No Attorney-Client Relationship*
Members shall not seek to establish an attorney-client relationship with the City Attorney, including his or her staff and attorneys contracted to work on behalf of the City. The City Attorney represents the City and not individual members. Members who consult with the City Attorney cannot enjoy or establish an attorney-client relationship with the attorney.

4. Council Conduct with Boards, Committees and Commissions

The City has established several Boards, Committees and Commissions as a means of gathering more community input. Citizens who serve on Boards, Committees and Commissions become more involved in government and serve as advisors to the City Council. They are a valuable resource to the City's leadership and should be treated with appreciation and respect.

For ease of reference the term "member" refers to any member of the Belmont City Council, City Treasurer, City Clerk or City Boards, Committees and Commissions established by City ordinance or Council policy.

(a) *If attending a Board, Committee or Commission meeting, be careful to only express personal opinions*
Councilmembers may attend any Board, Committee or Commission meeting, which are always open to any member of the public. However, they should be sensitive to the way their participation – especially if it is on behalf of an individual, business or developer – could be viewed as unfairly affecting the process. Any public comments by a Councilmember at a Board, Committee or Commission meeting should be clearly made as individual opinion and not a representation of the feelings of the entire City Council.

(b) *Limit contact with Board, Committee and Commission members to questions of clarification*
It is inappropriate for a Councilmember to contact a Board, Committee or Commission member to lobby on behalf of an individual, business, or developer, and vice versa. It is acceptable for Councilmembers to contact Board, Committee or Commission members in order to clarify a position taken by the Board, Committee or Commission.

(c) *Respect that Boards, Committees and Commissions serve the community, not individual Councilmembers*
The City Council appoints individuals to serve on Boards, Committees and Commissions, and it is the responsibility of Boards, Committees and Commissions to follow policy established by the Council. But Board, Committee and Commission members do not report to individual Councilmembers, nor should Councilmembers feel they have the power or right to threaten Board, Committee and Commission members with removal if they disagree about an issue. Appointment and re-appointment to a Board, Committee or Commission should be based on such criteria as expertise, ability to work with staff and the public, and commitment to fulfilling official duties. A Board, Committee or Commission appointment should not be used as a political "reward."

(d) *Be respectful of diverse opinions*
A primary role of Boards, Committees and Commissions is to represent many points of view in the community and to provide the Council with advice based on a full spectrum of concerns and perspectives. Councilmembers may have a closer working relationship with some individuals serving on Boards, Committees and Commissions, but must be fair and respectful of all citizens serving on Boards, Committees and Commissions.

(e) *Keep political support away from public forums*
Board, Committee and Commission members may offer political support to a Councilmember, but not in a public forum while conducting official duties. Conversely, Councilmembers may support Board, Committee and Commission members who are running for office, but not in an official forum in their capacity as a Councilmember.

C. SANCTIONS

(a) *Acknowledgement of Code of Ethics and Conduct*
Councilmembers who do not sign an acknowledgement that they have read and understand the Code of Ethics and Conduct shall be ineligible for intergovernmental assignments or Council subcommittees. Board, Committee and Commission members who do not sign an acknowledgement that they have read and understand the Code of Ethics and Conduct are not eligible to hold office.

For ease of reference the term "member" refers to any member of the Belmont City Council, City Treasurer, City Clerk or City Boards, Committees and Commissions established by City ordinance or Council policy.

(b) *Ethics Training for Local Officials*

Councilmembers, City Treasurer, City Clerk, Board, Committee and Commission Members who are out of compliance with State or City mandated requirements for ethics training shall not represent the City on intergovernmental assignments or Council subcommittees, and may be subject to sanctions.

(c) *Behavior and Conduct*

The Belmont Code of Ethics and Conduct expresses standards of ethical conduct expected for members of the Belmont City Council, Boards, Committees and Commissions. Members themselves have the primary responsibility to assure that ethical standards are understood and met, and that the public can continue to have full confidence in the integrity of government. The chairs of Boards, Committees and Commissions and the Mayor and Council have the additional responsibility to intervene when actions of members that appear to be in violation of the Code of Ethics and Conduct are brought to their attention.

Councilmembers:

Councilmembers who intentionally and repeatedly do not follow proper conduct may be reprimanded or formally censured by the Council, lose seniority or committee assignments (both within the City of Belmont and with intergovernmental agencies) or other privileges afforded by the Council. Serious infractions of the Code of Ethics or Code of Conduct could lead to other sanctions as deemed appropriate by the Council.

Individual Councilmembers should point out to the offending Councilmember perceived infractions of the Code of Ethics and Conduct. If the offenses continue, then the matter should be referred to the Mayor in private. If the Mayor is the individual whose actions are being questioned, then the matter should be referred to the Vice Mayor. It is the responsibility of the Mayor (or Vice Mayor) to initiate action if a Councilmember's behavior may warrant sanction. If no action is taken by the Mayor (or Vice Mayor), then the alleged violation(s) can be brought up with the full Council.

Board, Committee and Commission Members:

Counseling, verbal reprimands and written warnings may be administered by the Mayor to Board, Committee and Commission members failing to comply with City policy. These lower levels of sanctions shall be kept private to the degree allowed by law. Copies of all written reprimands administered by the Mayor shall be distributed in memo format to the chair of the respective Board, Committee or Commission, the City Clerk, the City Attorney, the City Manager, and the City Council.

The City Council may impose sanctions on Board, Committee and Commission members whose conduct does not comply with the City's policies, up to and including removal from office. Any form of discipline imposed by Council shall be determined by a majority vote of at least a quorum of the Council at a noticed public meeting and such action shall be preceded by a Report to Council with supporting documentation.

When deemed warranted, the Mayor or majority of Council may call for an investigation of Board, Committee or Commission member conduct. Also, should the City Manager or City Attorney believe an investigation is warranted, they shall confer with the Mayor or Council. The Mayor or Council shall ask the City Manager or the City Attorney to investigate the

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allegation and report the findings.

These sanctions are alternatives to any other remedy that might otherwise be available to remedy conduct that violates this code or state or federal law. In order to protect and preserve good government, any individual including the City Manager and the City Attorney after complying with Rule 3-600(B) of the State Bar Rules of Professional Conduct, who knows or reasonably believes a member acts or intends or refuses to act in a manner that is or may be a violation of law reasonably imputable to the organization, or in a manner which is likely to result in substantial injury to the organization, may report the violation to the appropriate governmental authorities.

D. IMPLEMENTATION

The Code of Ethics and Conduct is intended to be self-enforcing and is an expression of the standards of conduct for members expected by the City. It therefore becomes most effective when members are thoroughly familiar with it and embrace its provisions.

For this reason, this document shall be included in the regular orientations for candidates for City Council, City Treasurer, City Clerk, applicants to Board, Committee and Commissions, and newly elected and appointed officials. Members entering office shall sign a statement (example below) acknowledging they have read and understand the Code of Ethics and Conduct. In addition, the Code of Ethics and Conduct shall be periodically reviewed by the City Council, Boards, Committees and Commissions, and updated it as necessary.

Example:

I affirm that I have read and understand the City of Belmont Code of Ethics and Conduct for Elected and Appointed Officials.

_____ _____

Signature Date

For ease of reference the term "member" refers to any member of the Belmont City Council, City Treasurer, City Clerk or City Boards, Committees and Commissions established by City ordinance or Council policy.

From Russ Carlson

Rob Case

From: Carlson, Russell <russell.carlson@selahwa.gov>
Sent: Friday, July 17, 2020 11:44 AM
To: Rob Case
Cc: Wayman, Donald; Raymond, Sherry; Potter, Andrew
Subject: Code of Conduct Example
Attachments: Personnel Policy.pdf

I thought I sent this already, sorry.

Got this from a google search. I've also attached a portion of personnel policy that I would like considered for the code of conduct.

https://www.nytowns.org/images/Documents/Announcement/sample%20code%20of%20ethics%20for%20municipalities.pdf

https://www.municipalauthorities.org/statement-of-values-code-of-conduct/

https://icma.org/icma-code-ethics

http://www.mercergov.org/page.asp?navid=3233

Best regards,

Russell Carlson
115 West Naches Avenue
Selah, WA 98942
p: 509.698.7328
f: 509.698.7338

(4) is employment with a firm which has contracts with or does business with the City; or
(5) may reasonably be perceived by members of the public as a conflict of interest or otherwise discredits public service.

(b) An employee who chooses to have an additional job, contractual commitment or self-employment, may do so provided he/she obtains prior approval from the Mayor or his designee. Each employee engaged in outside employment shall file a notice of intent to continue such employment prior to December 31 of each year.

8.3 POLITICAL ACTIVITIES

(a) City employees may participate in political or partisan activities of their choosing provided that City resources and property are not utilized, and the activity does not adversely affect the responsibilities of the employees in their positions. Employees may not campaign on City time or in a City uniform or while representing the City in any way. Employees may not allow others to use City facilities or funds for political activities.

(b) Any City employee who meets with or may be observed by the public or otherwise represents the City to the public, while performing his/her regular duties may not wear or display any button, badge or sticker relevant to any candidate or ballot issue during working hours. Employees shall not solicit, on City property or City time, for a partisan political cause contribution.

(c) Except as noted in this policy, City employees are otherwise free to fully exercise their constitutional First Amendments Rights.

8.4 TOBACCO USE POLICY

For health and safety considerations, the City prohibits tobacco use by employees in all City facilities, including City-owned buildings, vehicles, and offices or other facilities rented or leased by the City, including individual employee offices.

8.5 USE OF CITY VEHICLES AND EQUIPMENT

Use of City phones for local personal phone calls should be kept to a minimum; long distance personal use is prohibited. Other City equipment, including vehicles, should be used by employees for City business only. An employee's misuse of City services, telephones, vehicles, equipment or supplies can result in disciplinary action including termination.

8.6 BULLETIN BOARDS

Information of special interest to all employees is posted regularly on the City bulletin boards. Employees may not post any information on these bulletin boards without the authorization of the mayor or his designee.

SAMPLE CODE OF ETHICS FOR MUNICIPALITIES Outline of Provisions 1

1. Conflicts of Interest

No official 2

2. Appearance of Impropriety

may take action that provides a financial or other personal benefit to the official, relatives (define), customers, clients, an employer, or a person who has made campaign contributions to the official within a 12 month period.

An official must avoid circumstances that compromise his ability to make decisions solely in the public interest or create an appearance of impropriety.

Note: Although sections 1 and 2 are included in most codes of ethics, they require consideration of specific facts and circumstances. This is the role of a board of ethics, which can engage in fact-finding and issue an advisory opinion. 3. Recusal

An official must recuse himself when faced with the above conflicts.

Recusal Defined

Recusal means that the official may not deliberate, vote or participate in any way in that matter. The official should disclose his conflict and remove him or herself from the board. He should not provide input regarding the matter from the audience in his capacity as a member of the public.

4. Town Property and Resources

1 This is a bare-bones sample that requires definitions and elaboration of some provisions. It is intended only as a guide. 2 "Official" includes officers and employees.

No employee may use town-owned property, assets or any resources for personal purposes or profit or to benefit any person. Use of these resources is restricted to the conduct of official business, for the benefit of all residents and to further an authorized public purpose.

5. Nepotism

Spouses and other family members of the municipal official may not serve in positions whose duties conflict or appear to conflict within the duties of the official. They may not serve on a commission, board or body of which the official is a member.

6. Gifts

An official may not solicit any gift nor may he receive any gift, whether financial or in any other form from any person who is doing or seeking to do business of any kind with the town including applications for permits or approvals; has done business with the town during the last (fill in) months; or from a lobbyist representing a person before a town agency. An official may not solicit or receive any gift or payment as a reward for exercise of official duties. Generally, an official may not receive or solicit any gift, creating the appearance that his official duties may be influenced or that his responsibility to make impartial decisions solely in the public interest is compromised.

* Gift must be defined, for example, to exclude gifts from family members; attendance at local

social events such as holiday festivities; benefits available to the general public; functions that officials routinely attend, such as chamber of commerce events; and an event or activity fulfilling a public purpose.

7. Private Employment

An official shall not solicit, negotiate for or commit to accept private employment from any person doing business with or having any matter pending with the town.

8. Representation

An official shall not appear on behalf of, or represent a person in any matter before a municipal agency except on his own behalf.

9. Confidential Information

An official or former official may not disclose confidential information or use it to further his or another persons private interests or in any way utilize the information for non-public purposes.

10. Subordinates

No official shall solicit political contributions from subordinates or request that they attend political functions or engage in any political activity.

11. Revolving Door

No official who has left municipal service shall appear before or receive compensation in a matter before his former agency for a period of 1 year after departure. He is permanently barred from appearing or receiving compensation regarding a matter he was personally involved in as a town official.

12. Incompatible Positions – Judicial Standards

An official is prohibited from:

a. Holding more than one position with the town when one is subordinate to the other

b. Holding more than one position with the town when the duties of the positions conflict

13. Board of Ethics

(Specify procedure for seeking advisory opinions or making complaints with the board of ethics.)

14. Training

Each municipal official annually shall receive training concerning the requirements of the code of ethics and the procedure for seeking an opinion or investigation by the board of ethics. Copies of the code and amendments to the code shall be provided to all officials.

SAMPLE CODE OF ETHICS FOR MUNICIPALITIES Outline of Provisions 1

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No official 2

2. Appearance of Impropriety

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Code of Conduct:

STARBUCKS:

https://globalassets.starbucks.com/assets/eecd184d6d2141d58966319744393d1f.pdf

FACEBOOK:

https://investor.fb.com/corporate-governance/code-of-conduct/default.aspx

MICROSOFT:

https://query.prod.cms.rt.microsoft.com/cms/api/am/binary/RW83DQ

UNILEVER:

https://www.unilever.com/Images/code-of-business-principles-and-code-policies_tcm244-409220_en.pdf

TOYOTA:

https://www.toyota-global.com/pages/contents/company/vision_philosophy/pdf/code_of_conduct.pdf

GE:

http://dsg.files.app.content.prod.s3.amazonaws.com/gesustainability/wp-content/uploads/2016/12/18205334/16-0020_GE_SPIRIT_LETTER-2_r10v3_11x8.5_PRINT_ENGLISH.pdf

FORD:

https://corporate.ford.com/microsites/sustainability-report-2020/putting-people-first.html

ASTRAZENECA:

https://www.astrazeneca.com/content/dam/az/our-company/Documents/Code-in-English.pdf

Website than assists companies create Codes of Ethics and Conduct:

Very good examples and information.

https://www.betterteam.com/code-of-ethics-and-professional-conduct

TEMPLATE FOR CODE:

https://www.shrm.org/ResourcesAndTools/tools-and-samples/policies/Documents/Code%20of%20Ethics%20and%20Business%20Conduct.docx

https://www.shrm.org/resourcesandtools/tools-and-samples/policies/pages/code-of-ethics-conduct-policy.aspx

ETHICS RESOURCES FOR EMPLOYERS:

There is a good portion about Social Media Rants and public behavior here:
https://sprigghr.com/blog/hr-professionals/6-ethical-issues-in-business-and-what-to-do-about-them/

ETHICS VS MORAL CHARACTER, WHAT EMPLOYERS CAN AND CANT DO:

https://www.eskill.com/blog/morality-ethics-in-workplace/

WORKPLACE ETHICS TRAINING WEBSITE:

https://skillpath.com/onsite/course/ethics-training-for-the-workplace

MULTIPLE WASHINGTON STATE MUNICIPALITIES EXISTING POLICIES

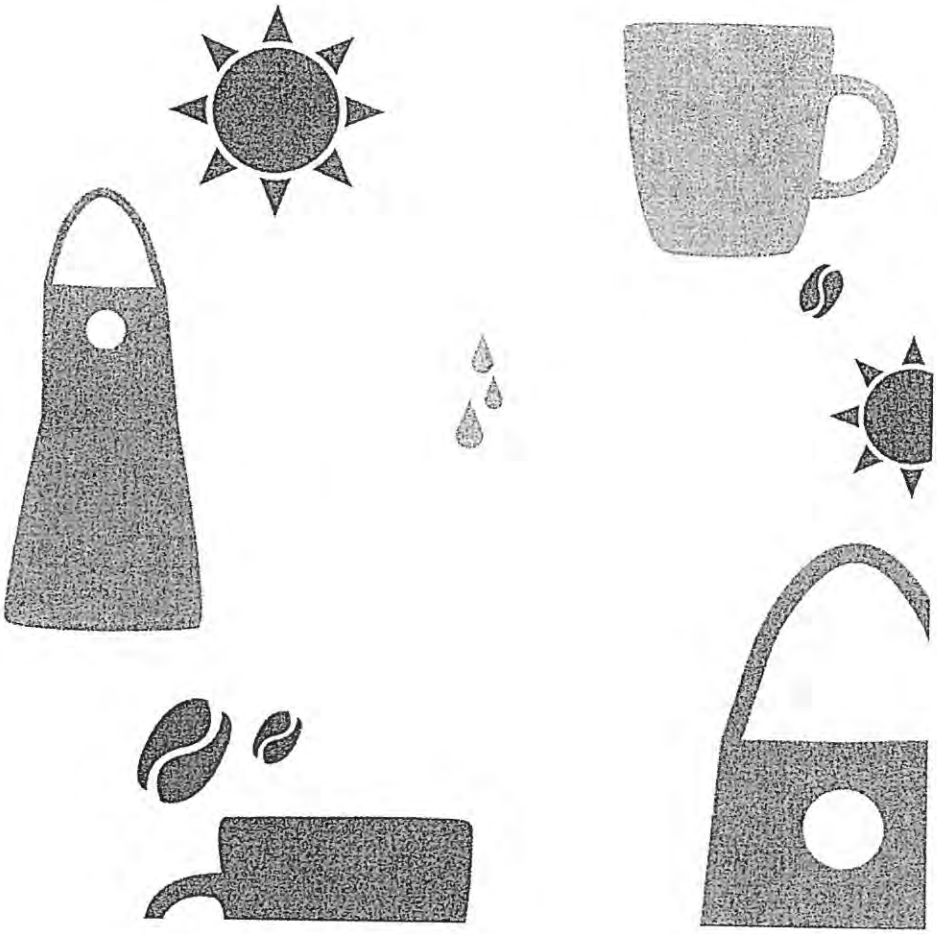
"This page provides examples of ethics codes that have been adopted by cities, counties, and special purpose districts in Washington State, highlighting common ethics and conflict of interest concerns":

http://mrsc.org/Home/Explore-Topics/Personnel/Local-Rules-and-Policies/Codes-of-Ethics.aspx

Business Ethics and Compliance

Standards of Business Conduct

STARBUCKS



Dear Fellow Partner:

Starbucks is the premier roaster and retailer of specialty coffee in the world and has become a truly global brand. From the beginning, we have recognized that you, our partners, are critical to our continued success. Starbucks reputation for the finest coffee in the world, legendary customer service and the highest integrity is the direct result of our collective efforts. We are all caretakers of Starbucks reputation. How we conduct our business and how we treat others—our fellow partners, customers, communities, suppliers and shareholders—will continue to determine how the world views Starbucks.

> "Starbucks reputation for the finest coffee in the world, legendary customer service and the highest integrity is the direct result of our collective efforts."

Each of us is personally responsible for supporting our core values, which require compliance with the law as well as ethical conduct. We have issued the *Standards of Business Conduct* to restate our longstanding commitment to uphold that responsibility and to provide guidance to our partners.

As we move forward, the *Standards* will help ensure that our values continue to be reflected in each Starbucks store and business activity. A commitment to integrity, acting honestly and ethically, and complying with the letter and intent of the law are critical to our continued success.

Thank you for your partnership.

Warm regards,

Howard Schultz
chairman, president and
chief executive officer

Our Starbucks Mission

To inspire and nurture the human spirit—one person, one cup, and one neighborhood at a time.

Here are the principles of how we live that every day:

Our Coffee

It has always been, and will always be, about quality. We're passionate about ethically sourcing the finest coffee beans, roasting them with great care, and improving the lives of people who grow them. We care deeply about all of this, our work is never done.

Our Partners

We're called partners, because it's not just a job, it's our passion. Together, we embrace diversity to create a place where each of us can be ourselves. We always treat each other with respect and dignity. And we hold each other to that standard.

Our Customers

When we are fully engaged, we connect with, laugh with, and uplift the lives of our customers—even if just for a few moments. Sure, it starts with the promise of a perfectly made beverage, but our work goes far beyond that. It's really about human connection.

Our Stores

When our customers feel this sense of belonging, our stores become a haven, a break from the worries outside, a place where you can meet with friends. It's about enjoyment at the speed of life—sometimes slow and savored, sometimes faster. Always full of humanity.

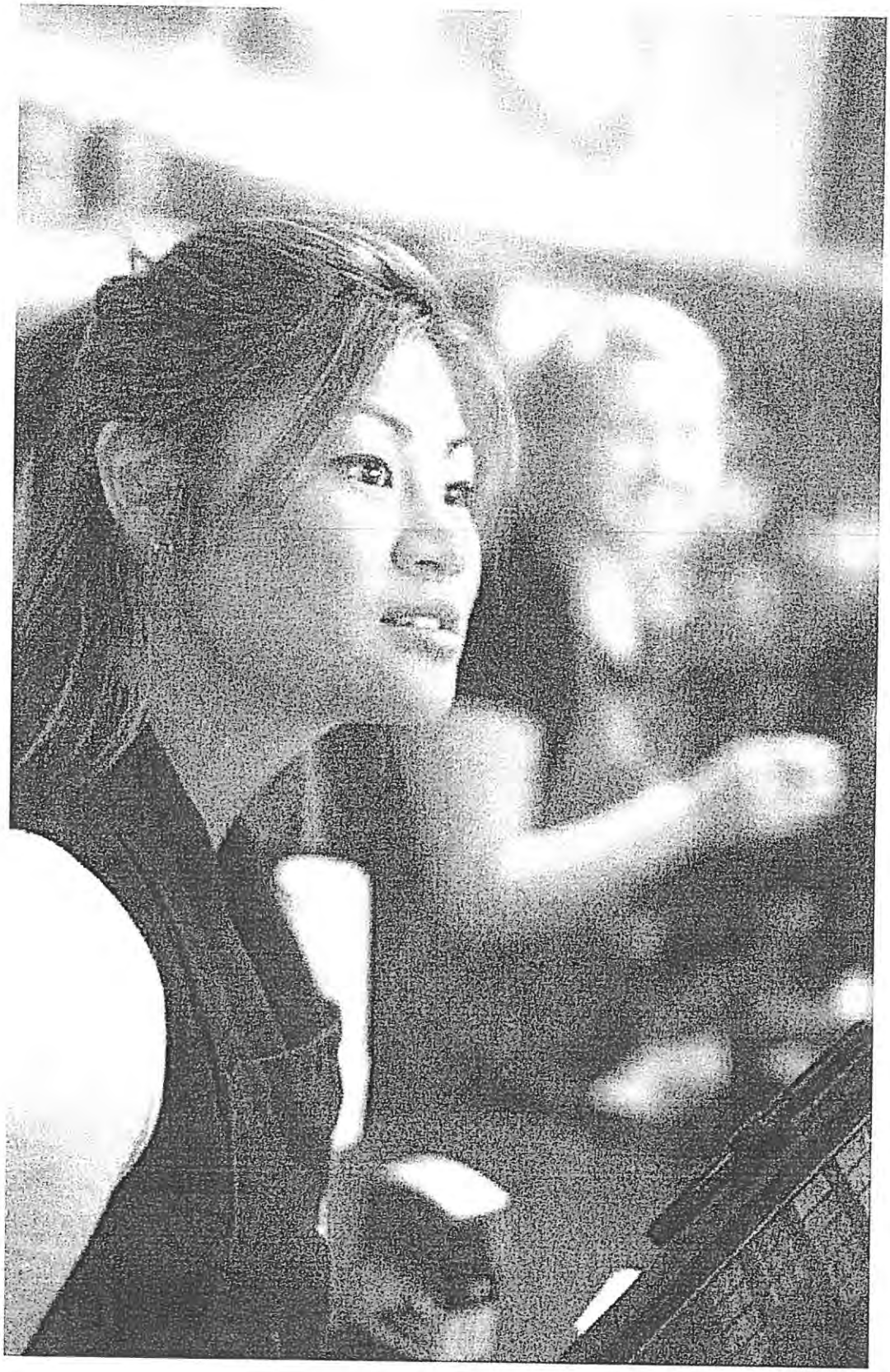
Our Neighborhood

Every store is part of a community, and we take our responsibility to be good neighbors seriously. We want to be invited in wherever we do business. We can be a force for positive action—bringing together our partners, customers, and the community to contribute every day. Now we see that our responsibility—and our potential for good—is even larger. The world is looking to Starbucks to set the new standard, yet again. We will lead.

Our Shareholders

We know that as we deliver in each of these areas, we enjoy the kind of success that rewards our shareholders. We are fully accountable to get each of these elements right so that Starbucks—and everyone it touches—can endure and thrive.

Onward



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About the Standards of Business Conduct

Starbucks empowers all partners to make decisions that impact our reputation.

Individual actions at work shape how the world views Starbucks, which is why it's so important that we each take responsibility for Our Starbucks Mission and acting ethically in all situations.

The *Standards of Business Conduct* support the Global Business Ethics Policy and provide an overview of some of the legal and ethical standards we are each expected to follow every day. If you are unsure of what to do in a situation, you have support. Speak with your manager, Partner Resources or Business Ethics and Compliance about your concerns.

Please read the *Standards* carefully at work. If you have any questions, refer to the "Asking for Guidance and Voicing Concerns" section of this booklet.

This information is available in accessible formats.

Contact diversity@starbucks.com for more information.

Asking for Guidance and Voicing Concerns

Starbucks core values require compliance with the law, as well as ethical conduct. If you feel these standards have not been met, need access to policies, or have any questions, please ask for guidance or voice your concerns by contacting any of the following resources:

- Your manager or skip-level manager
- Your Partner Resources representative
- Business Ethics and Compliance

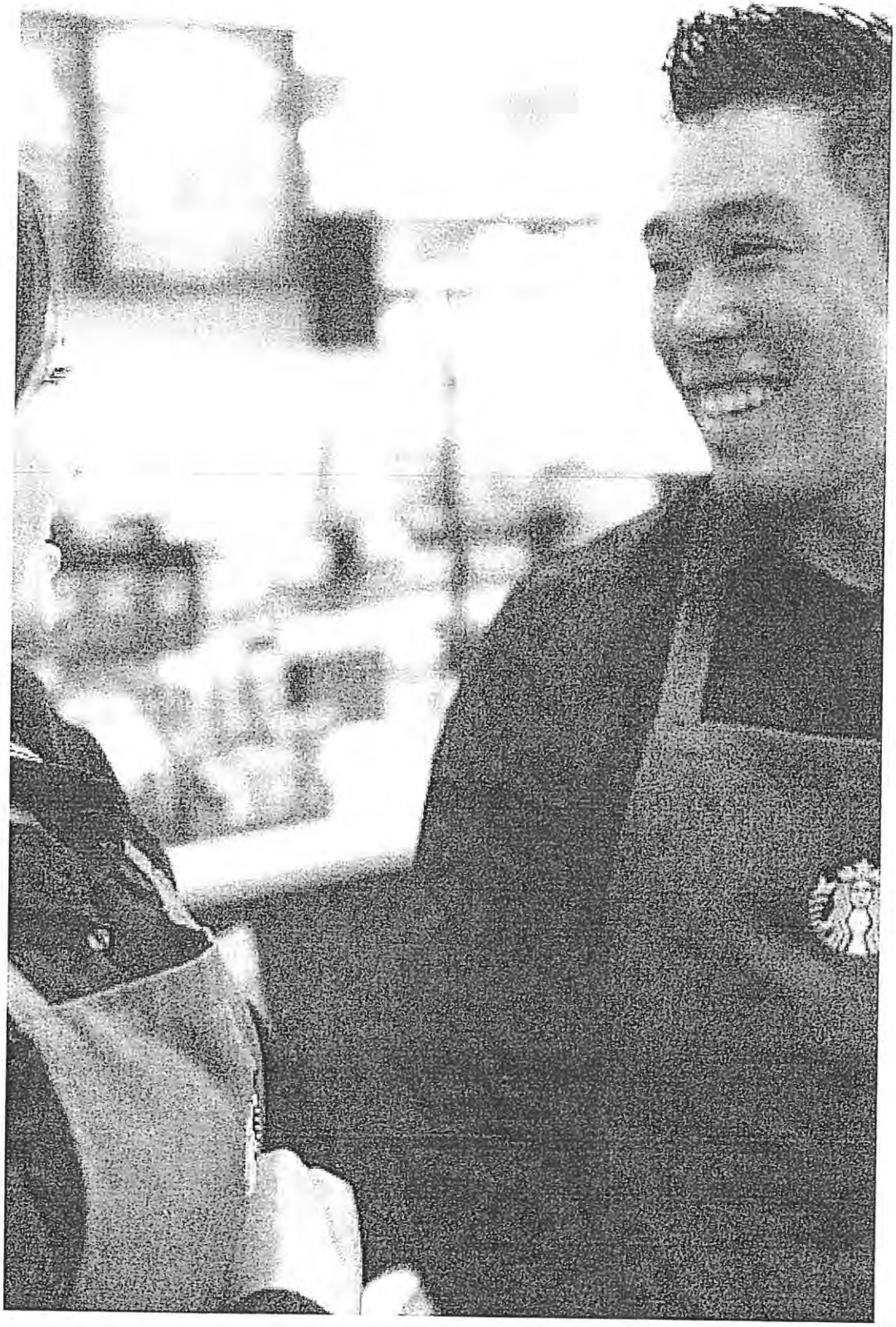
Please use one of the methods below to reach Business Ethics and Compliance. (See "Contact Information" on back inside cover for details.)

The Ethics and Compliance Helpline is a free phone number, which you may use to ask questions or raise concerns. The Helpline is available 24 hours a day, seven days a week, and an interpreter can be made available upon request.

The Ethics and Compliance Webline is an online tool that serves as another way for partners to ask for guidance or voice concerns.

Your concerns will be taken seriously, and all information provided to the Helpline or Webline will be treated in a confidential manner. Please be aware that information provided to Business Ethics and Compliance is directed to the United States. Every reasonable effort will be made to protect the security of any personal data collected and to avoid unauthorized use or disclosure of such data. Questions or concerns may be submitted to the Helpline or Webline anonymously.

Anti-Retaliation Policy: Starbucks does not tolerate retaliation against or the victimization of any partner who raises concerns or questions regarding a potential violation of the *Standards of Business Conduct* or any Starbucks policy that he or she reasonably believes to have occurred.



Workplace Environment

How We Treat One Another

Consistent with Starbucks Global Human Rights Standard, Starbucks promotes equal opportunity in its hiring practices, makes recruiting decisions based solely on job-related criteria and does not use forced labor. When employing partners under the age of 18, managers must comply with all Starbucks-established or legally required limitations on minimum hiring age, and on hours and tasks performed by these partners to ensure any work performed does not hamper the partner's education, health, safety, and mental or physical development.

For further information, refer to the Global Human Rights Standard, which can be obtained by contacting Business Ethics and Compliance.

At Starbucks we treat each other with respect and dignity. This means that all partners are entitled to work in an environment that is free of harassment, bullying and discrimination.

Harassment, bullying and discrimination take many forms, including:

- Unwelcome remarks, gestures or physical contact
- The display or circulation of offensive, derogatory or sexually explicit pictures or other materials, including by email and on the Internet
- Offensive or derogatory jokes or comments (explicit or by innuendo)
- Verbal or physical abuse or threats

Q: **One of my co-workers emailed an inappropriate joke to me and some teammates. I find it offensive, but I don't know if I should approach my co-worker with my concern. What should I do?**

A: We each have an obligation to ensure that Starbucks is a great place to work for all partners, and offensive behavior such as this is not acceptable. If you feel uncomfortable speaking with your co-worker directly, contact your manager, Partner Resources or Business Ethics and Compliance.

How We Treat Our Customers

Legendary customer service is a top priority at Starbucks. We strive to make every customer's experience pleasant and fulfilling, and we treat our customers as we treat one another, with respect and dignity. This means, for example, that we never harass or discriminate against our customers.

> "We treat our customers as we treat one another, with respect and dignity."

Diversity

Starbucks actively creates and promotes an environment that is inclusive of all people and their unique abilities, strengths and differences, and promotes diversity as a strategic and competitive business advantage for the company.

> "We respect diversity in each other, our customers and suppliers and all others with whom we interact."

As we continue to grow, embracing diversity in every aspect of our business—from the way we work together to the way we procure goods and services—is vital to our long-term success. We respect diversity in each other, our customers and suppliers and all others with whom we interact. Our goal is to be one of the most inclusive companies globally, working toward full equity, inclusion and accessibility for those whose lives we touch.

Workplace Health, Safety and Security

Partners are expected to follow all safety rules and practices; cooperate with officials who enforce these rules and practices; take necessary steps to protect themselves and other partners; attend required safety training; and report immediately all accidents, injuries and unsafe practices or conditions.

In order to enhance workplace security, you should be familiar with and follow any work safety information and training provided to you.

Q: Our work safety standards far exceed what is required by law where I work and our competitors only follow local requirements. Shouldn't we do the same?

A: No. We must adhere to our company safety policies. Starbucks is committed to providing partners with a safe and secure environment everywhere we operate, even if this means we exceed local requirements.

Starbucks Quality and Customer Protection

Starbucks commitment to quality means that we take steps to protect our customers' health and safety. You can play your part by following all proper procedures relating to the storage, handling, preparation and service of Starbucks® coffee and other products; by working to ensure clean, sanitary and safe conditions in all of our facilities; and by continually exploring ways to maintain and improve Starbucks quality standards and practices.

Please notify your manager immediately if you become aware of anything that suggests that a product, process or situation may pose a danger to health or safety. Starbucks has established procedures for such situations, and your manager is aware of the appropriate steps to take.

Substance Abuse and Weapons

Starbucks has strict standards regarding substance abuse and weapons. Partners are not permitted to use or possess alcoholic beverages on company property, except where alcohol is specifically permitted at a Starbucks-sponsored social event. An exception applies if your job involves the sale of alcohol, but in that case, you may not consume the alcohol and must participate in any special training required for that business.

You also may not use or possess illegal drugs or controlled substances on Starbucks property or while you are engaged in any job-related activity. Partners may not report to work under the influence of alcohol, illegal drugs or controlled substances.

Partners may not have or possess any weapon while in a Starbucks store, plant or on other Starbucks property. Starbucks takes its rules regarding workplace health, safety and security very seriously. It is essential that you understand and follow them, together with any more detailed guidance provided to you.

Wage and Hour Rules

Starbucks is committed to following all applicable wage and hour laws and regulations. To help ensure that all work performed for Starbucks is compensated correctly, partners compensated on the basis of hours worked must report and record time accurately in accordance with established local procedure.

Q: Lately my store has been very busy and it has been hard to find time to do routine cleaning. At this morning's store meeting, our manager told everyone that if they don't complete their tasks before they punch out they will have to stay "off the clock" to do so. Is it okay for our manager to ask this of us?

A: No. Working off the clock is strictly prohibited by Starbucks. Starbucks is committed to ensuring that all partners are accurately compensated for all work performed. Any requests to work off the clock must be reported to Partner Resources or Business Ethics and Compliance.

Business Practices

Compliance with Laws and Regulations

Starbucks is committed to full compliance with the laws, rules and regulations of the countries in which it operates. You must comply with all applicable laws, rules and regulations when performing your duties.

When you think a conflict exists between the *Standards* and an applicable law, rule or regulation, or if you have a question concerning the legality of your or other partners' conduct, you should consult with your manager or another party described in the "Asking for Guidance and Voicing Concerns" section of this booklet.

International Business

Starbucks is committed to the highest ethical standards in all business transactions. Partners must follow all applicable laws, rules and regulations when conducting Starbucks business.

> "Starbucks will be accurate and truthful in representing business transactions to government agencies."

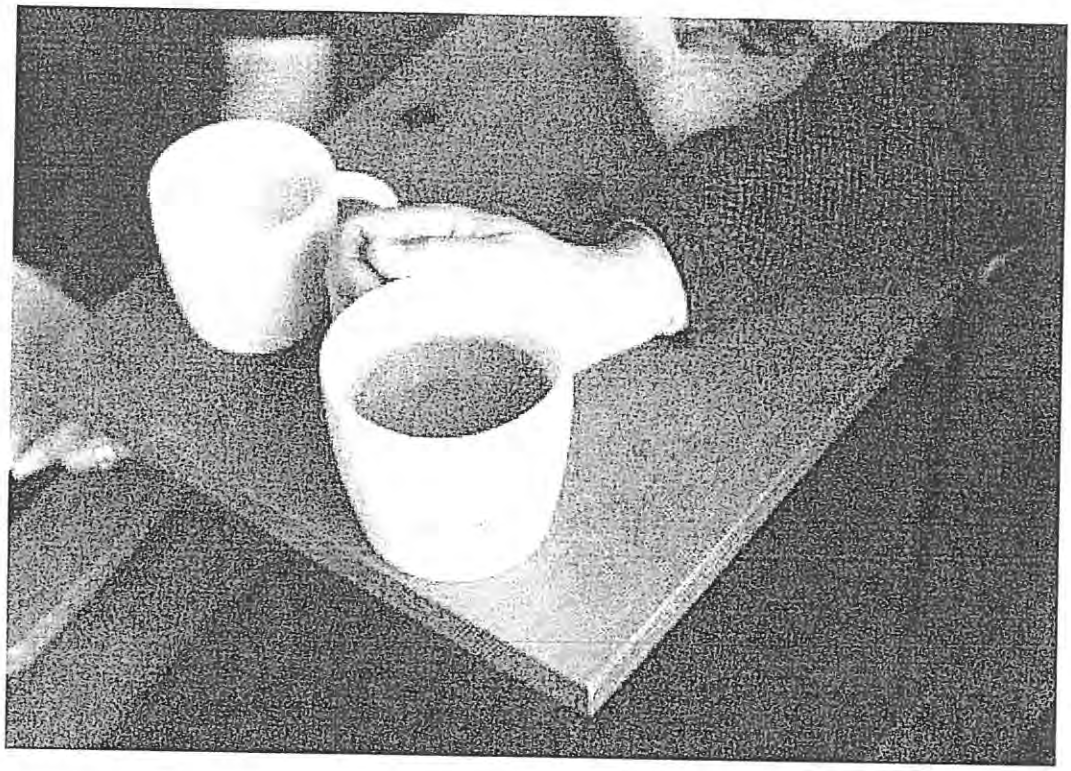
Payments made to any foreign agent or government official must be lawful under the laws of the United States and the foreign country. Payments by or on behalf of Starbucks to foreign agents or government officials should always be strictly for services rendered and should be reasonable in amount given the nature of those services. Under no circumstances may a partner make payments in violation of the law or to induce government officials to do business with Starbucks.

Partners must comply with all local and foreign laws regarding customs and trade. Starbucks will be accurate and truthful in representing business transactions to government agencies. All information that a partner furnishes to any customs official or to any agent hired by Starbucks to facilitate imports and exports must be accurate and truthful. If you conduct business internationally on behalf of Starbucks, please make sure you have a thorough understanding of these laws and know enough about any third parties doing business in Starbucks name to ensure they are making appropriate decisions on our behalf.

Starbucks partners at no time are permitted to influence the outcome of any business decision by exchanging bribes or kickbacks of any kind.

Interaction with the Government

Starbucks is committed to complying with local laws, regulations and codes and to working fairly and honestly with government officials and others in our communities. In doing so, our actions must meet high ethical and legal standards. It is against Starbucks policy (and may be a breach of law) to offer or make a payment or gift of any kind in order to facilitate a local process or to influence a local government official.



"Partners must be truthful and straightforward in their dealings with the government."

If you are contacted by a government or regulatory representative and asked to provide information or submit to an inspection, you should inform your manager immediately. Your manager will take appropriate actions or contact the appropriate department for guidance.

Starbucks policy is to deal honestly and fairly with government authorities and to comply with valid governmental requests and processes. Partners must be truthful and straightforward in their dealings with the government and may not direct or encourage another partner or anyone else to provide false or misleading information to any government official or representative. Partners must not direct or encourage anyone to destroy records relevant to an investigation.

Q: We use an agent to facilitate relations with local government officials. Recently he asked us to increase his commission, and I suspect he wishes to pass this money on to the local officials. What should I do?

A: If you suspect that the agent is making illegal payments on Starbucks behalf, the company is under an obligation to investigate whether this is the case and to halt any such payments. You should report your suspicions to your manager or Business Ethics and Compliance.

Starbucks commitment to working fairly and honestly with the government includes all interactions with government officials.

Certain partners will be notified and trained on a regular basis for the purposes of compliance with relevant federal laws, including those regarding lobbying disclosure, anti-bribery and anti-corruption.

Sales Practices and Advertising

Starbucks competes on the merits of our products and services in all sales and advertising. Our communications with our customers or potential customers must be truthful and accurate. When we say something about our products and services, we must be able to substantiate it. We sell the quality of what we do; we do not disparage our competitors.

Fair Competition

Fair competition laws are intended to promote vigorous competition in a free market. It is in Starbucks best interest to promote free and open competition. Starbucks must make its own business decisions, free from understandings or agreements with competitors or suppliers that restrict competition. We consider compliance with these laws of vital importance.

When conducting Starbucks business, all partners must:

- Not discuss pricing, production or markets with competitors
- Not set resale prices with customers or suppliers
- Always present Starbucks services and products in a manner consistent with our core values
- Not induce a third party to breach an existing agreement
- Never act in a manner that could be seen as an attempt to exclude present or potential competitors or to control market prices

Q: I am going to a trade show. May I go to a competitor's booth?

A: Yes. You may go to the booth and collect any publicly distributed material. However, if you talk to anyone at the booth, identity yourself as a Starbucks partner, and avoid conversations about business. If you have any questions, a good practice is to consult Law & Corporate Affairs for guidance before you attend.

Q: A salesperson for a competitor and I are friends. Occasionally we talk about marketing plans. Should I be concerned?

A: Yes. You are revealing confidential information that Starbucks has invested time and money to develop. You also may be violating competition laws that ban discussions of marketing and pricing.

Conflicts of Interest

We all must avoid conflicts of interest. A conflict of interest exists when a personal interest or activity interferes or appears to interfere with the duties that you perform at, or owe to, Starbucks. A conflict of interest may unconsciously influence even the most ethical person and the mere appearance of a conflict may cause a partner's acts or integrity to be questioned.

In addition to annual disclosure, potential conflicts of interest must be disclosed to the partner's manager or the vice president in charge of the partner's department or business unit, who will contact the chief ethics and compliance officer (CECO). If the partner prefers, disclosure can be made directly to the CECO via Business Ethics and Compliance.

Q: I have a relative I'd like to hire to do some work at Starbucks. Since it's a legitimate project that needs to be done, and my relative is trained to do this type of work, is it okay if I hire her?

A: Although the work is legitimate, this situation creates the appearance of a conflict. The circumstances of this situation should be raised with Business Ethics and Compliance so that an independent review can be done prior to committing to a contract. This will help protect you, your relative and Starbucks if the relationship ever comes into question.

Some examples of situations in which conflicts of interest may arise:

- Being employed by or operating a firm, including consulting, that does or desires to do business with Starbucks or that competes with Starbucks (for example, working in a competitor's coffee shop)
- Making a substantial direct investment in such a firm (by you or a member of your immediate family)
- Acting on behalf of anyone besides Starbucks in any transaction with Starbucks (for example, helping someone sell products and/or services to Starbucks)
- Engaging personally in transactions in which Starbucks has an interest

Gifts and Entertainment

A gift or favor should not be accepted or given if it might create a sense of obligation, compromise your professional judgment or create the appearance of doing so. In deciding whether a gift is appropriate, you should consider its value and whether public disclosure of the gift would embarrass you or Starbucks.

"Giving or accepting valuable gifts or entertainment might be construed as an improper attempt to influence the relationship."

A gift of money should never be given or accepted. (Some retail partners, however, may accept customary tips for service well done.) As a general rule, partners should limit gifts to or from any one vendor or business associate to US $75 per year. A gift of nominal value may be given or accepted if it is a common business courtesy, such as coffee samples, a coffee cup, pens or a similar token.

However, during traditional gift-giving seasons in areas where it is customary to exchange gifts of money, such as China, Japan, Malaysia, Singapore and Thailand, partners should not solicit but may exchange cash with nongovernmental business associates in nominal amounts up to the equivalent of US $20.

Trading items of value with other businesses, including shops and restaurants, is strictly prohibited.

You may not encourage or solicit meals or entertainment from anyone with whom Starbucks does business or from anyone who desires to do business with Starbucks. Giving or accepting valuable gifts or entertainment might be construed as an improper attempt to influence the relationship.

Q: May I accept a business meal from a supplier?

A: In most circumstances, modest and infrequent business meals may be accepted. However, whenever a supplier pays for a meal, always consider the specific circumstances and whether your impartiality could be compromised or appear to others to be compromised. If the meal is offered during contract negotiations, you must always politely decline the invitation. Talk with your manager if you are unsure.

Partners may offer or accept meals and entertainment if they are reasonable and customary, appropriate, occur infrequently and are not expensive. Please consult the travel and/or expense guidelines for your business unit or department for additional guidance.

Starbucks prohibits offering, giving, soliciting or receiving any form of bribe or inducement. There are serious penalties for engaging in this conduct.

Q: A vendor I work with just finished an important project for me on time and under budget. I would like to show my appreciation with a gift. What is appropriate?

A: When we give gifts, we set the tone for how we conduct business—purely on business considerations. Keep this in mind when selecting a gift for a vendor. As a general rule, partners should limit gifts to or from any one vendor or business associate to US $75 per year. Also take into consideration their company's gifts and entertainment policy. Just as we want others to respect our standards, we want to be mindful of theirs.

Securities

As a partner, you may become aware of significant and confidential information about Starbucks business, often called "material non-public information." Partners may not buy or sell stock (including by cashless exercise of stock options) or any other security on the basis of this information. In order to avoid any potential problems, you should interpret the term "material non-public information" broadly.

Some examples of material information include:

- Financial information
- The development of new products or services
- A proposed acquisition, joint venture or merger
- Government investigations
- Changes in key personnel

Information is considered to be non-public unless it has been adequately disclosed to the public. Examples of effective disclosure include public filings with securities regulatory authorities and the issuance of company press releases.

There also must be adequate time for the market to digest the information. Starbucks requires that the information must be publicly available for at least one full business day before you may trade in Starbucks securities. Certain executives and partners with regular access to material non-public information also may not trade during the blackout periods established by Starbucks.

Q: My family and friends often ask me about Starbucks and whether they should buy stock. Usually I tell them what I know about our business and suggest they buy stock. Is this a problem?

A: The same rules about inside information apply whether you buy or sell stock yourself or if you give the information to someone else—known as "tipping." If a relative or friend buys or sells stock based on non-public information that you give him or her, both of you could be liable for violation of securities laws. Furthermore, you could be in violation simply for sharing material non-public information, regardless of whether or not he or she uses it or benefits from it.

For more information, refer to the Insider Trading Policy, which can be obtained by contacting Business Ethics and Compliance.

Intellectual Property and Proprietary Information

Confidential Information

During the course of employment at Starbucks, all partners gain some knowledge and information that is non-public and belongs to Starbucks. Partners are trusted with maintaining the confidentiality of this valuable information.

> "Starbucks information should be used only for company purposes and should not be disclosed to anyone outside of Starbucks."

Confidential information includes things such as supplier information, Starbucks technologies, recipes, formulas, coffee blends, business and marketing plans, internal company communications, and existing and future product information.

Starbucks information should be used only for company purposes and should not be disclosed to anyone outside of Starbucks. Even within the company, only those individuals who truly need to know the information to conduct their business should have access to confidential information. If you leave Starbucks, you must return all company materials and property, and any copies.

Confidential materials should:

- Be stored in a secure place and should not be left out where others can see them
- Be clearly marked as confidential
- Not be sent to unattended fax machines or printers
- Not be discussed where others may hear

Starbucks is committed to being fair in the areas of confidential information and materials. Just as we take care to protect our information, Starbucks respects the information of others.

Here are some basic rules to follow:

- Do not bring any material from prior employers to Starbucks
- Do not accept or use anyone else's confidential information (or agree to maintain anyone's information in confidence)
- Do not solicit confidential information from another company's present or former employees or suppliers

- Do not engage in espionage; be transparent in obtaining information about the marketplace

Q: I am able to get an early start on my day by returning calls during my train ride to work. Is this a problem?

A: You must be careful not to discuss non-public company information in public places where others may overhear you, such as taxis, elevators or at conferences and trade shows. When it is necessary to conduct a telephone call in a public place, be mindful of your surroundings.

Other Intellectual Property

As a partner, the things you create for Starbucks belong to the company. This includes inventions, discoveries, ideas, improvements, software programs, artwork and works of authorship. This work product is Starbucks property if it is created or developed, in whole or in part, on company time, as part of your duties or through the use of company resources or information.

Partners must promptly disclose to Starbucks, in writing, any such work product and cooperate with the company's efforts to obtain protection for Starbucks.

To ensure that Starbucks receives the benefit of work done by outside consultants, it is essential that an appropriate written agreement or release be in place before any work begins.

> "Brands are fragile and must be used carefully and protected from misuse."

Remember, too, that our brands, including the Starbucks name, are extremely valuable to Starbucks success. Brands are fragile and must be used carefully and protected from misuse. Consult Starbucks guidelines for proper trademark usage.

When Starbucks uses the work product of others, including art and music, we must also be sure to follow the rules. For example, you should only use software for which you have a valid license and should only use that software in accordance with the terms of the license for that software. Written materials and music may be subject to copyright protection and should be copied only when permitted. Use caution, as not all copyrighted materials bear a notice.

Use and Retention of Company Records

Starbucks Information Management Policy states that partners will manage information in such a way that supports the needs of the business while ensuring efficiency, security and compliance with any legal or regulatory requirements. This policy applies to records maintained in all forms at Starbucks, including paper and electronic.

If you are responsible for preparing or maintaining any Starbucks records, please familiarize yourself with the *Starbucks Records Management Handbook*, the *Starbucks Records Retention Schedule* and specifically the retention periods that

apply to the records you keep. Also remember that there are strict rules relating to the processing and handling of private and secret information. This includes collecting, storing, using, amending, disclosing and destroying information.

- Records must always be prepared accurately and reliably, and stored properly in accordance with the *Starbucks Records Management Handbook* and the *Starbucks Records Retention Schedule*.
- Records must accurately and fairly reflect, within Starbucks normal accounting and reporting systems, all required transactions and other events.
- There cannot be any unrecorded company funds, assets or any other type of "off the books" accounts, no matter what the reason for such accounts.

You must not knowingly destroy or discard information that is subject to a legal hold. Records relevant to a legal action cannot be destroyed or discarded and must be preserved. If Starbucks receives a subpoena (or other form of legal order), a request for records or other legal papers, or if we have reason to believe that such a request or demand is likely, the company policy is to retain all information that is relevant to the matter.

> "There are strict rules relating to the processing and handling of private and secret information."

Books and Records

All partners must ensure the accuracy and integrity of Starbucks corporate records. This includes reliability and accuracy of books and records, as well as honesty in disclosures and in providing information.

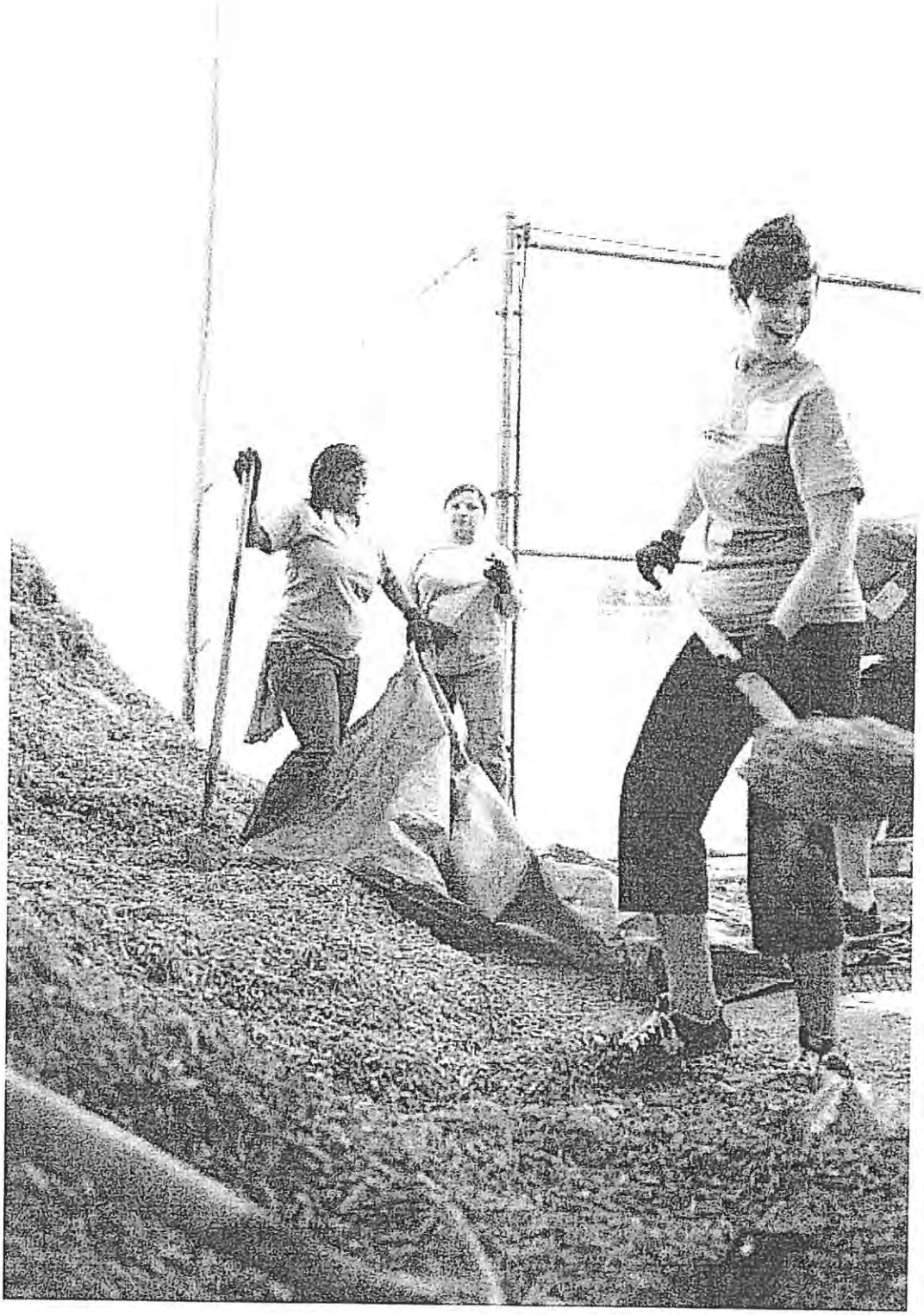
The books of account, financial statements and records of Starbucks should be maintained in accordance with the requirements of law and generally accepted accounting principles. All of Starbucks assets and liabilities should be properly recorded in its books.

Costs and revenues must be recorded in the right time periods. The sale has not officially been completed until there is evidence of a sales agreement, the title has passed, and the sales price can be determined and is reasonably collectible. Until then, it would be a misrepresentation to record it.

Financial Accounting, Internal Controls and Auditing Matters

Concerns regarding accounting, internal accounting controls or auditing matters should be promptly reported through the Ethics and Compliance Helpline or Webline, described in the "Asking for Guidance and Voicing Concerns" section of this booklet. Reports may be made anonymously and will be treated in a confidential manner.

Depending on how they are classified, reports of this nature will be routed to Business Ethics and Compliance, the chief ethics and compliance officer or the general counsel in Starbucks U.S. head office, the Audit and Compliance Committee of the Board of Directors or the presiding independent director of the Board.



Community Involvement

Environmental Mission Statement

Starbucks is committed to a role of environmental leadership in all facets of our business.

We fulfill this mission by a commitment to:

- Understanding environmental issues and sharing information with our partners
- Developing innovative and flexible solutions to bring about change
- Striving to buy, sell and use environmentally friendly products
- Recognizing that fiscal responsibility is essential to our environmental future
- Instilling environmental responsibility as a corporate value
- Measuring and monitoring our progress for each project
- Encouraging all partners to share in our mission

Environmental Commitment

All partners should seek ways to proactively address the environmental impacts of our operations and incorporate the principles of the environmental mission statement into their work. At a minimum, we all must ensure that Starbucks business practices and activities comply with the letter and intent of the law and all company policies.

Starbucks understands that environmental responsibility is necessary if we hope to preserve our world for generations to come. Our commitment to contribute positively to the environment is of the utmost importance to our company. We elaborated further on this commitment in 1992 when we adopted our environmental mission statement, which guides our approach to minimizing our environmental footprint. Starbucks has continuously evolved and expanded our definition of environmental responsibility and what it means to be an environmental leader.

Personal Activities

Starbucks understands the need for balance between work, personal and family life, and we encourage partners to be involved in their communities. However, partners should not impose their personal beliefs or opinions on other partners or represent their personal opinions as those of Starbucks.

You may keep your personal activities outside of the workplace confidential, but always keep in mind that you are a representative of Starbucks. Your conduct can affect perceptions of the Starbucks brand and service.

Political Activities

Political activities must be conducted on your own time and using your own resources. You must not promote any political or personal views or beliefs (including by posting or distributing notices or other materials) on or around Starbucks premises, and you may not indicate or suggest that you speak for Starbucks or that the company supports your views.

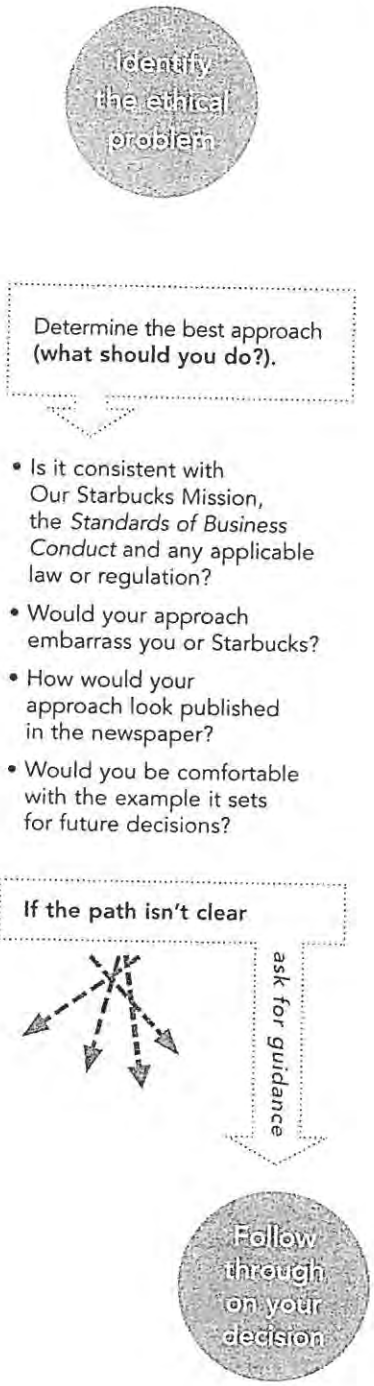
Public Relations

All information disclosed outside of the company must be accurate, complete and consistent, and disseminated in accordance with Starbucks policies. We all represent Starbucks; if someone asks you for information (for example, the media or investors), be sure to notify your manager or department head about the request. They will contact the appropriate party to ensure that the correct procedure is followed. Please do not attempt to answer these questions yourself.

The standards and policies stated herein are not all the applicable Starbucks standards and policies nor are they a comprehensive or complete explanation of the laws that are applicable to Starbucks and its partners in any particular country. All Starbucks partners have a continuing obligation to familiarize themselves with applicable laws relating to their job responsibilities and all Starbucks policies. Breach of these standards, Starbucks policies or the law may give rise to disciplinary action up to, and including, dismissal.

The standards and policies discussed herein may be amended from time to time. Partners should access the *Standards of Business Conduct* posted at www.starbucks.com for the most current version.

Ethical Decision-Making Framework



You Are Empowered

You can deliver great customer experiences, knowing that Starbucks supports you in doing the right thing and conducting business with integrity.

You Have Responsibility

You play a critical role in ensuring that Starbucks is a great work environment and in protecting our culture, our reputation and our brand.

You Have Help

If you are unsure of what to do in a situation, you have resources available to you, including Partner Resources, the *Standards of Business Conduct* and Business Ethics and Compliance.

You Have a Voice

When you believe something isn't right, you can speak up and share your concerns, knowing that Starbucks wants to hear them and does not tolerate retaliation against partners.

Frequently Asked Questions

Q: What is Starbucks Business Ethics and Compliance?

A: Starbucks Business Ethics and Compliance, which includes Starbucks Policy Office, is a program that supports Our Starbucks Mission and helps protect our culture and our reputation by providing resources that help partners make ethical decisions at work.

Q: What are Starbucks *Standards of Business Conduct*?

A: The *Standards of Business Conduct* is a resource distributed to all partners to help them make appropriate decisions at work. The *Standards* are a brief statement of some of the company's expectations of how we are all to conduct Starbucks business.

Q: What am I expected to do with the *Standards of Business Conduct*?

A: Read the *Standards* carefully at work and make sure that you understand them. If you have any questions or concerns, ask your local Partner Resources representative or contact Business Ethics and Compliance via the contact information listed on the back inside cover of this booklet.

Q: What is Starbucks Ethics and Compliance Helpline?

A: The Ethics and Compliance Helpline is a free phone number for reporting issues or raising concerns that involve ethics, legal issues or potential violations of Starbucks policy, including the *Standards of Business Conduct* and our core values. No charges will apply to the call, and it is answered live, by a third party, 24 hours a day, seven days a week.

Q: May I call the Helpline if I am not fluent in English?

A: Yes. A live interpreter can be made available upon request.

Q: What happens when a call is placed to the Helpline?

A: Calls to the Helpline are answered by a third party outside of Starbucks. Trained specialists speak with callers regarding their questions or concerns and then forward a report to a Business Ethics and Compliance partner who works with the appropriate party or department for investigation and any appropriate action.

Q: May I call the Helpline anonymously?

A: Yes. You will be given a unique report number, which will allow you to call the Helpline again and anonymously check on the status of your report. Calls to the Helpline are not traced and are handled in a confidential manner. We encourage callers to provide their names and contact numbers because calls in which the caller does not provide those details can be more difficult to investigate.

Starbucks cannot guarantee your anonymity if you identify yourself or give information from which you can be identified, but the company will take every reasonable precaution to assure that the identity of a caller remains as confidential as possible.

Q: What is the Ethics and Compliance Webline and how does it differ from the Helpline?

A: The Ethics and Compliance Webline is a tool that serves as another way for partners to ask for guidance or to voice concerns. As with the Helpline, concerns may be submitted anonymously and will be treated in a confidential manner.

Q: Can I be retaliated against or victimized for using the Helpline or Webline?

A: Starbucks does not tolerate retaliation against or the victimization of any partner who raises concerns or questions regarding a potential violation of Starbucks policy that he or she reasonably believes to have occurred.

Q: How do the Helpline and Webline fit with Partner Resources and my local policies and procedures, including my local grievance procedure?

A: Business Ethics and Compliance works with appropriate local partners to investigate and resolve concerns reported to the Helpline or Webline. In addition to your manager and Partner Resources representative, they are additional ways for partners to speak up.

Q: Who is my contact for more information or to obtain policies?

A: Contact your local Partner Resources representative or Business Ethics and Compliance via the Helpline, Webline or email.

Contact Information

Starbucks Business Ethics and Compliance provides information and resources that support ethical business practices. If you have a compliance, legal or ethics concern, please contact your manager, Partner Resources or Business Ethics and Compliance.

Ethics and Compliance Helpline

Australia	1-800-45-4956 or 1-800-15-4867
Brazil	0800-892-1655
Canada–English	1-800-611-7792
Canada–French	1-866-614-0760
Chile	1230-020-5460
China–North	10-800-711-0718
China–South	10-800-110-0661
Costa Rica	0800-011-0928
France	0-800-91-5128
Germany	0-800-182-2581
Hong Kong	800-90-8032
Netherlands	0-800-022-2214
Puerto Rico	1-800-611-7792
Republic of Ireland	1-800-55-8618
Singapore	800-110-1584
Switzerland	0-800-56-1170
Thailand	001-800-11-005-7967
United Kingdom	0-800-028-3528
United States	1-800-611-7792

Areas That Do Not Yet Have a Local Helpline Number

To place a free call to the Helpline or as a backup for numbers above, please contact your local operator and ask to place a "reverse charge" or "collect" call to the United States, number 678-250-7560. If you would like to place your call anonymously, please say "Miss Starbucks" or "Mister Starbucks" when the operator requests your name.

Ethics and Compliance Webline

https://BusinessConduct.EAWebline.com

Email

EthicsAndCompliance@Starbucks.com

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Code of Conduct

1. Introduction

Employees of Facebook, Inc., or any of its affiliates or subsidiaries ("Facebook"), and others performing work for Facebook or on its behalf, collectively referred to in this code as "Facebook Personnel", are expected to act lawfully, honestly, ethically, and in the best interests of the company while performing duties on behalf of Facebook. This code provides some guidelines for business conduct required of Facebook Personnel. Persons who are unsure whether their conduct or the conduct of other Facebook Personnel complies with this code should contact their manager, another Facebook manager, Human Resources, or the Legal Department. This code applies to all Facebook Personnel, including members of the Board of Directors (in connection with their work for Facebook), officers, and employees of Facebook, Inc. and its corporate affiliates, as well as contingent workers (e.g., agency workers, contractors and consultants) and others working on Facebook's behalf. This code is subject to change and may be amended, supplemented, or superseded by one or more separate policies.

If any part of this code conflicts with local laws or regulations, only the sections of this code permitted by applicable laws and regulations will apply. Any policies that are specifically applicable to your jurisdiction will take precedence to the extent they conflict with this code.

2. Conflicts of Interest

Facebook Personnel are expected to use their judgment to act, at all times and in all ways, in the best interests of Facebook while performing their job duties. As such, Facebook Personnel should attempt to avoid actual or apparent conflicts of interest. A conflict of interest exists when your personal interests interfere with the best interests of Facebook. For example, a conflict of interest may occur when you or a family member receive a personal benefit as a result of your position with Facebook. Similarly, you may not use your position at Facebook to request personal benefits for yourself or your family members. A conflict of interest may also arise from your personal relationship with a customer, supplier, vendor, competitor, business partner, or other Facebook Personnel, if that relationship impairs or may be perceived to impair your objective business judgment. Other specific areas of potential conflict of interest such as external business relationships, serving on boards, personal investments, gifts, entertainment, corporate opportunities, and certain personal relationships with other Facebook Personnel are discussed in more detail below.

The best rule for any situation that appears to present a conflict of interest is to "abstain and disclose". If it is not possible to avoid participating in the event or activity creating the conflict, (1) promptly disclose the potential conflict to your supervisor and submit a request to the Conflicts Committee using the online tool, and (2) avoid participating in decisions that might raise the appearance of a conflict until you receive appropriate guidance from the Conflicts Committee. The Conflicts Committee will consider the facts and circumstances of the situation to decide whether corrective or mitigating action is appropriate.

Some specific potential conflicts of interest to be mindful of are as follows:

- **Outside Business and Consulting Engagements**

  Facebook Personnel must obtain approval from the Conflicts Committee via the online tool prior to (1) beginning any employment, business, or consulting relationship with another company that is a current or potential competitor of Facebook or that otherwise has a business relationship with Facebook, or (2) accepting any teaching engagements with an educational institution, establishment, or other organization. In addition, you should avoid conducting Facebook business with members of your family or others with whom you have a significant personal or financial relationship without the prior approval of the Conflicts Committee.

- **Serving on Boards and Investing in Other Companies**

  We encourage Facebook Personnel to be active in industry and civic associations. However, Facebook Personnel who serve on boards of directors or advisory boards of any entity or organization are required, prior to acceptance, to obtain approval from the Conflicts Committee.

Any passive investment of not more than two percent (2%) of the total outstanding shares of a publicly traded company is permitted without Facebook approval, provided that the investment is not so large financially (either in absolute dollars or percentage of your total investment portfolio) that it creates the appearance of a conflict of interest. However, any investment in more than two percent (2%) of a public company or any investment in a private company that is a current or potential competitor of Facebook or that has a business relationship with Facebook requires prior approval from the Conflicts Committee. Facebook reserves the right to review and revisit any prior investment approvals in order to avoid an actual or apparent conflict of interest. Facebook may periodically conduct an inquiry of Facebook Personnel in order to determine the status and circumstances of board memberships or investments, and Facebook Personnel are responsible for continually monitoring and reporting any change in circumstances that might give rise to an actual or apparent conflict of interest.

- **Gifts & Entertainment**

Giving or receiving gifts or entertainment to or from a current or future client or business partner can potentially create a conflict of interest, especially if the value of the item is significant. Accepting or providing gifts (such as company-branded swag or simple gift baskets) is generally fine if the market value of the item is less than USD$200. Additionally, accepting or providing certain business entertainment (such as an invitation to attend a local cultural or sporting event, or a celebratory meal with a business partner) can be appropriate, provided that the entertainment or meal is reasonable and customary and in the furtherance of a business relationship; the cost is not excessive; and it won't inappropriately bias future decision-making about working with the partner or create an appearance of impropriety. Providing ad credits or running ads for others using ad credits may also be a form of gift and is appropriate if given in a manner consistent with our Policy for Coupons and House Ads and our Employee Ad Credit Policy. You should never give or receive cash, cash equivalents (such as gift cards), loans, or any item that obligates you to provide something in return, and you should not actively solicit gifts or entertainment from a current or potential client or business partner.

While you cannot give anything of value to a government official to get or keep business or gain an improper advantage, you may provide modest gifts, meals, and entertainment to government officials where there is a legitimate purpose and the thing of value is not being provided in exchange for any action or inaction by the official. For guidance on these and other interactions with government officials, please review the Facebook Anti-Corruption Policy.

If you plan to expense any gift or entertainment to be provided to a client or business partner, please review the Global Travel & Expense Policy.

Before accepting any gift or entertainment, please read the Guidelines for Receiving Gifts & Entertainment.

- **Corporate Opportunities**

Facebook Personnel may not exploit or take advantage of business opportunities that are discovered through the use of Facebook's property, information, or position for personal gain unless the opportunity is disclosed fully in writing to the company and Facebook declines to pursue such opportunity.

- **Potentially Conflicting Relationships**

Facebook does not prohibit dating among Facebook Personnel, nor does it prohibit relatives from working together within, for, or on behalf of the company. However, if a potentially conflicting relationship, romantic or otherwise, involves two employees in a direct reporting relationship, in the same chain of command, or otherwise creates an actual or apparent conflict of interest, the employees must disclose the relationship to Human Resources. While both employees have a responsibility to disclose any such potential conflict, if you are a manager, your failure to properly disclose may result in more serious discipline. Upon learning of any potential conflict, Facebook may reassign at least one of the individuals to a different position or role within the company. In any event, where your significant other, relative, or any other potentially conflicted person is within your chain of command, you must recuse yourself from any decision-making concerning the person's compensation, promotion, discipline, or termination and must refrain from participating in his/her performance review.

If you have a personal or financial relationship with any service providers to Facebook, such as vendors, suppliers, or contingent workers, for which you have work-related responsibilities (e.g., where you are the Facebook assignment manager, participating in vendor selection, determining the terms of a contract or

assignment, etc.) you must disclose that relationship to the Conflicts Committee by submitting a request via the online tool and recuse yourself from any decision-making regarding that service provider.

In addition, Facebook's Board of Directors may from time to time adopt separate policies with respect to directors' conflicts of interest in order to address the particular circumstances arising from their role as members of the board. Any such policy will supersede the conflicts of interest guidelines above to the extent applicable.

3. Harassment

Facebook does not tolerate unlawful harassment or any mistreatment by or of workers (including individual contributors, managers, and contingent workers), guests, clients, or agency partners in the workplace or in a work-related situation on the basis of sex, race, color, nationality, ethnic or national origin, ancestry, citizenship, religion (or belief, where applicable), age, physical or mental disability, medical condition, sexual orientation, veteran status, marital status, genetic information or characteristics (or those of a family member), or any other category protected under applicable federal, state, or local law. If you suspect harassment, discrimination, or retaliation (as described in our Harassment Policy) has occurred, you are encouraged, and managers are required, to promptly provide a written or oral complaint to an HR Business Partner (HRBP), Employment Law (employmentlaw@fb.com), or to our Whistleblower Hotline. Please refer to our full Harassment Policy.

4. Communications

You should take care to ensure that all business records and communications, including electronic communications, are clear and accurate. Electronic communications include, but are not limited to: email, messaging (Workchat/WhatsApp), video conferencing, chat rooms, Wikis, phone, and fax (as described in our Electronic Communication Guidelines). The company may have obligations to preserve electronic communications and other information in connection with actual or anticipated legal events, such as lawsuits, arbitration, governmental investigations, and subpoenas. Upon direction from the Legal Department (known as a Legal Hold) you must not destroy, delete, or modify electronic communications or information subject to a Legal Hold. Please refer to our FAQs Regarding Legal Holds. Please remember that your business communications may be shared or become public through these legal events or publication in the media. Potential risks from inaccurate or misleading statements include, but are not limited to, claims of false advertising, misrepresentation, breach of contract, securities fraud, unfair disclosure, and antitrust violations.

You must consult with the Communications Department and your department director before making formal statements or providing information about Facebook, our products, or our business and fellow Facebook Personnel to journalists, bloggers, and industry analysts through any public forum (such as a tradeshow or conference or your Facebook profile). Please refer to our External Engagements Policy on the wiki.

You may not give an endorsement or other statement on behalf of Facebook or personal endorsement that identifies your affiliation with Facebook, except when approved by the Communications Department or Legal Department. In addition, you may not discuss Facebook's business, including financial condition, business or financial performance, products, or business prospects, with financial analysts or actual or potential investors without the prior approval of the Investor Relations Department. All requests for a representative of Facebook to participate in a financial conference (including speaking on a panel or attending a dinner or any event that targets the financial community) must be referred to Investor Relations for review and managing. If any such analysts or investors contact you, please refer such inquiries to investor@fb.com or contact our Investor Relations team.

5. Public Disclosures

Facebook is committed to the transparency and integrity of our publicly-filed financial reports and other communications. Our principal executive officer, principal financial officer, principal accounting officer, and people who perform similar functions are deemed our "senior financial officers" and are responsible for ensuring that the disclosure in Facebook's periodic reports is full, fair, accurate, timely, and understandable.

6. Financial Integrity and Responsibility

Facebook Personnel are expected to act responsibly and exercise sound judgment with respect to matters involving company finances. If, in the course of your duties, you spend money or distribute anything else of value (as defined in the Anti-Corruption Policy), enter into contracts, or maintain financial records on behalf of Facebook, with respect to such duties you must keep accurate and complete records, submit accurate and complete reports as required, and comply with Facebook's system of internal controls, including controls relating to the proper review, approval, and execution of contracts. Please refer to the Approvals Authority Matrix, the Contract Policy, the Global Travel & Expense Policy, and the Global Purchasing Policy for additional guidance. If you have questions about these obligations, please contact the Legal Department.

7. Confidential Information

Facebook's confidential business information is a valuable asset that everyone must protect. Facebook Personnel are required to use confidential information of Facebook for business purposes only and must always keep such information in strict confidence. This responsibility extends to confidential information of third parties that we have received under non-disclosure agreements. Confidential information includes, without limitation, proprietary data, trade secrets and know-how such as software and product designs, product plans, inventions, laboratory notebooks, processes, designs, drawings, engineering, customer lists, employee data (other than your own), financial information, budgets, pricing, business plans, or other business information.

Your obligation to maintain the confidentiality of this information means that you may not share any such information outside of Facebook unless Facebook has appropriate non-disclosure agreements in place. For help in establishing such an agreement, if you have questions about provisions of a non-disclosure agreement already in place, or if you have questions about whether certain information can be disclosed, please contact the Legal Department. Facebook personnel should also refrain from sharing confidential information internally beyond those persons who legitimately need to know it for purposes of their job. We have an open and transparent culture, and this is not intended to stifle the ongoing conversation and sharing that has facilitated so much of our success. Rather, you should use your judgment to share what is appropriate inside the company in furtherance of your and others' jobs. Please always keep in mind that improper use or disclosure of confidential business information could seriously damage Facebook's reputation with users, business partners and the community, expose us to liability, and cause harm to our business.

In addition, you are not to bring with you to Facebook, or use or disclose to any person associated with Facebook, any confidential or proprietary information belonging to any former employer or other person or entity to which you owe an obligation of confidentiality under any agreement or otherwise. Facebook does not need and will not use such information, and we will assist you in any way possible to preserve and protect the confidentiality of proprietary information belonging to third parties.

Note that this code is not intended to restrict an employee's legal right to discuss the terms and conditions of his/her employment.

8. Protection of User Data and Personnel Data

Depending on your role at Facebook, you may have access to information systems or tools that enable you to view certain information relating to users and other individuals (including your coworkers, as well as registered and non-registered individuals), which would otherwise not be visible to you. These tools are important and necessary to enable you to perform your work effectively. However, it is of the utmost importance that all Facebook Personnel treat this data access with extreme sensitivity and caution. You are only authorized to access this data to the extent it is required for you to do your job. This data is confidential and subject to privacy protections in many jurisdictions. Facebook's brand and the trust users put in us depend on your responsible use of tools that allow you to view user information that would otherwise not be visible to you. Please read the User Data Access Policy, available on the wiki, which governs your use of and access to user data. In your role at Facebook, you will have access to information systems or tools that enable you to view personal information relating to Facebook Personnel. These tools are important and necessary to enable you to perform your work effectively. However, this data is confidential and subject to privacy protections in many jurisdictions. To learn about the sensitivity of

different types of personnel data, and how to appropriately protect it, please refer to the Data Classification Standard and Data Handling Guidelines on the wiki.

9. Protection and Use of Facebook Assets

Facebook provides Facebook Personnel with a wide range of valuable assets to help you perform your work on behalf of Facebook at the highest level. These assets include computer equipment, mobile devices, communications platforms and equipment, software, office and electronic equipment, and facilities. Facebook Personnel are expected to treat these assets with care and use them with the interests of the business in mind and in accordance with the Information Security Policy. This means that assets should be well maintained and not subject to unreasonable use. If something you are using is damaged, please see that it gets fixed. In addition, you should use your judgment in using company assets for personal matters. Facebook's assets are property of the company and provided for business use. While we recognize that personal use occurs, it should not be excessive and should not interfere with performance of your business duties. For more information, please see the Electronic Communications Guidelines on the wiki.

10. Compliance With Laws

Facebook Personnel are expected to act within the bounds of applicable laws, rules, and regulations of the countries where we do business. The application of these and other laws can be complex and fact-dependent. If you have any questions about the applicability or interpretation of any law, rule, or regulation, you should contact the Legal Department.

Here are some of the legal areas to keep in mind:

- **Data Privacy**

  Facebook Personnel must comply with all applicable data privacy laws and legal requirements. These include laws governing the collection, access, and use of data, such as the European Union's General Data Protection Regulation, and regulatory obligations, such as the FTC Consent Order. For more information, please contact the Legal Department.

- **Anti-Corruption**

  Facebook Personnel must comply with all anti-corruption laws of the countries in which we do business, including the U.S. Foreign Corrupt Practices Act (FCPA), which applies globally. For more information please reference our Anti-Corruption Policy.

- **International Trade**

  Facebook Personnel must also comply with all applicable international trade laws and regulations. These laws and regulations apply to the import and export of goods and technical data to and from the U.S. and other countries, transactions or dealings with sanctioned countries and restricted parties, and anti-boycott requests. For more information, please reference our Global Trade Compliance Policy.

- **Lobbying and Campaign Finance**

  Facebook Personnel must also comply with applicable lobbying and campaign finance laws. These laws vary across jurisdictions and apply generally when Facebook makes political contributions or engages on policy issues with government entities, elected officials, and candidates for public office. For more information and guidance on how to comply with these laws, please reference our Political Activities and Lobbying Policy.

- **Competition**

  Facebook is committed to competing in a fair and vigorous manner, in compliance with all applicable antitrust and competition laws. Antitrust laws protect consumers by prohibiting anticompetitive conduct that can restrict free competition. In accordance with these laws and regulations, Facebook Personnel must never agree, either directly or indirectly, with competitors: (1) to set prices or other terms related to our products; (2) to allocate customers, advertisers, territories, or product markets; or (3) not to deal with a particular company

(called a "group boycott"). Further, some conduct may be considered unfair or illegal in certain circumstances, including:

- Sharing competitively sensitive information with competitors;
- Leveraging market power to gain an unfair competitive advantage;
- Requiring a purchaser to resell a product at or above a particular price;
- Entering into agreements with suppliers or customers that impose exclusivity obligations; and
- Requiring customers to purchase one product to get access to another product (also called "tying").

If you have questions in these areas, please contact the Legal Department for advice.

- **Insider Trading**

  Under the federal securities laws, it is generally illegal to trade in Facebook securities while in the possession of material non-public information about the company. It is also generally illegal to provide material non-public information about Facebook to others who then trade on the basis of that information. Please refer to our Insider Trading Policy and direct all inquiries regarding the policy to trading@fb.com.

- **Environmental Health and Safety**

  Facebook is committed to complying with environmental, health, and safety (EHS) laws and regulations in the workplace and in the communities where we operate. Our EHS programs are designed to protect the environment, maintain a secure workplace, and provide Facebook Personnel with the necessary resources to comply with EHS laws and Facebook's values and standards. Please refer to our Global EHS page on the wiki for more information.

11. Reporting Violations

If you learn about or suspect a violation of this code, another Facebook policy, or any law, you shall promptly report it to your manager, another manager, Human Resources, Internal Audit, or the Legal Department. If you are uncomfortable making such a report, you may do so anonymously if permitted by applicable law. For more information on reporting violations, including what topics may be reported and whether a report may be made anonymously, please see Facebook's Whistleblower and Complaint Policy.

In cases in which an individual reports a suspected violation of policy or law in good faith and is not engaged in the reported conduct, Facebook will attempt to keep its discussions and actions confidential to the greatest extent possible and in compliance with applicable laws and regulations governing privacy. Facebook will not retaliate against anyone making a good-faith report of a potential violation. Facebook will appropriately investigate any report of a violation. You must cooperate fully with any investigation, but should not investigate independently, as alleged violations may involve complex legal issues, and you may risk compromising the integrity of a formal investigation.

Conduct that violates the law or company policies is grounds for prompt disciplinary or remedial action. In addition, your failure to report a known violation of law or company policy by someone else may result in disciplinary action for employees and termination of employment/your relationship with Facebook. Discipline for a violation of Facebook policies or applicable law may range from a warning up to and including summary termination of employment/your relationship with Facebook (in accordance with applicable law). Facebook's response to reports of possible violations of law may involve disclosure to and cooperation with the appropriate authorities.

12. Policy Prohibiting Retaliation

It is against Facebook policy (and may be unlawful) for any Facebook Personnel to retaliate against any person for reporting what he or she believed in good faith to be a violation of this code, expressing an intent to report what he or she believed in good faith to be a violation of this code, assisting other Facebook Personnel to report a violation of this code, or participating in any investigation pursuant to this code.

13. Training

All Facebook officers and employees, as well as certain contingent workers and third parties, as determined by Global Ethics & Compliance, must familiarize themselves with and complete training on the code.

14. Amendment and Waivers

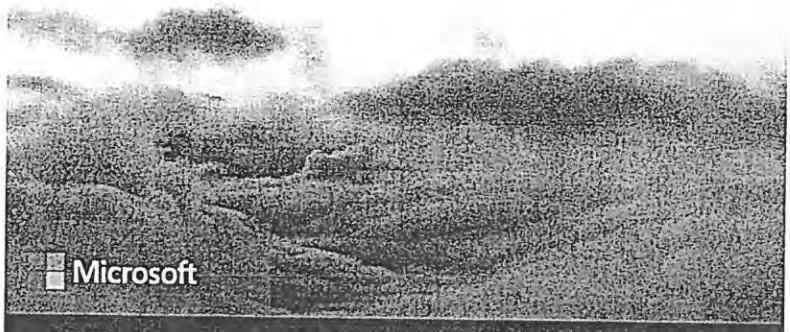
Any amendment of any provision of this code must be approved by the Compensation & Governance Committee of Facebook's Board of Directors or, if appropriate, the Audit & Risk Oversight Committee, and promptly disclosed as may be required pursuant to applicable laws and regulations. Facebook's General Counsel may grant waivers under this code for Facebook employees other than executive officers or senior financial officers. Any waiver or modification of this code for a member of the Board of Directors, executive officer, or senior financial officer must be approved by the Board of Directors and promptly disclosed, in each case as may be required by applicable law or the rules of the stock exchange on which Facebook's common stock is listed for trading.

References

For purposes of this code, "manager" shall include the Facebook assignment manager for contingent workers.

Effective: June 10, 2019

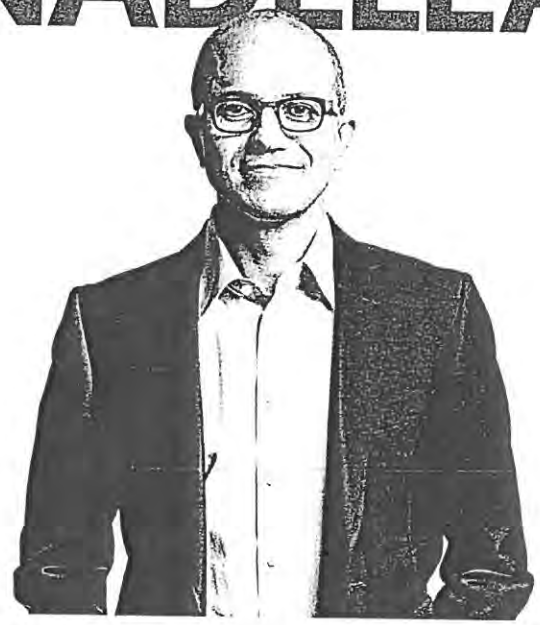
ACHIEVE MORE



Microsoft

STANDARDS OF BUSINESS CONDUCT

LETTER FROM SATYA NADELLA



Team,

Each one of us shapes our culture through our words and actions. We strive to build a diverse and inclusive culture that embraces learning and fosters trust—a culture where every employee can do their best work.

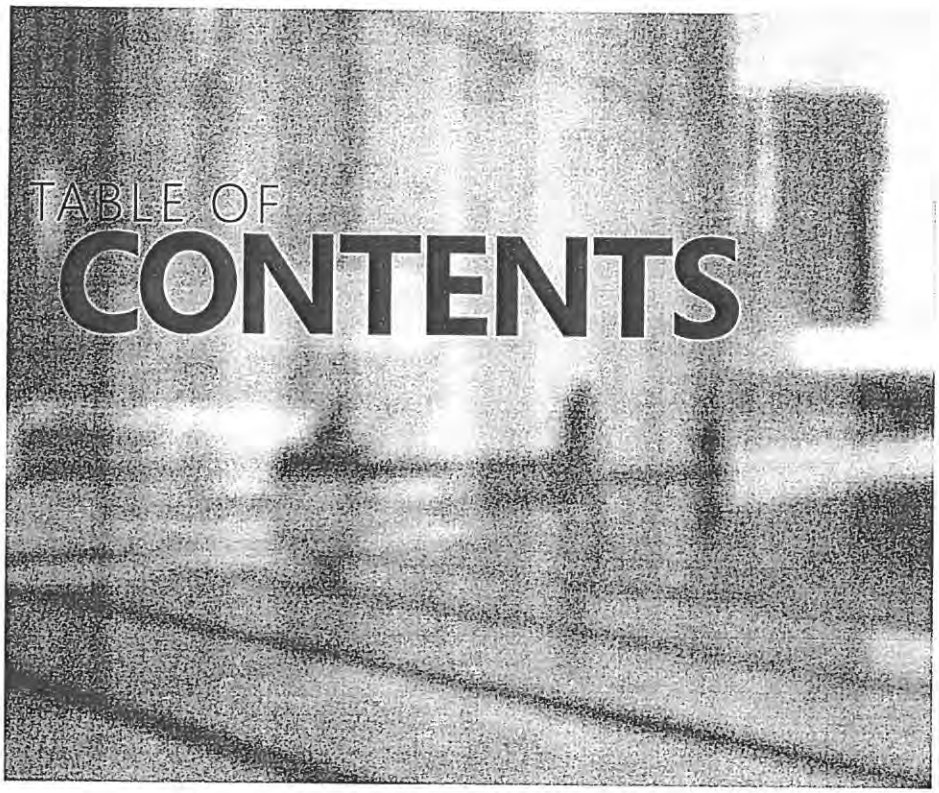
Making good decisions and ethical choices in our work builds trust in each other and with our customers and partners. You should never compromise your personal integrity or the company's reputation and trust in exchange for any short-term gain.

We are more likely to make ethical choices when integrity, honesty, and compliance guide our decision-making. We should always be transparent about our motives, learn from our mistakes, and ask for help when faced with a difficult situation. I expect leaders and managers to foster a culture where employees feel free to ask questions and raise concerns when something doesn't seem right.

Our Standards of Business Conduct emphasizes the role that each of us plays in building trust, and the approach you should take in making decisions. When we apply these principles in our daily work, we can move forward with confidence in our ability to make good decisions that build trust and empower our customers and partners to achieve more.

Thank you very much.

Satya Nadella



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OUR CULTURE & VALUES

Our Mission

Empower every person and every organization on the planet to achieve more.

Achieve More

When we think about how we achieve our mission, it all depends on building trust with people and organizations around the globe. Our goals are only possible when people trust Microsoft and trust our technology.

How do we earn and build that trust? It starts by applying our culture and values to build lasting relationships inside and outside Microsoft. Our **values** are the enduring principles that we use to do business with integrity and win trust every day. Our **culture** is our operating framework—who we are and how we behave.

Microsoft's Standards of Business Conduct (the "Standards") will show you how we use our culture and values to build and preserve trust with our customers, governments, investors, partners, representatives, and each other, so we can achieve more together.

Our Values

Respect
Integrity
Accountability

Our Culture

Growth Mindset
Customer Obsessed
One Microsoft
Diverse and Inclusive
Making a Difference

HOW TO USE THE STANDARDS TO MAKE GOOD DECISIONS

Making good decisions and ethical choices builds trust between each of us and the people we interact with. But not all situations you encounter are straightforward—how do you make the best choice when facing difficult or unclear circumstances? How do you navigate ethical dilemmas?

While the Standards won't tell you exactly what to do in every situation, they serve as a guide to help you make good decisions and navigate complex situations where the answer might not always be clear.

When faced with a difficult decision or situation follow these steps:

1. **Pause.** Does a situation make you uneasy? Are your instincts telling you something is not quite right? Pause before you act and consider how to approach the situation.
2. **Think.** Is your approach consistent with Microsoft's culture and the values in these Standards? Does it build or maintain trust? Never sacrifice long-term reputation and trust for a short-term benefit.
3. **Ask.** Ask questions and get help. Talk to CELA, Finance or HR. Get help from your manager or another manager. Email buscond@microsoft.com. These are good resources to help you make the right decision.

The Role of Managers

As a leader, you have a special responsibility for setting the culture and the work environment on your team. The way you make decisions, and handle concerns, different opinions, and even bad news, will set the foundation for trust with your teams, customers, and stakeholders. Your success and the success of your team depends on the trust you build together.

TAKE THESE SIMPLE STEPS TO BUILD A CULTURE OF TRUST AND INTEGRITY ON YOUR TEAM:

- Talk to your team about ethics and integrity, and be clear that you expect work to be done ethically.
- Lead by example, by modeling ethical decision-making.
- Ensure your team knows that for results to matter, they must be achieved the right way. Then, satisfy yourself that results have been achieved the right way.
- Make sure your team knows you will listen, even if they have something difficult to say.

SPEAKING UP

Part of building a culture of trust is learning to speak up when something's not right, so that we can address the problem.

You don't have to have all the details, or be sure that something is wrong to raise an integrity concern. You can trust that we'll treat your reports seriously, fairly, and promptly, and if something needs to be fixed, we'll take action based on what we learn.

There is No Tolerance for Retaliation

It takes courage to speak up when something's not right. We understand that you might be uncomfortable or anxious. That is why we do not tolerate retaliation.

KNOW THAT YOU WILL NOT SUFFER ADVERSE CONSEQUENCES FOR:

- Refusing to do something that violates these Standards, Microsoft's policies, or the law, even if your refusal results in the loss of business to Microsoft.
- Raising a concern in good faith about potential misconduct.
- Cooperating with an investigation.

Anyone who retaliates against an employee for engaging in any of these activities will be subject to disciplinary action, up to and including termination.

How to Report a Concern

Raising a concern should be as easy as possible. That's why there are a variety of ways to tell us when something's wrong.

Where permitted by the law of your country, your reports may be made anonymously through our external hotline, or you can ask the Office of Legal Compliance (OLC) to treat your report as anonymous.

Choose whichever reporting option you are most comfortable using. Whichever option you choose, your confidentiality will be protected.

Email: buscond@microsoft.com

Phone: 1-877-320-6738 or International Collect +1-720-904-6844

Web: www.microsoftintegrity.com

Fax: 1-425-708-7177

By Mail:

Office of Legal Compliance
Microsoft Corporation
One Microsoft Way
Redmond, WA 98052
United States

In addition, you can always raise concerns with your manager, any Microsoft manager, HR, Finance, or CELA.

How Managers Should Handle Concerns

If someone comes to you with a concern, you have a special responsibility to listen and act. Handling concerns appropriately is critical to preserving trust and protecting Microsoft.

IF SOMEONE RAISES A CONCERN, TAKE THESE SPECIFIC STEPS:

- Remove distractions and listen carefully. Thank the person for speaking up—remember that they've just done something difficult and very important for the company.
- Respond respectfully and take every concern seriously, even if you disagree. Show that you are committed to solving the problem.
- Take steps to protect the person's confidentiality—avoid discussing the conversation with others on your team.

As a manager, you should feel empowered to resolve performance issues yourself, but you should escalate integrity concerns about business ethics or misconduct to the Office of Legal Compliance. If you have a question or are not sure whether you can or should resolve the issue yourself, you can always email the Business Conduct and Compliance alias (buscond@microsoft.com) for advice.

When making decisions, ask yourself: does this build or harm trust with our customers?

Our ability to meet people and organizations where they are, with what they want and need is our path to success. Our customers must be at the center of everything we do. Look for ways to engage our customers, advocate for them, and empower them to achieve more.

HONOR PRIVACY

DON'T MAKE IMPROPER PAYMENTS

COMPETE FAIRLY

Honor Privacy

We are transparent about how we handle customer data.

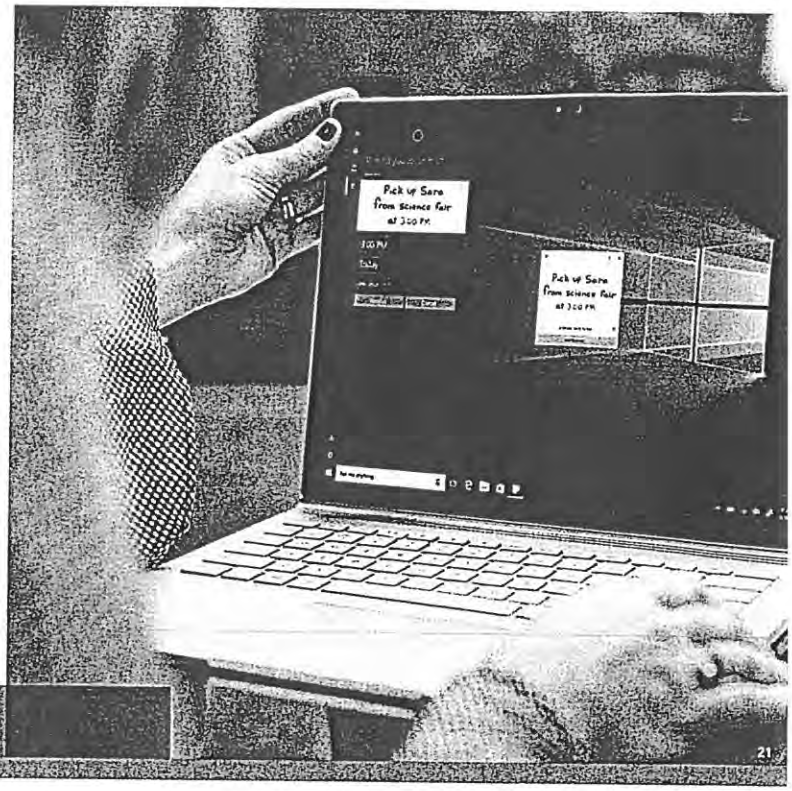
We're successful when our customers trust us to protect their privacy and use their data in the ways that they permit us.

HOW WE BUILD TRUST:

- We follow local privacy and data protection laws.
- We provide clear and accurate privacy notices when collecting or processing personal data.
- We honor privacy choices by using customer data to provide the services customers have agreed to.
- We protect our customers' data by building secure products and services.

Learn More:

Privacy Policy
Privacy Principles



Don't Make Improper Payments

We are truthful and transparent in our interactions with customers, and do not influence their decisions through improper payments.

Corruption harms our customers in many ways, including sometimes causing them to pay more than they should. Winning and preserving customers' trust every day is more important than any benefit we might get from doing business improperly.

In some parts of the world, paying a bribe to get business may be something that others are doing. We won't. We would rather lose the business than secure it through a bribe, kickback, or other improper benefit.

HOW WE BUILD TRUST:

- We refuse to offer or pay bribes or kickbacks to anyone.
- We prohibit corrupt payments of all kinds, including payments to secure permits or approvals, and small payments to speed up a routine government process (often known as a "facilitating payment").
- In any deal we avoid hidden terms or arrangements and reduce complexity wherever possible, because transparent transactions reduce the risk of a bribe or kickback.
- We use partners that have a reputation for integrity, and we report signs that a representative is unethical or could be paying a bribe.
- We make sure that any gifts, hospitality, or travel we offer to government officials or customers are reasonable and appropriate, and pre-approved where necessary.
- We hire candidates based on their merits, and do not make hiring decisions to benefit a customer or government official.
- If we make charitable donations, we do so to support a legitimate charitable cause, not as part of an exchange of favors.

Learn More:

Anti-Corruption Policy
Giving Gifts, Hospitality & Travel to Government Officials
Commitment to Anti-Corruption & Anti-Bribery

Compete Fairly

The way we compete is as important as the result we achieve.

Healthy competition and fair business practices put our customers first by giving them access to a variety of products and services at fair prices. Competing fairly ensures that we meet our business objectives with our integrity intact.

HOW WE BUILD TRUST:

- We avoid any formal or informal agreements with competitors that limit competition.
- We respect competitive bidding processes, and do not rig or fix the outcomes or help anyone else do so.
- We do not dictate the prices that our independent channel partners charge their customers.
- When gathering competitive intelligence, we use appropriate sources, are truthful, and do not misrepresent who we are.

Learn More:

Antitrust Policy
Competitive Intelligence Policy

TRUST WITH GOVERNMENTS & COMMUNITIES

When making decisions, ask yourself: does this foster trust with governments and communities?

Achieving our mission depends on governments and communities knowing that we will follow the laws and customs of the countries where we operate, and respect human rights across the globe.

RESPECT LAWS AROUND THE WORLD

DESIGN ACCESSIBLE PRODUCTS AND SERVICES

RESPECT AND PROMOTE HUMAN RIGHTS

Respect Laws Around the World

We operate around the globe and respect the laws wherever we do business.

This helps us to build trust with governments, strengthen the communities where we live and work, and contribute to a fair society where we enjoy the protection of these same laws.

HOW WE BUILD TRUST:

- We follow the laws and regulations of the U.S. and of all the places where we operate.
- We are honest and transparent in our discussions with government representatives and officials.
- We respond truthfully, appropriately, and promptly to government inquiries and requests for information.
- We comply with global trade controls and economic sanctions that prohibit us from doing business with certain countries, governments, entities, and individuals. We comply with laws that govern how our technology may be distributed and used internationally.

Learn More:

Global Trade Compliance Policy
TradeNet

Design Accessible Products and Services

We prioritize inclusive design in the development of our products and services.

Designing accessible products is a legal requirement in many of the places where we operate, and with over one billion people around the world with disabilities, it's also the right thing to do. We believe there are no limits to what people can achieve when technology reflects the diversity of everyone who uses it.

HOW WE BUILD TRUST:

- We make our products accessible to all users, including users with visual, learning, age-related, mobility, hearing, and speech disabilities.
- We provide accurate information about the accessibility of our products, and do not promise future improvements unless we are sure that we will deliver.

Learn More:

Accessibility Policy
Enable

Respect and Promote Human Rights

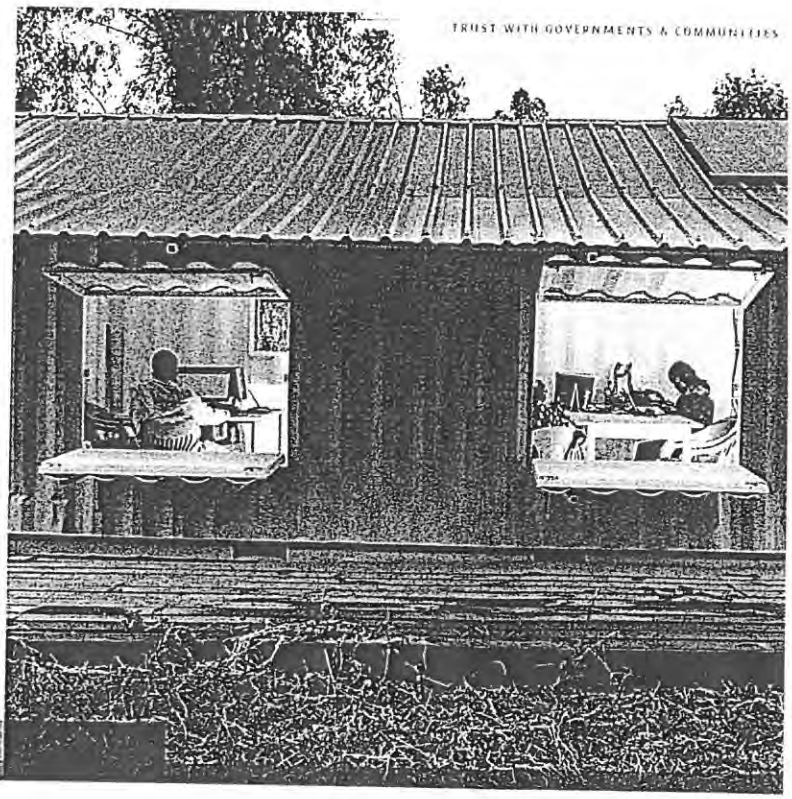
We are committed to respecting and promoting human rights to ensure that technology plays a positive role across the globe.

HOW WE BUILD TRUST:

- We believe that we can more effectively advance human rights through our presence in, rather than absence from countries with significant human rights challenges.
- We advocate for the rule of law, including consideration of international laws and norms.
- We respect the rights to freedom of expression and privacy on all of our online services.
- When we face requirements from governments to provide user data or remove content, we verify whether the government demands are valid, binding, and otherwise comply with the rule of law.

Learn More:

Freedom of Expression Policy
Commitment to Human Rights



TRUST WITH EACH OTHER

When making decisions, ask yourself: does this improve how we work together as One Microsoft?

The strongest contributions come from teams who trust each other—those that can be open, honest, and constructive with one another. It takes all of us working together to cultivate an atmosphere of mutual respect, inclusion, and collaboration.

FOSTER DIVERSITY AND INCLUSION

CONTRIBUTE TO A SAFE AND PRODUCTIVE WORKPLACE

AVOID CONFLICTS OF INTEREST

Foster Diversity and Inclusion

We work better together because of our differences, not despite them.

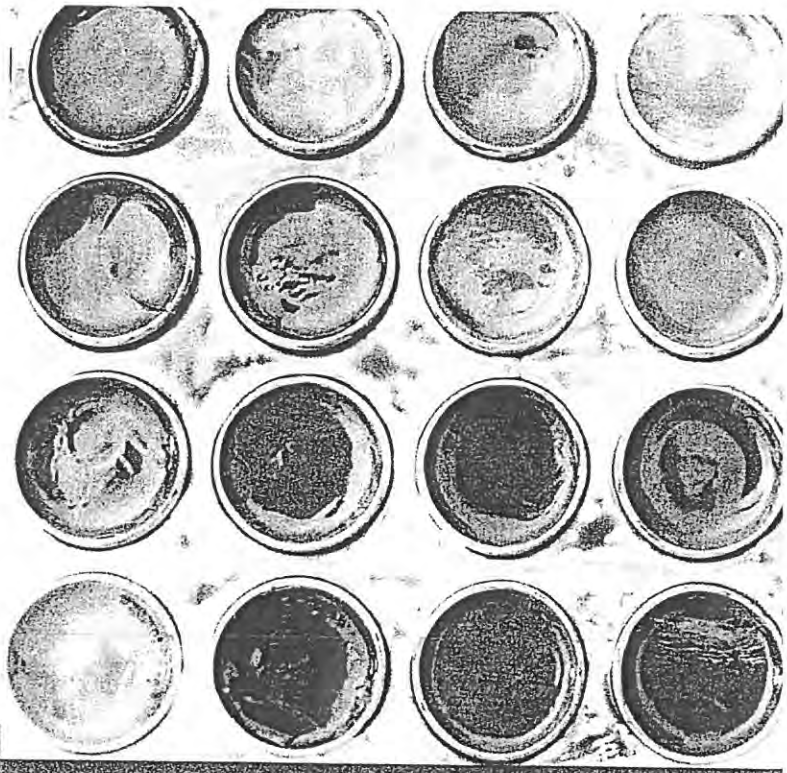
We believe that we best serve everyone on the planet and enrich our own culture through the diverse skills, experiences, and backgrounds that each of us brings to the company.

HOW WE BUILD TRUST:

- We provide equal employment opportunities to all qualified candidates and employees.
- We do not discriminate based on age, ancestry, color, family or medical care leave, gender identity or expression, genetic information, marital status, medical condition, national origin, physical or mental disability, political affiliation, protected veteran status, race, religion, sex (including pregnancy), sexual orientation, or any other characteristic protected by applicable laws, regulations, and ordinances.
- We are committed to hiring people with disabilities and provide reasonable accommodations to qualified employees.
- We examine our unconscious biases and take steps to create an inclusive culture that makes every employee feel welcome.

Learn More:

Equal Employment Opportunity Policy
Global Diversity and Inclusion



Contribute to a Safe and Productive Workplace

We maintain a work environment that empowers everyone to do their best work.

A safe workplace inspires trust and allows us all to contribute and succeed. Discrimination, harassment, and unsafe working conditions diminish what we can achieve together.

HOW WE BUILD TRUST:

- We treat others with respect and do not tolerate harassment or discrimination.
- We integrate sound safety and health practices into our operations and comply with workplace safety regulations.
- We resolve problems respectfully, and never resort to acts or threats of violence.
- We do not work under the influence of drugs or alcohol.

Learn More:

Anti-Harassment and Discrimination Policy
Entertainment Policy
Workplace Violence Policy
Drug-free Workplace Policy

Avoid Conflicts of Interest

We make good decisions for our teams, our work, and for Microsoft.

Conflicts of interest can arise when our personal relationships or financial interests overlap with our job responsibilities. If we don't navigate potential conflicts of interest carefully, these situations can impact the decisions we make, erode trust within teams, and harm the Company's reputation.

HOW WE BUILD TRUST:

- We act in the best interests of Microsoft.
- We avoid situations where a personal relationship or financial interest in another company might influence how we make decisions in our jobs.
- We understand that a conflict of interest can exist even if we are convinced that our decisions will not be affected by the outside relationship.
- When conflicts of interest arise, we disclose them and get advice or approval.
- Before taking on outside work, we ensure that the work does not harm Microsoft's business interests or break any employee agreements we have signed.

Learn More:

Conflicts of Interest Policy
Employment Outside Microsoft Policy

TRUST

WITH OUR INVESTORS & THE PUBLIC

When making decisions, ask yourself: does this strengthen or harm Microsoft's reputation with investors and the public?

Our investors must have confidence that we will create value for them in a responsible and thoughtful way. Earn their trust by protecting our assets and information, accurately stating where we are headed as a company, and honestly communicating with them and with the public.

DON'T TRADE ON INSIDE INFORMATION

KEEP ACCURATE RECORDS AND CONTRACTS

COMMUNICATE ACCURATELY TO THE PUBLIC

SAFEGUARD MICROSOFT'S RESOURCES

PROTECT CONFIDENTIAL INFORMATION & INTELLECTUAL PROPERTY

Don't Trade on Inside Information

We maintain trust with our investors and the public by respecting financial laws, which means we do not trade based on material nonpublic information.

In our work, we may become aware of material, nonpublic information about Microsoft or companies we do business with. Information is "material" if a reasonable investor would consider it important in deciding whether to buy or sell that company's securities. Information is "nonpublic" if it has not been broadly communicated to the investing public.

Trading Microsoft stock or the stock of any other company based on this information not only breaks trust with our investors and the public, but is also illegal, violates company policy, and is unfair to other investors.

HOW WE BUILD TRUST:

- We never buy or sell any securities based on material, nonpublic information.
- We do not give someone else (for example, a friend, spouse, or broker) a "tip" regarding material, nonpublic information.
- We do not recommend or suggest that anyone else trade in the securities of any company based on material nonpublic information, even if we are not sharing the information itself.
- We consult with CELA before buying or selling public securities where we have questions as to whether we may be in possession of material nonpublic information.

Learn More:

Insider Trading Policy
Restricted Trading Window Policy

Keep Accurate Records and Contracts

Our records are clear, accurate, and complete.

Investors rely on accurate and easily comprehensible information to understand our financial results and where we are headed as a company, and to have confidence in that direction. Keeping accurate records is critical to maintaining investors' trust, making good business decisions, and meeting our regulatory obligations as a public company.

HOW WE BUILD TRUST:

- We honestly and accurately record and report financial transactions and business information, following applicable laws, regulations, and accounting practices.
- We are transparent about our commitments to our partners and customers, and our written contracts reflect the actual economics of the deal.
- We don't make side agreements or other "off-the-book" arrangements.
- We use standard agreements and contracting processes, or get approval for custom terms.
- We execute financial transactions only with appropriate authorization, and record them in compliance with Microsoft's accounting practices.
- The CEO, CFO, Corporate Controller and other employees in the finance organization comply with the Finance Code of Professional Conduct.
- When we retain and dispose of documents, we follow established corporate retention requirements that meet our legal obligations and long term business needs.

Learn More:

Finance Code of Professional Conduct
Custom and Side Agreements Policy
Document Retention Policy

Communicate Accurately to the Public

Our public statements and communications are honest and not misleading.

What we say and how we say it matters. We will win and preserve the trust of our investors and the public only if they know they can rely on what we tell them.

HOW WE BUILD TRUST:

- We make full, accurate, and timely financial disclosures in reports and documents we submit to the U.S. Securities and Exchange Commission and in other public statements.
- We listen carefully to feedback and questions from investors and other stakeholders.
- We do not speak on behalf of the company unless authorized to do so; we direct analyst and media inquiries to Investor Relations or Public Relations.
- We make sure that any communications about our products and services are honest and accurate.
- If we endorse our products and services on social media, we make our company affiliation clear and state our honest opinion or belief about the endorsed product or service.
- Our advertising and promotional material are accurate and free from false claims.

Learn More:

Financial Information Disclosure Policy
Social Media Guidelines
Public Advocacy Policy

Safeguard Microsoft's Resources

We are responsible stewards of Microsoft's resources.

We use company resources and money to do our jobs every day. These resources belong to Microsoft; we owe it to our investors to use them responsibly and in ways that preserve trust and add value.

HOW WE BUILD TRUST:

- We spend Microsoft's funds wisely, and guard against waste and abuse.
- We exercise good judgment when using company-provided technology resources, and use them for personal reasons only if it does not interfere with our job responsibilities or harm our work environment.
- We use our corporate accounts and services, not personal accounts or services, for business correspondence and data.
- We understand that business-related data is Microsoft's property, and that it may be accessed, preserved, and reviewed in accordance with our polices and applicable laws.

Learn More:

Responsible Use of Technology Policy
Expense Policy

Protect Confidential Information & Intellectual Property

We protect and respect the business value of information and ideas, whether they belong to Microsoft or another company.

We might lose our competitive advantage if we disclose Microsoft's confidential information. We lose trust if we disclose confidential information we learn from the companies we do business with. Protecting information and ideas, whether our own or those of others, is crucial to our business success and builds our reputation as a trustworthy partner.

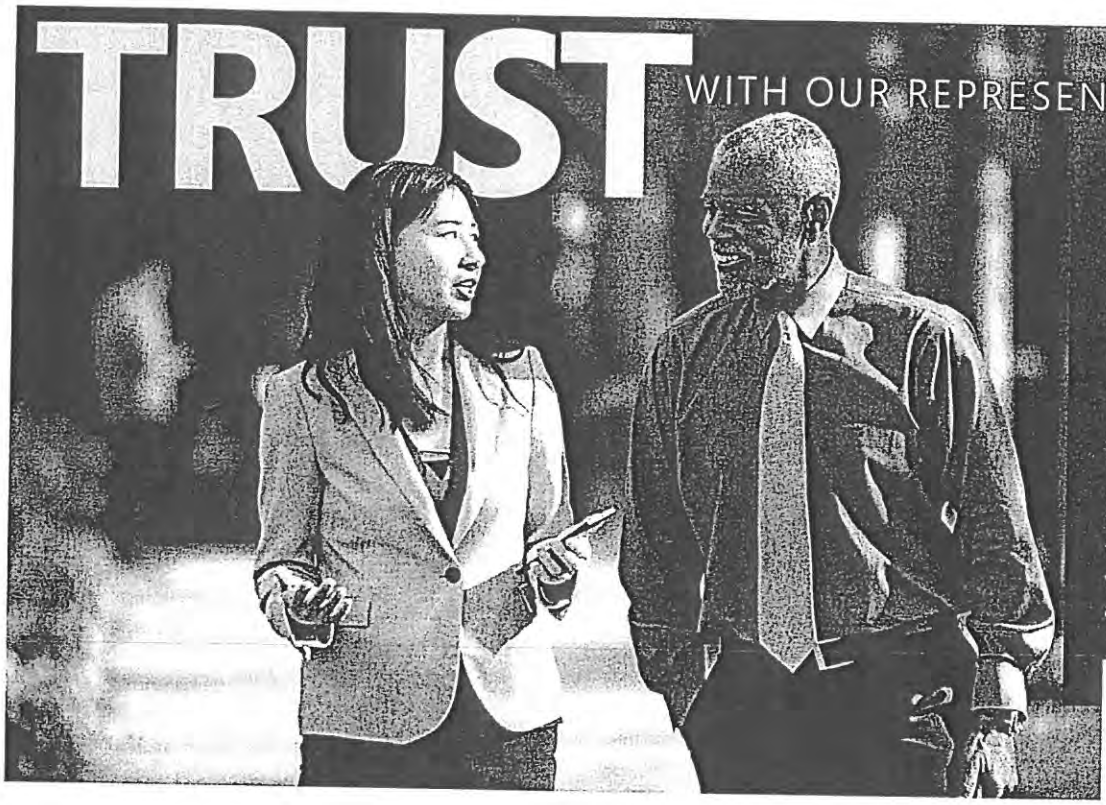
HOW WE BUILD TRUST:

- We use best practices to protect access to confidential information, and avoid discussing it in common spaces, or with colleagues who don't need to know it.
- We do not use confidential information for non-Microsoft business use, and we maintain confidentiality even if we stop working for Microsoft.
- We preserve Microsoft's own intellectual property rights through copyrights, trademarks, and other forms of intellectual property that protect the value of our innovation.
- We respect the confidentiality and intellectual property rights of others, and do not use others' confidential information without authorization.
- We do not use or copy third-party copyrighted materials, like software, graphics, videos, and music, without a license or permission from CELA.

Learn More:

Confidential Information Policy
Copyright Policy

TRUST WITH OUR REPRESENTATIVES



When making decisions, ask yourself: will this strengthen our long-term working relationship with our representatives and customers?

We hold ourselves to high ethical standards, and we expect our representatives, who are the partners, vendors, consultants, and other companies who work on our behalf, to meet the standards we set for ourselves. We earn trust with our representatives when we return value to them, and don't ask them to do anything we would not do ourselves.

USE TRUSTWORTHY REPRESENTATIVES

TREAT GIFTS, HOSPITALITY & TRAVEL RESPONSIBLY

CHOOSE SUPPLIERS WITH INTEGRITY

Use Trustworthy Representatives

We use honest, ethical representatives who commit to doing business ethically when working on our behalf.

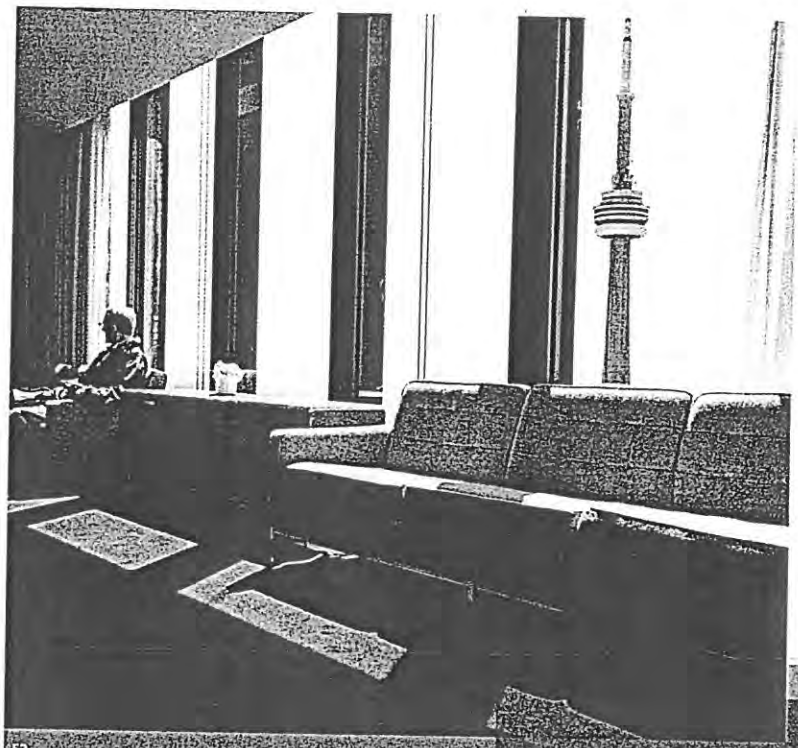
Our business relies on a large network of representatives—such as partners, vendors, and consultants—for success. Their actions reflect on our company's reputation as much as our own. When our representatives do business with integrity, we retain and strengthen the trust we've established with our customers and the public.

HOW WE BUILD TRUST:

- We understand our representatives' qualifications and reputation before we engage them to work on our behalf.
- We understand the reasons for including a particular representative in a deal or transaction, and only do so where it's appropriate.
- We cultivate trust with our representatives and never ask or suggest that they do things that are not allowed under the law or our policies.
- We do not pressure partners or resellers to place orders for products or services they do not want or need, or retaliate against them for refusing to do so.
- We report signs that a representative could be engaging in corrupt or unethical behavior while representing Microsoft.

Learn More:

Trustworthy Representative Policy
Ethical Sales Policy



Treat Gifts, Hospitality, & Travel Responsibly

We demonstrate sound judgment and moderation when exchanging business courtesies.

Giving and receiving gifts, hospitality and travel can build strong working relationships and goodwill between Microsoft and those we do business with. But gifts, meals, or trips that are extravagant or lack transparency or a legitimate purpose may be viewed as bribes or as simply inappropriate. These things erode trust and harm our business.

HOW WE BUILD TRUST:

- We develop positive relationships free of corruption and commercial bribery.
- When we offer or accept gifts, hospitality, or travel, we make sure they are reasonable, appropriate, and have a legitimate business purpose.
- We never give or accept cash.
- We do not solicit gifts, hospitality or travel from third parties, or put them in a position where they feel obligated to provide something in order to do business with us.
- We don't ask a representative, like a partner or supplier, to give gifts, hospitality, or travel on our behalf.

Learn More:

Giving Gifts, Hospitality & Travel to Government Officials Policy

Giving Gifts, Hospitality & Travel to Commercial Recipients Policy

Accepting Gifts, Hospitality & Travel Policy

Choose Suppliers with Integrity

We rely on our supplier relationships for our success.

To achieve our mission, we need suppliers that are as committed as we are to building trust with our customers, that will do great work, and that will follow the law.

HOW WE BUILD TRUST:

- We select the best suppliers for the job, by carefully considering their proven track record, reputation for integrity, and other merits—not based on favoritism.
- We work to eliminate child labor, human trafficking, and other labor abuses in our supply chain.

Learn More:

Supplier Contracting Policy
Procurement Policy

Upholding These Standards

Employees' Responsibilities

You are expected to uphold these Standards, Microsoft policies, and the law.

THIS MEANS YOU MUST:

- Read, understand, and comply with these Standards, and the policies, laws, and regulations that apply to your job.
- Speak up when you see possible violations of the Standards, Microsoft policies, and legal and regulatory requirements.
- Be truthful, and cooperate fully in any internal investigations. Do not conceal or destroy information.
- Complete training on the Standards, and attest that you understand and commit to comply with the Standards.

Failing to read or attest to the Standards does not excuse you from these responsibilities.

Oversight

Microsoft's Standards of Business Conduct and its Ethics and Compliance Program are endorsed by and have the full support of Microsoft's Board of Directors. The Board of Directors and management is responsible for overseeing the Ethics and Compliance Program and compliance with these Standards.

Applicability

The Standards apply to all Microsoft "employees," which means its Board of Directors, and all employees, directors and executive officers of Microsoft. When we refer to "Microsoft" we mean Microsoft Corporation and all its subsidiaries and affiliates in which it directly or indirectly owns more than 50% of the voting controls.

Enforcement & Waivers

These Standards are important to us. Violation of these Standards may result in disciplinary action, up to and including termination of employment.

Only the Board of Directors may waive a provision of the Standards for a director or executive officer. Any waiver that is granted to a director or executive officer will be publicly disclosed as required by NASDAQ listing requirements and applicable laws, rules and regulations.

Microsoft

Reporting Options

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Phone: 1-877-320-6738 or
International Collect +1-720-904-6844

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TOYOTA CODE OF CONDUCT

September, 2018

TOYOTA MOTOR CORPORATION

Guiding Principles at Toyota

1. Honor the language and spirit of the law of every nation and undertake open and fair corporate activities to be a good corporate citizen of the world.

2. Respect the culture and customs of every nation and contribute to economic and social development through corporate activities in the communities.

3. Dedicate ourselves to providing clean and safe products and to enhancing the quality of life everywhere through all our activities.

4. Create and develop advanced technologies and provide outstanding products and services that fulfill the needs of customers worldwide.

5. Foster a corporate culture that enhances individual creativity and teamwork value, while honoring mutual trust and respect between labor and management.

6. Pursue growth in harmony with the global community through innovative management.

7. Work with business partners in research and creation to achieve stable, long-term growth and mutual benefits, while keeping ourselves open to new partnerships.

(revised April 1997)

Foreword

Ever since the company was founded in 1937, we, TOYOTA MOTOR CORPORATION and our subsidiaries (**"TOYOTA"**), have continuously strived to contribute to the sustainable development of society and the earth through the manufacturing and provision of high-quality and innovative products and services. Through these continuous efforts, we have established a corporate philosophy that has been passed down from generation to generation throughout the company and which has come to be known as the **"Guiding Principles at Toyota"** (originally issued in 1992, revised in 1997; the **"Guiding Principles"**). We have also put TOYOTA's values and methods in written form, in the **"Toyota Way"** (issued in 2001). Such values and methods must be shared globally among us to realize the "Guiding Principles", and we are seeking to pass these on to future generations. Through these efforts and by passing down our corporate philosophy and our values and methods, we are steadfastly striving to realize the "creation of a prosperous society by making things".

TOYOTA has long-demonstrated its dedication to contributing to sustainable development. As our business operations have become increasingly global, we need to reconfirm our corporate philosophy and have issued an explanatory paper in January 2005 entitled **"Contribution towards Sustainable Development".** This paper interprets the Guiding Principles from the standpoint of how TOYOTA can work toward sustainable development in its interactions with its stakeholders.

We believe that by **implementing the Guiding Principles in our operation, TOYOTA will successfully fulfill its expected contribution towards sustainable development.** Therefore, as stated in the Guiding Principles and explanatory paper, **we must comply with local, national and international laws and regulations, including the spirit thereof, and act with humility, honesty and integrity.** Compared to when the "Code of Conduct for Toyota Employees" was first issued in 1998, TOYOTA's presence in society has greatly increased and also new laws and regulations have been established, such as for the protection of personal data. With this background in mind, we have revised the existing code of conduct and created the **"Toyota Code of Conduct"** in order to **communicate the fundamental approach necessary to inspire continued confidence in TOYOTA, to respect and comply with the laws, and to maintain our honesty and integrity.**

I would particularly like to ask each one of you, as a person working for TOYOTA, to **be aware that you are an essential contributor to the success of TOYOTA.** In this era of global competition, borderless trade, and diversification, TOYOTA wishes to conduct business in an open and fair way. TOYOTA aims to become the most valued, respected and trusted company in the world by its customers and society. Accomplishing this goal requires that each one of us is aware of TOYOTA's respected reputation and standing in the community, the gratitude we owe to our customers and society, and the necessary respect of laws and regulations. Therefore, we must each act in a **"steadfast, sure-footed, and thorough"** way, and in accordance with common sense and good judgment. I expect and ask you to carefully read this **"Toyota Code of Conduct"** and to implement the spirit within.

March, 2006

PRESIDENT
TOYOTA MOTOR CORPORATION

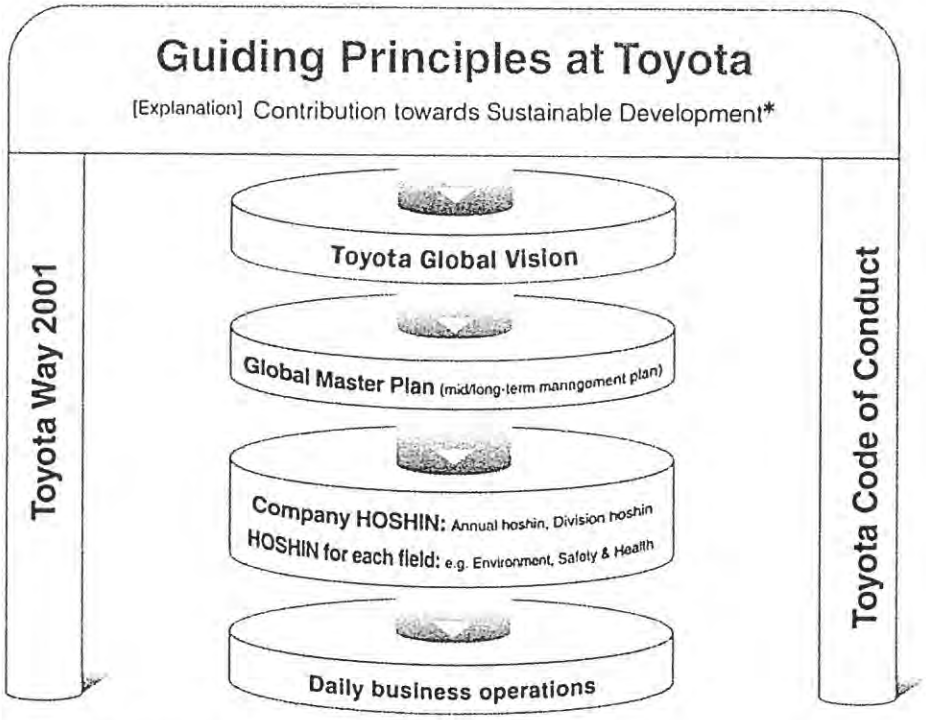
What is the "Toyota Code of Conduct"?

Our daily business operations are built on and supported by the corporate philosophy and its values and methods that have developed through years of diligent effort and passed down from generation to generation throughout TOYOTA MOTOR CORPORATION and its subsidiaries (**"TOYOTA"**).

The "Guiding Principles at Toyota" (originally issued in 1992, revised in 1997) summarize the corporate philosophy and reflects TOYOTA's vision of what kind of company TOYOTA would like to be. The "Guiding Principles at Toyota" were created with the expectation that we would understand and share our fundamental management principles, and that we would contribute to society by referring to these principles.

The "Toyota Way" and the "Toyota Code of Conduct" serve as important guiding tools when implementing our daily business operations to realize the "Guiding Principles at Toyota". "Toyota Way" (issued in 2001) describes the values and methods to be shared for the people of the global TOYOTA organization.

The present "Toyota Code of Conduct" (originally issued in 1998, revised in 2006) seeks to provide a basic code of conduct and to serve as a model and compass. It also provides detailed explanations and examples of the actions and issues that we must be aware of when carrying out actual business activities (including in our jobs and daily business operations) and living in our global society.



* Interprets the "Guiding Principles at Toyota" from the standpoint of how TOYOTA can work towards sustainable development in its interactions with its stakeholders (Issued in January 2005).

Toyota Code of Conduct

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CHAPTER I

TOYOTA AND US

Through our communication and dialogue with the company, we (people working for TOYOTA) strive to build and share fundamental value of "Mutual Trust and Mutual Responsibility". TOYOTA (TOYOTA MOTOR CORPORATION and its subsidiaries) endeavors to improve its business achievements so that TOYOTA can continue to provide employment and fair and stable working conditions for each of us. Simultaneously, TOYOTA promotes a work environment in which each of us can work in harmonious and dynamic manner.

In return, **each of us implement the "Toyota Code of Conduct" and endeavor to fulfill our duties with integrity. By fully utilizing our ability and capabilities and cooperating with others working for TOYOTA, we continue to improve the business performance of TOYOTA.**

This Chapter I explains the values and principles that are the foundation of our relationship with TOYOTA.

1—1. Creating a Harmonious and Lively Work Environment
- Acting with integrity and in line with sound social norms -

TOYOTA will use its best efforts to comply with all labor and employment laws and regulations of the countries where it is active, as well as the spirit thereof. TOYOTA encourages and supports the personal growth of all people working for TOYOTA.

Based on "Mutual Trust and Mutual Responsibility", TOYOTA endeavors to improve its business performance in order to make it possible to provide equal employment opportunities and to maintain fair and stable working conditions. TOYOTA strives to create a safe and harmonious work environment for its employees.

TOYOTA respects and honors the rights of all people working for it and will not discriminate against them or permit the infringement of their rights.

Therefore, all of us must recognize our essential roles in contributing to the success of TOYOTA and should make a commitment to comply with internal rules, as well as conduct our duties/work with integrity and in a socially acceptable manner. As valuable contributors to TOYOTA, we should each also endeavor to fully utilize our capabilities and to put forth our best efforts in all matters in order to strengthen and build TOYOTA's business performance globally.

[Guiding Principles 1 and 5]

CHAPTER II

OUR ACTIVITIES IN THE COMPANY

Based on a philosophy of "Customer First", TOYOTA strives to provide attractive products and services that meet the needs of customers worldwide. TOYOTA also seeks to achieve the top-level world standard in environmental protection and safety measures. In these regard, TOYOTA is unfolding daring plans both domestically and abroad concerning environment and safety, and in relation to research, development, procurement, production, distribution, sales and services.

When carrying out our work, each of us should all be aware that our work is linked to all of the business activities of the company. In this regard, TOYOTA does not tolerate illegal or criminal acts or acts in violation of the company policy and rules, regardless of whether such acts were motivated "in the interests of the company" or "in the interests of the customer". We should comply with the law and should always act with awareness and responsibility. We should rise to the challenge of solving the many issues that arise, as customer needs diversify and as progress is made in TOYOTA's globalization, such as mastering of the world's most advanced technologies, establishing the world's most suitable procurement and supply networks, meeting environmental and safety standards, and improving customer satisfaction.

This Chapter II explains how we should contribute to each of the major business activities of TOYOTA and provides the points that we should all be aware of.

2 —1. Compliance with Laws and Regulations
- With sound social norms in mind -

TOYOTA will comply with applicable laws , internal company policies and rules, abide by sound social norms, and take appropriate action against any illegal or criminal acts or acts in violation of the company's policies and rules. TOYOTA will not make any exceptions to this commitment, regardless of whether an unlawful act is motivated "in the interests of the company" or "in the interests of the customer", or carried out under the instructions of one's superior.

We should implement the "Toyota Code of Conduct" and make a commitment to comply with applicable laws, as well as internal company policies and rules, and to abide by sound social norms in all aspects of our work.

[Guiding Principles 1 and 2]

2 —2. Use and Management of Assets and Confidential Matters
- Ensuring asset maintenance and confidentiality management -

TOYOTA possesses a wide variety of tangible*1 and intangible*2 assets that are indispensable and invaluable to its successful business operations. In order for TOYOTA to use such assets effectively and at any time during the course of its business activities, TOYOTA manages such assets with a firm hand in order to prevent such assets from being lost, stolen or used illegally or wrongfully.

TOYOTA endeavors to manage and protect confidential information (e.g., its trade secrets) and to use such information in an appropriate manner. At the same time, TOYOTA does not tolerate the illegal use of another party's assets or intellectual property or the unauthorized use of another party's confidential information.

We must manage and protect TOYOTA's assets, intellectual property, company secrets (such as trade secrets etc.) and personal information, as well as respect the assets, intellectual property and confidential information of others.

[Guiding Principles 1]

*1 Examples of tangible assets: Land, buildings, facilities, equipment; products, merchandise, materials; office equipment; networks; office supplies; cash and deposits, securities and bonds; corporate credit card, etc.

*2 Examples of intangible assets: Intellectual property rights such as patent rights, trademarks, copyrights, design rights, know-how etc.; Confidential corporate matters such as product and technology information, procurement and sales information, personnel and accounting information, software (e.g. program, data), etc.

2 —3. Insider Trading
- Act as an investor with sound common sense -

TOYOTA possesses a large amount of valuable internal (confidential) information and does not allow people working for it to engage in insider trading, such as using confidential information to buy and/or sell stocks.

We must understand that insider trading is clearly not permitted. Not only is it illegal in many countries, but it also destroys the mutual trust that TOYOTA has built with its investors, affiliated companies and business partners. Therefore, we shall not engage in or permit any insider trading.

[Guiding Principles 1]

2 —4. Activities Promoting Safety
- Enhancing vehicle safety -

For an automotive manufacturing company such as TOYOTA, the pursuit of safer vehicles is always one of its main challenges and mission. TOYOTA endeavors as a group, in cooperation with our suppliers and dealers, to engage in research and development, design, production, quality control and after-sales services in order to deliver its customers Toyota and/or Lexus vehicles that display sophisticated safety levels under various conditions and that provide a comfortable experience for drivers. TOYOTA will also be actively involved with "People Education" (i.e., Driver Education) and with improving the "Traffic Environment."

We should endeavor to think from the standpoint of our customers and pursue ways to make vehicles safer and offer our customers safety and trust.

[Guiding Principles 3]

2 —5. Environmental Preservation Activities
- Building environmentally and people friendly vehicles -

TOYOTA has a deep understanding of the necessity of environmental conservation on a global scale. Therefore, TOYOTA has decided to "dedicate ourselves to providing clean and safe products and to enhancing the quality of life everywhere through all our activities" (Guiding Principles 3). Furthermore, TOYOTA has developed a proactive policy and plans to assure continual improvements in environmental performance in the "Toyota Earth Charter" and "Toyota Environmental Action Plan".

TOYOTA regards environmental issues as one of the company's major challenges and takes environmental impact into consideration at all life-cycle stages of its vehicles, including development, production, usage and disposal. TOYOTA promotes compliance with international environmental standards, implementation of enhanced environmental assessments, and realizing the principle of "building people and environmentally friendly vehicles" in cooperation with its suppliers, dealers, etc.

We must endeavor to attain the highest level of environmental stewardship in each country and area.

[Guiding Principles 3]

2 —6. Research and Development Activities
- Developing vehicles from the standpoint of our customers -

In order to provide innovative, safe and outstanding high-quality products and services that meet the needs of customers through "research and innovation", TOYOTA has established research and development centers around the world. These centers are well-staffed with leading innovators and actively cooperate with other TOYOTA group companies, as well as universities and research institutes, in order to strongly promote research and development of advanced technologies in various fields.

TOYOTA does not tolerate research and development that violates any applicable laws or breaches of its agreements with its research and development partners. TOYOTA also does not tolerate the illegal or unauthorized use of another party's intellectual property.

Our goal is to develop vehicles from the customers' perspective and to promote research and development.

We respect the views of our research and development partners and seek to cultivate and maintain mutual trust. In addition, we use our best efforts to build a relationship of mutual trust by satisfying our obligations to our partners.

We shall be mindful of respecting the intellectual property rights of others when conducting research and development and when realizing production.

[Guiding Principles 4]

2 —7. Procurement Activities
- Reasonable and sincere transactions -

Based on following three basic policies, TOYOTA engages in fair and open procurement activities:

(a) Fair competition based on an open-door policy

Regardless of nationality or size of transaction, TOYOTA offers fair opportunities to all candidates. TOYOTA evaluates candidates based on their overall strengths, including quality, technology, price, volume and reliability of delivery, as well as the stability of their business management and technological development capabilities.

(b) Mutual growth based on mutual trust

In order to build relationships that result in mutual growth, TOYOTA and its suppliers strive for mutual collaboration and close communications as equal partners.

(c) Promoting localization in view of good corporate citizenship

In order to contribute to its local communities, TOYOTA globally promotes local production of Toyota and/or Lexus vehicles and endeavors to actively promote local procurement of parts and materials.

We engage in procurement activities with fairness and integrity, in consideration of the above three basic policies and compliance with the law.

[Guiding Principles 1 and 7]

2 —8. Production and Distribution Activities
- Building vehicles that win customer trust and faith -

TOYOTA endeavors to produce high-quality Toyota and Lexus vehicles and parts and deliver them in an efficient manner in order to meet customers' expectations. In order to realize such production and supply goals, TOYOTA endeavors to build the "world's optimum production network" and a "global distribution network".

In addition, in order to enhance the global competitiveness of Toyota and Lexus vehicles, TOYOTA developed the Toyota Production System, which continues to evolve according to the characteristics of particular regions of the world and aims to achieve worker and environmentally friendly plants.

We endeavor to maintain the safety and quality of products and to comply with laws related to production and distribution.

[Guiding Principles 4]

2 —9. Sales Activities
- Winning the trust of customers and dealers -

Based on the following three ideas, TOYOTA strives to build a sales and service structure that meets various customer needs in a timely manner. In order to achieve such structure, TOYOTA endeavors to build relationships with dealers based on mutual trust, and to bring mutual growth and support for fair competition and transactions.

(a) Philosophy of "Customer First"

Based on a "Customer First" philosophy, TOYOTA strives to create a sale and service structure that promptly responds to the various needs of customers worldwide. To achieve this, TOYOTA develops products that meet customer expectations and implements a marketing strategy and sales style that matches the product profiles and various customer needs.

(b) Mutual growth based on mutual trust

TOYOTA develops and provides attractive product lineups, various styles of dealer showrooms and sales styles, and a meticulous customer and revenue management system. TOYOTA does this to contribute to the improvement of sales efficiency and profitability of its dedicated dealers, to build mutual trust and to bring mutual growth.

(c) Importance of fair market competition

TOYOTA respects free trade and market competition, implements ambitious sales strategies in order to obtain customer satisfaction and support in various areas of the world, and endeavors to engage in fair competition and transactions.

We conduct our sales activities with the above ideas in mind.

[Guiding Principles 1 and 4]

2—10. Overseas Business Activities
- To become a global company trusted worldwide -

TOYOTA engages in business worldwide and many of its activities are conducted outside Japan, including not only manufacturing activities, but also research and development. TOYOTA recognizes the ever-changing environment surrounding its business operations, global diversity, the specificity of each local area in terms of its own rules and customs, etc., and the rapid changes in world political and economic climate. TOYOTA respects international rules and laws, as well as the culture, customs and history of local societies. Thus, TOYOTA promotes its business activities from "both a global and local" standpoint so as to contribute to the development of local economies and society.

We contribute to expansion of TOYOTA's business overseas by respecting the culture, customs and history of each country, as well as national, regional and international laws and rules.

[Guiding Principles 1 and 2]

2—11. Profitability Enhancement Activities
- Building a stronger profit foundation -

In order to respond to the expectations of investors and society, TOYOTA endeavors to perform various measures to improve business management efficiency, achieve sustainable increases in profit and strengthen the foundation of its management and profit.

When determining investments or financing for various domestic and overseas projects, TOYOTA's decisions are made after conducting thorough pre-studies, including anticipated profitability. As for fund management, TOYOTA places the highest priority on safety and certainty.

Based on the appropriate financial performance indices, TOYOTA assesses business management efficiency and profit make-up on both an individual and consolidated basis. TOYOTA does its best to continuously improve these, and to timely and fair disclosure of its financial condition and to make appropriate payment of taxes. In order to realize such disclosure, TOYOTA strives to appropriately oversee the financial condition of its subsidiaries and affiliates.

[Guiding Principles 6]

CHAPTER Ⅲ

SOCIETY AND US

Through its business, TOYOTA creates close relationships with society and its stakeholders (customers, shareholders, local communities, etc.). Based on the basic understanding that "as a member of society, the company engages in business that contributes to society", TOYOTA operates its business in an open and fair manner. Through active public relations activities, investor relations and philanthropy, TOYOTA aims to be a "good corporate citizen" that is trusted by the international community. TOYOTA's business is expanding rapidly worldwide. TOYOTA feels that the support and trust of stakeholders in TOYOTA has helped the company realize such expansion, and TOYOTA should not forget gratitude towards its stakeholders.

Thus, TOYOTA will respond strictly with respect to illegal or criminal acts and acts that are not socially acceptable, regardless of whether job-related or whether in private situation. TOYOTA also strongly desires that the people working for TOYOTA, a company engaged in automotive business, are aware of traffic safety and lead safe and pleasant lives.

We support TOYOTA's aim "to become 'a good corporate citizen' that is trusted by the international community". We strive to communicate openly and fairly with stakeholders, to gain more "Toyota fans", as well as to engage in activities that contribute to society's sustainable development. We must also act, at all times, including when carrying out our works, in a manner that does not provoke unnecessary misunderstanding or misapprehensions, **and to act with humility, honesty, and integrity.**

Regardless of whether at work or in a private situtation, **we should pay careful attention to traffic safety, obtain basic legal knowledge, and be aware of common social protocol.** We need to do this so that we can be sensitive to illegal or criminal acts or acts that are against society's common morals, **and take swift and forceful actions against such acts.**

This Chapter Ⅲ introduces examples of TOYOTA's engagement with society and provides issues that we should be aware of, and what TOYOTA expects of us when engaging in social activities.

3 —1. Corporate Communication Activities
- Communicating facts in an accurate and timely fashion -
- Being Open and Fair -

In order to become an "open company" and win the trust of society, TOYOTA strives to communicate accurate and timely information to its stakeholders through active public relations and public dialogue, so as to enhance its corporate image and transparency. TOYOTA listens to and respects its stakeholders' criticisms and suggestions, and incorporates these as appropriate into its business.

We endeavor to build positive relationships with stakeholders through open and fair communication.

[Guiding Principles 2 and 6]

3 —2. Philanthropy and Community Relations
- Becoming a corporate citizen trusted by international society -

Towards attaining an enriched society and sustainable development, TOYOTA, in cooperation with society, strives to effectively use its resources and to engage in activities contributing to society. Such activities are aimed at alleviating societal problems or issues and include initiatives with respect to the "nurturing of personnel", the "environment", and "traffic safety".

As a global company, TOYOTA contributes to creating a sustainable society from the broad perspective of the future of the earth and humanity. As a good corporate citizen, TOYOTA also focuses on local communities and focuses on social issues that each local community faces and endeavors to resolve such social issues.

As members of the local community, we will take an interest in and gain awareness of local social issues. Based on such awareness, we will actively take part in philanthropic initiatives such as volunteer activities.

[Guiding Principles 1, 2 and 6]

3 —3. Shareholder Relations
- Respect for shareholders' benefit -

In order to respond to the expectations of shareholders and investors worldwide, TOYOTA strives to operate its business globally and to enhance corporate value, while achieving stable and long-term growth. TOYOTA considers relationships with investors to be important, and through timely and fair investor relationship activities, endeavors to promote understanding of its corporate management and business activities. As for corporate governance, TOYOTA strives to enhance the transparency of its management and actively incorporates management -checks conducted by independent parties.

We endeavor to contribute, through our work, to TOYOTA's efforts to meet the expectations of its shareholders and investors worldwide.

[Guiding Principles 6]

3 —4. Government Relations
- Maintaining proper and transparent relations -

TOYOTA strives to build transparent and fair relationships with political parties or administrative bodies (government agencies and public officials) and takes appropriate actions to comply with applicable laws and regulations.

We maintain healthy and transparent relationships with political and administrative bodies and public officials.

[Guiding Principles 1]

3 —5. Political and Religious Activities
- Moderate participation -

In the absence of any circumstances of concern (e.g., such as the possibility that the activity will hinder the conduct of business), TOYOTA respects participation in politics by people working for TOYOTA and does not, in any way, interfere with individuals' religious activities. However, these are private activities and, in principle, they cannot be conducted on company premises or in company time.

We respect the rights of other people working for TOYOTA to participate in political and religious activities in a moderate manner.

[Guiding Principles 1]

3 —6. Traffic Safety Education Activities
- Improve traffic safety awareness of society as a whole -

In order to help create a safe and comfortable society, in addition to pursuit of safer vehicles, TOYOTA actively promotes traffic safety education activities designed for today's realities. TOYOTA strives to enhance traffic safety awareness not only among people working for TOYOTA, but within society as a whole.

Recognizing the responsibilities of a company engaged in the automobile industry, we abide by traffic rules, and endeavor to be a role models by safe driving and actively promoting traffic safety.

[Guiding Principles 1]

3 —7. Disaster Prevention and Crime Prevention Activities
- Creation of a safe society -

TOYOTA, in cooperation with the local community, engages in disaster prevention activities and contributes to the recovery of local communities in the event of an actual disaster. TOYOTA actively engages in crime prevention activities and the promotion of a safe society.

Each one of us will maintain high moral standards and actively participate in the creation of a safe society.

[Guiding Principles 1]

Toyota Code of Conduct

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TOYOTA

Name

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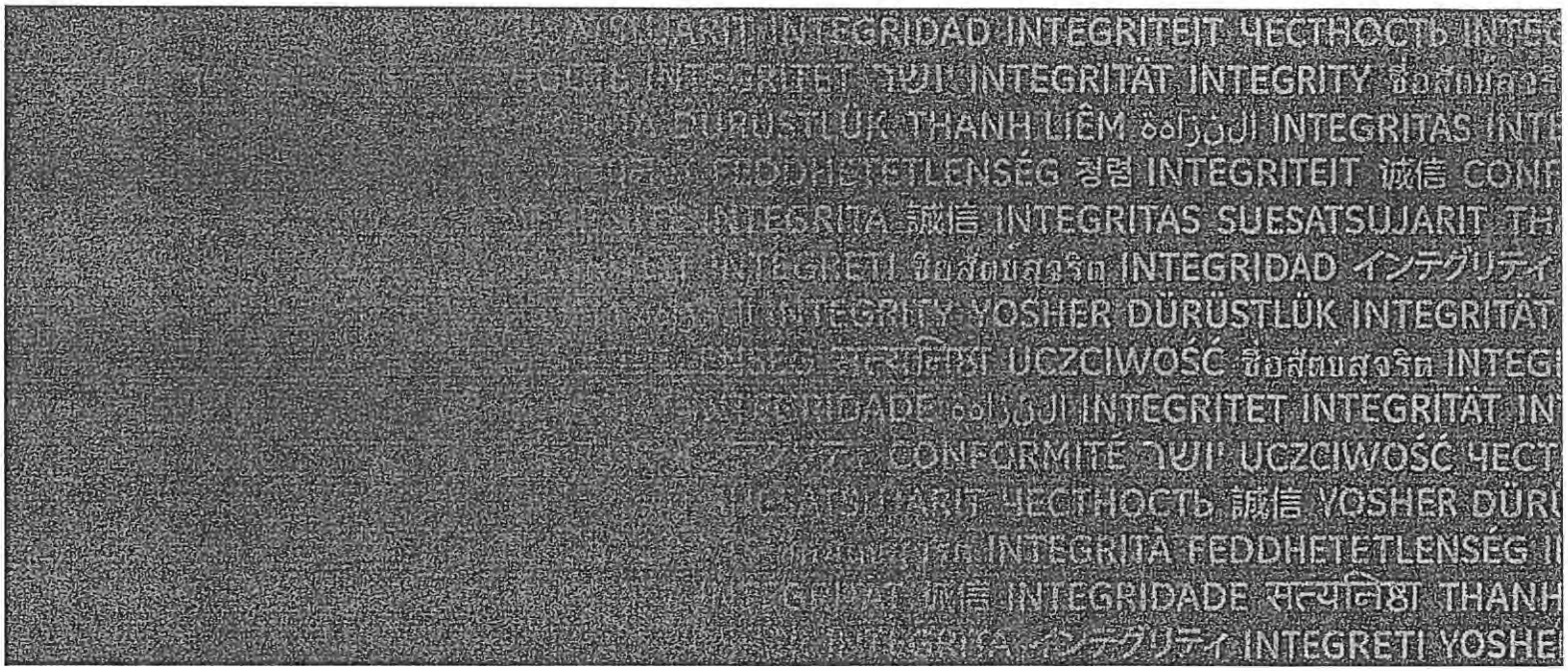
Fairfield Connecticut 06828



THE SPIRIT & THE LETTER

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THE GE CODE OF CONDUCT

01 Be honest, fair and trustworthy in all of your GE activities and relationships.

02 Obey applicable laws and regulations governing our business worldwide.

03 Fulfill your obligation to be the Voice of Integrity and promptly report any concerns you have about compliance with law, GE policy or this Code.

04 Simple compliance is more effective compliance. Effective compliance is a competitive advantage. Work to run the company in as competitive a way as possible — with speed, accountability and compliance.

WHO SHOULD FOLLOW THESE POLICIES

The Spirit & The Letter must be followed by anyone who works for or represents GE.

THIS INCLUDES >>

- **GE directors, officers and employees.**
- **Subsidiaries and controlled affiliates.** Entities in which GE owns more than 50 percent of voting rights, or which GE has the right to control, are required to adopt and follow GE compliance policies.

Non-controlled affiliates should be encouraged to adopt and follow GE compliance policies.

GE employees working with third parties such as consultants, agents, sales representatives, distributors and independent contractors must:

- Require these parties to agree to comply with relevant aspects of GE's compliance policies.
- Provide these parties with education and information about policy requirements.
- Take action, up to and including terminating a contract, after learning that a third party failed to abide by GE's compliance policies.

About This Guide

This guide provides an introductory summary to these policies — not the full policies themselves.

Go to **integrity.ge.com** for detailed policy information and resources to help you.

WHAT EMPLOYEES MUST DO

BE KNOWLEDGEABLE

Gain a basic understanding of *The Spirit & The Letter* policies.

Learn the details of any *Spirit & Letter* policy that is relevant to your individual job responsibilities.

Learn about your detailed business and regional policies and procedures and understand how to apply them to your job.

BE AWARE

Stay attuned to developments in your area or industry that might impact GE's compliance with laws and regulations or reputation in the marketplace.

Understand GE may review, audit, monitor, intercept, access and disclose information processed or stored on GE equipment and technology, or on personally-owned devices permitted GE network access.

BE COMMITTED

Promptly raise any concerns about potential violations of law or GE policy.

Cooperate fully and honestly in GE investigations related to integrity concerns.

THE COST OF NONCOMPLIANCE

Employees and leaders who do not fulfill their integrity responsibilities face disciplinary action up to and including the termination of their employment. The following examples of conduct can result in disciplinary action.

EXAMPLES >>

Violating law or GE policy or requesting that others do the same.

Retaliating against another employee for reporting an integrity concern.

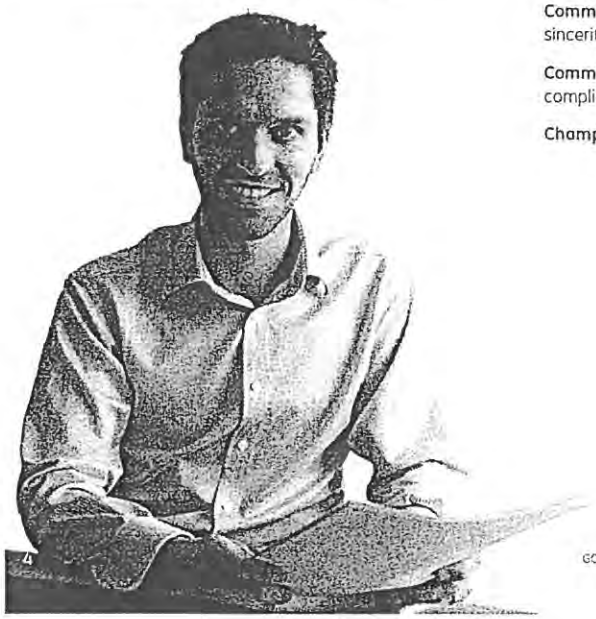
Failing to promptly report a known or suspected violation of GE's integrity policies.

Failing to fully and honestly cooperate in GE investigations of possible policy violations.

Failing as a leader to diligently ensure compliance with GE's integrity principles, policies and law.

WHAT LEADERS MUST DO

GE holds its leaders accountable for creating a culture of compliance in which employees understand their responsibilities and feel comfortable raising concerns without fear of retaliation. Leaders' responsibilities span prevention, detection and response to compliance issues.



PREVENT >>

Personally set the example for integrity, not just through words, but more importantly, through actions.

Ensure employees understand that business results are never more important than ethical conduct and compliance with GE policies.

Create an open environment in which every employee feels comfortable raising concerns.

Communicate the importance of compliance with sincerity and conviction at every appropriate opportunity.

Commit adequate resources to your business's compliance program.

Champion an effective GE ombudsperson network.

DETECT >>

Lead compliance processes through compliance review boards.

Conduct periodic compliance reviews with the assistance of business compliance leaders and/or the Corporate Audit Staff.

Implement control measures such as "dashboards" and "scorecards" to detect heightened compliance risks and violations.

RESPOND >>

Document and escalate any employee's expressed concern through the appropriate channels.

Take prompt corrective action to address identified compliance weaknesses.

Take appropriate disciplinary action.

Integrate employees' integrity contributions into evaluations and recognition and reward programs.

BE THE VOICE OF INTEGRITY

Being the Voice of Integrity at GE isn't always easy, but when we raise integrity concerns, we make our Company stronger and protect our colleagues from harm.

You do not need to be certain that a violation has occurred. At the same time, you have an obligation to promptly raise a concern when you see a situation in which our integrity principles or policies are not being followed.

Confidentiality is respected, and you may even choose to remain anonymous. However, if you identify yourself, we are able to follow up with you and provide feedback. Your identity and information will only be shared on a "need-to-know" basis. Any retaliation — whether direct or indirect — against employees who raise a concern is grounds for discipline up to and including dismissal.

HOW TO RAISE AN INTEGRITY CONCERN >>

GE offers several channels for raising concerns. You can choose to speak to someone about a potential integrity issue or put it in writing. Generally, your supervisor or manager will be in the best position to resolve an integrity concern, but **other resources include:**

- Your human resources leader.
- Your compliance leader or auditor.
- Company legal counsel.
- Next level of management.
- Your business or region GE ombudsperson or integrity helpline.
- A GE Corporate ombudsperson.
- The GE Board of Directors.

Nothing in this policy prevents you from reporting potential violations of law to relevant government authorities.

HOW WE HANDLE INTEGRITY CONCERNS >>

GE fairly examines every integrity concern, and managers are required to escalate employees' concerns to a compliance specialist. **During the investigation process, GE:**

1. Forms an objective investigation team.
2. Determines the facts through interviews and/or the review of documents.
3. Recommends corrective action, if necessary.
4. Provides the person who raised the original concern (if that person is known) with feedback on the outcome.

Raise a concern

GE Corporate Ombudsperson
The GE ombudsperson process allows you to voice your integrity questions and concerns, anonymously if you prefer.

PO Box 52560
Boston, MA 02205
U.S.A

800-227-5003 (U.S.A. only) or
(1) 617-443-3077
ombudsperson@corporate.ge.com

GE Board of Directors
You can report concerns about GE's accounting, internal accounting controls or auditing matters, as well as other concerns, to the Board of Directors or the Audit Committee.

GE Board of Directors
General Electric Company
41 Farnsworth Street
Boston, MA 02210 U.S.A.

800-417-0575 (U.S.A. only) or
(1) 617-443-3078
directors@corporate.ge.com

REGULATORY EXCELLENCE

RESPONSIBILITIES OF EMPLOYEES

- **Know and comply** with the laws and regulatory requirements that affect your job responsibilities.
- **Treat regulators professionally,** with courtesy, honesty and respect at all times.
- **Coordinate with business or Corporate experts** when working with or responding to requests from regulators.
- **Be the Voice of Integrity and promptly escalate any potential issues** that may lead to a regulatory compliance breach.

RESPONSIBILITIES OF LEADERS

- **Incorporate regulatory requirements** into business strategy and processes.
- **Assign owners to regulatory risk areas** and ask them to partner with appropriate GE government affairs and regulatory experts.
- **Confirm you and your team have access to subject matter expertise** needed to manage regulatory risks.
- **Develop strong processes to anticipate risks,** including new and changing regulations.
- **Monitor regulatory compliance** on an ongoing basis and conduct periodic audits of key processes.

What You Should Know

In every market in which GE operates, GE must comply with an ever-expanding array of laws and regulations that are often being enforced more aggressively than ever before. In some cases, laws made by one country seek to regulate activities that take place outside of that country. This environment demands that every employee and leader be committed to regulatory excellence.

IMPROPER PAYMENTS

RULE TO REMEMBER >> Do not permit or engage in bribery or corruption of any kind.

OUR POLICY

GE prohibits bribery in all business dealings, in every country around the world, with both governments and the private sector.

GE prohibits even small facilitation payments to expedite routine administrative actions, except in extraordinary circumstances and with the prior approval of a GE compliance or business general counsel, or where an employee's safety or security is at stake. Our goal is to eliminate all facilitation payments.

We maintain strong controls aimed at preventing and detecting bribery. This includes a rigorous process for appointing and managing third parties acting on GE's behalf in business dealings.

We maintain accurate books, records, and accounts that correctly reflect the true nature of all transactions.

YOUR ROLE

- **Never offer, promise, make, or authorize** a payment or the giving of anything of value to anyone in order to obtain an improper business advantage.
- **Remember that providing gifts, entertainment or anything else of value to government employees** is highly regulated and often prohibited. Do not provide such gifts and entertainment unless you have received prior GE counsel approval.
- **Follow Corporate and business guidelines** regarding gifts and entertainment and other business courtesies.
- **Never contribute Company funds or other GE assets for political purposes** without obtaining prior approval from Corporate Government Affairs, a Company officer or GE counsel, as applicable.
- **Follow your business due diligence procedures** and require that any third party representing GE be carefully selected and comply with this policy.
- **Treat with extreme caution** a demand from a third party to receive its commission payment prior to winning a deal/contract.
- **Be wary of any suggestion** to direct GE business through a specific representative or partner due to a "special relationship."
- **Be suspicious of any request** to make a payment to a person who is not related to the transaction being discussed — or a request that payments be made in another country.
- **Watch out for commissions** that seem too large in relation to the services provided.

What You Should Know

Bribery means giving, offering or promising anything of value to gain an improper business advantage.

Facilitation payments are small customary amounts paid to government employees to expedite routine clerical or administrative actions such as issuing permits.

SUPPLIER RELATIONSHIPS

RULE TO REMEMBER >> Work only with suppliers that uphold GE's values and high integrity standards.

OUR POLICY

GE relationships with suppliers must be based on lawful and fair practices.

GE provides suppliers a fair opportunity to earn a share of GE's purchasing volume, including small businesses, and businesses owned by the disadvantaged, minorities, women and disabled veterans.

GE only does business with suppliers that comply with all applicable legal requirements and GE guidelines relating to labor, employment and environment, health and safety and that treat workers and others fairly and with respect.

GE, as a business enterprise, promotes respect for human rights within our supply chain.

GE safeguards information, including confidential and proprietary information and personal data, of both GE and suppliers.

YOUR ROLE

- **Follow the procedures** set out in GE's Supplier Responsibility Guidelines.
- **Be mindful of GE's supplier diversity** program when choosing suppliers.
- **Protect GE's confidential and proprietary information** including, where appropriate, with a confidentiality agreement. Also safeguard any confidential information or personal data that a supplier provides to GE.
- **Avoid potential conflicts of interest** when you select a supplier, and never accept improper gifts or other items of value.
- **Follow government acquisition regulations** when purchasing materials and services for use in fulfilling government contracts.
- **If you observe a suspected human rights violation** in GE's supply chain, elevate the concern to your manager and/or compliance leader.
- **Always report issues and concerns regarding supplier relationships:** be the Voice of Integrity and talk to your manager, legal counsel or compliance specialist if you see unsafe conditions in supplier facilities, supplier employees who appear to be underage or subject to coercion, or an apparent disregard of environmental standards in supplier facilities.

What You Should Know

GE's reputation for integrity can be significantly affected by those whom we select to act as our suppliers.

INTERNATIONAL TRADE COMPLIANCE

RULES TO REMEMBER >> Always know what you're exporting, its destination, the end user, and the end use. >> Be sure to provide Customs with complete and accurate import documentation.

OUR POLICY

GE will comply with all export control, economic sanctions and customs laws that regulate cross-border transfers of goods and technology.

GE maintains policies regarding State Sponsors of Terrorism (SSTs) and other sanctioned countries that are often stricter than applicable laws.

YOUR ROLE

CUSTOMS >>

- **Follow all business procedures** relating to the import of goods.
- **Only use GE-approved Customs agents.**
- **Ensure you fully comply with special program requirements** before you claim reduced duty rates.
- **Report accurate, complete and timely information** on import declarations, and provide accurate and complete product descriptions when classifying goods.
- **Obtain approval from your Customs team** before hand-carrying any commercial product across a border.

EXPORT CONTROLS >>

- **Follow all business procedures** relating to the export of goods, software or technology.
- **Use the export classification of goods, software or technology** to determine if they require government authorization for export.
- **Follow "Know Your Customer/Know Your Supplier" procedures and the Corporate Watchlist Screening Guidelines** to ensure we do not do business with people or companies identified on government restricted party lists.
- **Confirm all necessary licenses or authorizations are in place** before any export transaction, and adhere to all export license or license exception requirements.
- **Do not cooperate with any boycott of Israel or any other boycott or restrictive trade practice not authorized by the U.S. government.** Seek legal counsel if a restrictive trade practice or boycott appears to conflict with the laws of another country.

What You Should Know

Export control laws regulate cross-border transfers of goods, software and technology that can be used for military or weapons proliferation purposes. Some countries also control the release of technical data to foreign nationals within their borders.

Customs laws regulate the movement (import and export) of goods across national borders or customs territories, even in the absence of a commercial transaction or import duties.

Sanctions (including embargoes and boycotts) can restrict trade in some or most goods and services.

ANTI-MONEY LAUNDERING

RULE TO REMEMBER >> Always know your customer and be alert to possible illegal activity.

OUR POLICY

GE is committed to complying with applicable anti-money laundering, corruption and terrorist financing laws and regulations.

GE conducts business only with customers involved in legitimate business activities, with funds derived from legitimate sources.

We adhere to risk-based "Know Your Customer" due diligence processes on prospective customers.

GE has controls to detect, investigate and report suspicious activity.

We recognize AML risks introduced by third party and business partner relationships and mitigate those risks by, for example, performing watchlist screening.

YOUR ROLE

- **Collect and understand documentation about prospective customers,** agents and business partners to ensure that they are involved in legitimate business activities and that their funds come from legitimate sources.
- **Follow your business Know Your Customer procedures** and rules on collecting and verifying information from our customers and related parties.
- **Follow your business rules concerning acceptable forms of payment.** Learn the types of payments that have become associated with money laundering (for example, payments on behalf of a customer from an unknown person).

Be alert for and escalate any signs of potential money laundering or other illegal activities.

EXAMPLES >>

- Attempts by a customer to provide false information to open an account.
- Offers to pay in cash or overpayments followed by requests for refunds.
- Orders, purchases or payments that are unusual or inconsistent with a customer's trade or business.
- Unusually complex deal structures.
- Unusual fund transfers to or from countries unrelated to the transaction.
- Transactions that might have been structured to evade recording or reporting requirements.

What You Should Know

Money laundering is the process of hiding the proceeds of crime or making the source appear legitimate.

The term **"Customer"** applies to any party contracted to obtain goods, services, credit or who opens an account.

WORKING WITH GOVERNMENTS

RULE TO REMEMBER >> Never take shortcuts when dealing with government — be transparent, always comply.

OUR POLICY

GE follows the highest ethical standards in conducting business with governments.

GE commits to comply with all contract terms and conditions, laws, and regulations applicable to GE when working with governments.

We must be truthful and accurate when dealing with governments.

We maintain controls and procedures that target our government business activities specifically to ensure compliance in this highly regulated environment.

YOUR ROLE

- **Government business is different — do not pursue government business** without first engaging your legal counsel.
- **Before submitting a proposal to a government,** review the requirements with all applicable stakeholders and only accept those terms with which GE can comply.
- **Do not accept internal government information** about its selection process nor information about a competitor's proposal unless the government contracting officer has specifically and lawfully authorized its release.
- **After award, perform all contract obligations strictly** in accordance with the terms of the agreement. For example, do not make any substitutions for the goods and services to be delivered, or deviate from requirements, without the written approval of the authorized government official.
- **Do not offer, promise, make or authorize the giving of anything of value** to a government employee that is inconsistent with Corporate and business guidelines.
- **Never enter into discussions** with government employees or people close to them about prospective employment of non-employees while they can influence decisions affecting GE.
- **In the U.S., certain employees must pre-approve personal political contributions** for compliance with state and local "pay to play" laws. These employees are officers, directors, sales employees and their managers of GE businesses that seek U.S. state or local government contracts. If you are unsure whether you must pre-clear personal political contributions, contact your legal counsel or compliance leader.

Be Aware

Government Employee and **Government Official** mean an employee, official, or an elected or appointed member of an executive, legislative, or administrative body of a federal, national, state/provincial, or local government from any country. This includes an employee of any public agency/department, state instrumentality, or State-owned or -controlled enterprise. Outside the U.S., employees of public international organizations, candidates for elective office, political party officials, family members of government employees, and members of a royal family may also be considered Government Officials. **State-owned or -controlled enterprises** may include, for example, hospitals, oil companies, public utilities, railroads, airlines, TV stations, public universities, sovereign wealth funds, central banks, and pension funds.

COMPETITION LAW

RULE TO REMEMBER >> Do not enter into any agreement with competitors that deprives customers of the benefits of competition.

OUR POLICY

Every GE employee has a responsibility to comply with all applicable competition laws, regulations, decrees and orders.

GE must never collude with other companies on price or terms to be offered to customers; agree with competitors to allocate markets or customers; or manipulate the bidding process.

YOUR ROLE

- **Do not propose or enter into any agreement** or understanding with any competitor about any aspect of competition between GE and a competitor, including agreements on pricing, bidding, deal terms, wages or the allocation of markets or customers.
- **Do not propose or enter into any agreement with any other party** regarding whether or how to bid. Only submit bids if the purpose is to compete for and win a particular piece of business.
- **Avoid contacts of any kind with competitors** that could create the appearance of improper agreements or understandings. Actively disassociate yourself from any situations in which improper agreements or information sharing between competitors are raised, and promptly inform your legal counsel.
- **Understand and follow your business's specific guidelines about contacts with competitors,** obtaining and handling competitive information, and participating in trade and professional associations.
- **Avoid agreements or understandings that restrict the price** at which a party may resell a product or service.
- **Do not provide, receive or exchange any of the following types of information with a competitor** or its representative, whether in person, electronically or at an industry meeting:
  - Prices.
  - Bids.
  - Customers, suppliers, sales territories or product lines.
  - Terms or conditions of sale.
  - Production, sales capacity or volume.
  - Costs, profits or margins.
  - Market share.
  - Sales, marketing or development strategies for products or services.
  - Distribution methods.

Talk to Your Legal Counsel

Before implementing any of the following:

- Sale of multiple GE products in "bundles."
- Exclusive arrangements.
- Technology licenses that restrict the freedom of the licensee or licensor.
- Price discounts that depend on loyalty or volume or are offered only to certain customers.
- Pricing initiatives.
- Distribution or supply arrangements with competitors.
- Policies concerning access of customers and third parties to parts, software and other inputs for the servicing of GE equipment.
- Any proposed merger, acquisition or joint venture.

FAIR EMPLOYMENT PRACTICES

RULE TO REMEMBER >> Treat all employees fairly and with respect.

OUR POLICY

GE bases employment decisions on job qualifications and merit which include education, experience, skills, ability, performance, and growth values.

Employment decisions should also be made without considering a person's race, color, religion, national or ethnic origin, sex (including pregnancy), sexual orientation, gender identity or expression, age, disability, veteran status or other characteristic protected by law.

We respect human rights everywhere we work and do business with others.

GE will comply with all laws pertaining to freedom of association, privacy, collective bargaining, immigration, working time, wages and hours, as well as laws prohibiting forced, compulsory and child labor, trafficking in persons and employment discrimination.

We take affirmative action where required by law to increase opportunities in employment for women, minorities, people with disabilities and certain veterans.

We respect employees' privacy rights and will use, maintain and transfer personal data in accordance with GE's Employment Data Protection Standards, related procedures and local law.

YOUR ROLE

- **You may not refuse to work or cooperate** with others because of characteristics covered by this policy such as race, religion, sex, age, or other characteristic protected by law.
- **Create a work environment free from harassment** on the basis of any protected characteristic, and free from bullying.
- **Never make an unwelcome sexual advance** to an employee or other person with whom you work.
- **Never disclose employment data** to a person who does not have a business need, the authority, or, where required, the subject's consent.
- **Consult with your manager and a GE legal or compliance specialist** if you encounter a conflict between this policy and local laws, customs or practices.

What You Should Know

GE absolutely prohibits taking adverse action against an employee because he/she has raised a concern about a violation of policy or law.

ENVIRONMENT, HEALTH & SAFETY

RULE TO REMEMBER >> Follow EHS procedures and be alert to environmental and safety hazards in your workplace.

OUR POLICY

GE strictly complies with all environmental, health, and safety (EHS) laws that apply to our operations.

We develop and follow safe work procedures to ensure workplace safety and prevent injuries.

We install, maintain, and monitor environmental controls to ensure our emissions meet legal limits.

We assess the EHS risks of any new activity, whether designing a new product, selling in a new market, building a new factory, or buying a new business.

Our EHS principles apply to everything we do — from making or servicing products and buying businesses to driving vehicles and disposing of waste.

YOUR ROLE

- **Understand and comply with all the EHS policies** that apply to you, including Corporate policies, business policies, and any specific policies that apply to your site, position, or operation.
- **Implement GE management tools and processes** to find and fix EHS concerns at your site.
- **Follow Corporate and business policies** for managing, shipping, transporting, importing/exporting and disposing of hazardous materials and chemicals.
- **Question unsafe or improper operations,** and insist on a "stop work" if necessary to address them.

Be the voice of integrity

Eliminating or guarding against hazards starts with identifying them. You must alert supervisors or EHS leaders if you are aware of hazards or standards that are being ignored or hidden.

Red flags include:

- Failure to obtain or comply with regulatory permits.
- Deviations from written work practices-even if these deviations have become "routine."
- Lapses in security or emergency preparedness.
- Inadequately maintained tools or equipment.
- Missing machine guards or faulty protective equipment.
- Unsafe driving.
- Failure to use lock-out, tag-out procedures or fall protection.
- Improperly shipped wastes or hazardous products.
- Unsafe customer sites.

SECURING GE OPERATIONS GLOBALLY

RULE TO REMEMBER >> GE has no greater responsibility than to protect its people and operations.

OUR POLICY

We implement rigorous Security and Crisis Management (SCM) plans designed to ensure the security of our people and operations globally. Our SCM plans include a process for identifying, and protecting against, the risks posed by man-made or natural incidents that affect our people, facilities, information technology assets and systems, or products, services and supply chain.

Communicate, as appropriate, about prevention, emergency response and business continuation with the GE community, government officials, the media and the public.

YOUR ROLE

- **Maintain situational awareness.** Help us protect you, your colleagues, and visitors; know your surroundings.
- **Adhere to all entry/exit procedures.** Wear your badge and ensure others do too. Badges provide a visible display that an individual's access is authorized and ensure GE facilities are protected from all but AUTHORIZED personnel.
- **Challenge individuals who do not have a badge** and report visitors who are unescorted.
- **Comply with GE travel policies.** Make use of the Travel Advisory System when planning travel.
- **Make travel arrangements through the GE Travel Center.** Obtain pre-clearances to designated countries.
- **Create and maintain a safe working environment.** Identify and report indicators or incidents of workplace violence to your manager, HR, Security Leader or Ombudsperson.
- **Conduct rigorous background checks** on new hires and contractors as permitted by law.
- **Observe Global Immigration Rules** by ensuring your employees and invited guests comply with global immigration regulations when traveling.
- **Be an active participant** in Crisis Management, Business Continuity, and workplace violence prevention drills and security awareness sessions to ensure you have the knowledge to remain safe at work, home and on the road.
- **Complete the GE Event Tool** if hosting or coordinating a GE event. Help make it a safe event by completing the GE Event Tool at **security.ge.com**.

Be the voice of integrity

Involve GE Security professionals if you encounter security concerns (for example, thefts, assaults, missing employees or data loss). Report these events, or any other unusual or suspicious activity, to your Security and Crisis Management Leader or at **security.ge.com**.

INTELLECTUAL PROPERTY

RULE TO REMEMBER >> Every GE employee has a responsibility to safeguard GE's intellectual property — it is the key to our competitive advantage.

OUR POLICY

GE aggressively protects its intellectual property (IP) and enforces its rights against others who take or use GE IP without proper authorization.

GE respects valid IP rights and avoids unauthorized use of IP that belongs to other people or organizations.

GE must own the IP created by its employees as part of their employment. We require employees to review and sign GE's Employee Innovation and Proprietary Information Agreement (EIPIA).

YOUR ROLE

- **Classify, label, store and share all GE data, information and documents** in accordance with GE's Data Classification Policy, and ensure that access to information and documents is granted only to individuals with a legitimate need.
- **Only use or distribute GE's proprietary information for the benefit of GE,** and not for personal gain.
- **Do not take, access, provide access to, or use any of GE's proprietary information or other IP** without authorization after leaving GE.
- **Consult with your manager, legal or IP counsel if you have any questions** or concerns regarding how to identify, handle and protect GE's IP.
- **Do not bring, access, keep, share or use a third party's proprietary information,** especially proprietary information from a previous employer, without first consulting with and receiving prior approval from your IP counsel.
- **Do not provide GE's proprietary information to a third party without the proper internal approval** and the necessary confidentiality agreement with the third party.
- **Do not use any source code or other software from a third party in any GE product or as a tool without obtaining prior approval.** Approval to use open source software can be requested through the open source approval tool found at **IP.ge.com**.
- **Direct each unsolicited third party suggestion** for new or improved GE products, features or services to the Submitting Ideas & Inventions portal found at **www.ge.com**.

What You Should Know

IP is among GE's most valuable assets.

Every employee creates, uses, accesses or has access to IP every day.

IP includes patents, trade secrets, trademarks, copyrights and designs and helps protect GE's inventions, manufacturing processes, brands, business plans, marketing documents and graphics, software, product shapes, proprietary information and many other things.

Proprietary information is information that is undisclosed, for example, not publicly known or generally available, and that is held in confidence.

CYBER SECURITY & PRIVACY

RULE TO REMEMBER >> Respect privacy rights and protect against cyber risks to GE information, networks and products.

OUR POLICY

GE respects individual privacy rights. GE is committed to collecting, handling and protecting Personal Information responsibly, and in compliance with applicable privacy and information security laws and with GE's Commitment to the Protection of Personal Information (GE's Binding Corporate Rules), where applicable.

GE may transfer Personal Information globally, consistent with applicable law.

GE seeks to protect its networks, systems, devices and information in our possession. It is our policy to use information only for legitimate purposes and to maintain appropriate access controls.

GE's policy is to conduct security testing on our products prior to release and to monitor for cyber security threats and vulnerabilities.

YOUR ROLE

- **If you have responsibility for software, IT or product development,** follow GE guidelines for Secure Software Development at **integrity.ge.com**. Ensure appropriate vulnerability testing prior to release, monitor for potential threats and vulnerabilities, and let customers know how to report any potential vulnerabilities they find to GE.
- **Communicate as appropriate with customers** about cyber security issues. Follow GE's vulnerability disclosure guidelines at **integrity.ge.com**.
- **Contact the GE Cyberworks Team or your information security leader** prior to participating in efforts to develop industry standards around cyber security, or engaging an outside firm or individual to perform vulnerability testing.
- **Limit access to GE information to authorized individuals** who need it for legitimate business purposes.
- **Prevent unauthorized access, accidental loss, disclosure or destruction of GE information:**
  - Secure physical copies and storage areas.
  - Use strong passwords; don't share your password with anyone.
  - Use only GE-approved systems and tools for storage, transmission and backup of GE information. Do not use personal email, unapproved devices or software to conduct GE business.
  - When posting information online, do not disclose Personal Information, trade secrets, proprietary or other commercially sensitive information.
  - Know the signs of phishing and recognize efforts to improperly acquire GE information.
- **Consult with your privacy leader** before implementing new or significantly modified processes that use Personal Information, including new software or code.

Be Aware

Personal Information is any information relating to a directly or indirectly identifiable person (or in some cases, a company); examples include name, address, email, phone, national identifier and credit card number.

Also, Cyber Security & Privacy incidents can happen in a number of ways. Report any risks or incidents at **security.ge.com**, including:

- Possible loss or theft of data, including lost laptops and other computing equipment.
- Loss, misuse or improper access to data.
- Security issues involving a GE product or system.

CONTROLLERSHIP

RULE TO REMEMBER >> Be honest, complete and accurate in our accounting, communications and decision-making.

OUR POLICY

GE accounting and reporting will faithfully reflect the economic substance of the Company's business activities, consistent with generally accepted accounting principles, standards, and regulations for accounting and financial reporting.

We will prepare timely, accurate and complete financial information for use in reports to management, investors, regulators and other stakeholders.

We will ensure that management decisions are based on sound economic analysis based on complete facts with appropriate consideration of short- and long-term risks.

We will comply with all Company policies and applicable laws and regulations relating to the preservation of documents and records.

YOUR ROLE

- **Maintain effective processes and internal controls** that fairly reflect transactions or events, as well as prevent or detect inappropriate transactions.
- **Protect** GE's physical, financial and intellectual property assets.
- **Maintain complete, accurate and timely records** and accounts to appropriately reflect all business transactions.
- **Create documents that are factual, accurate and complete,** and follow Company policies in deciding when to retain and dispose of them.
- **Avoid transactions that diminish share- owner value** even if they enhance near-term financial performance.
- **Never engage in inappropriate transactions,** including those that misrepresent the reporting of other parties such as customers or suppliers.
- **Seek the advice of your Controllership team** if you become aware of a questionable transaction.

Be the voice of integrity

Raise a concern if you become aware of actions, transactions, accounting or reporting that are inconsistent with our controllership values and the protection of GE's reputation.

Red flags include:

- Financial results that seem inconsistent with underlying performance.
- Circumventing review and approval procedures.
- Incomplete or misleading communications about the substance or reporting of a transaction.

CONFLICTS OF INTEREST

RULE TO REMEMBER >> Always make business decisions based on what is best for GE, never what is best for you personally.

OUR POLICY

You have a duty to ensure that nothing interferes with your ability to make all business decisions in the best interest of GE. This means that nothing you do should interfere, or appear to interfere, with your responsibility for objective and unbiased decision-making on behalf of the Company.

No activity at work or home should harm GE's reputation or good name.

You have a duty to disclose if your personal or financial activities may interfere or have the potential of interfering with your allegiance toward the Company.

Misusing GE resources or influence is prohibited. Even when nothing wrong is intended, the perception of a conflict of interest may have negative effects.

YOUR ROLE

- **Obtain prior approval** from your manager, HR and Company legal counsel before hiring, promoting or directly supervising a family member or close friend.
- **Obtain prior approval before accepting officer or director positions** with an outside business or not-for-profit organization. This excludes religious or school (non- University) affiliations.
- **Disclose** financial interests you may have in a company where you could personally affect GE's business with that company.
- **Do not** accept gifts other than those of nominal value from suppliers, customers or competitors.
- **Do not** accept personal discounts or other benefits from suppliers or customers if they are not available to the general public or your GE peers.
- **While incidental use may be acceptable, do not** use GE resources, intellectual property, time or facilities for personal gain. Avoid any activity which creates the potential perception of a conflict between your personal interests and the interests of GE.

What You Should Know

A conflict of interest is not necessarily a violation of GE policy; failing to promptly disclose a conflict is **always** a violation.

Disclosing potential conflicts of interest allows your management team to mitigate risks which may influence your business decisions. You can access the COI disclosure tool at **integrity.ge.com**.

INSIDER TRADING & STOCK TIPPING

RULE TO REMEMBER >> GE employees are prohibited from using or disclosing material non-public information about GE or other companies.

OUR POLICY

Do not use or share material non-public information for financial or any other personal benefit.

YOUR ROLE

- **Never buy or sell the securities (such as stocks, bonds or derivatives) of GE or any other company,** either directly or through family members or other persons or entities, **while you are aware of inside information** that could make the price of those securities go up or down.
- **Do not recommend or suggest that anyone else buy or sell the securities of any company — including GE — while you have material inside information** about that company.
- **Only share material inside information on a need-to-know basis.**
- **Avoid trading GE securities around the time of a significant announcement.**
- **Avoid sharing material inside information with anyone outside GE unless it is necessary** for GE's business activities and proper controls are in place (such as a non-disclosure agreement with a supplier).
- **Do not serve as an independent consultant or expert outside of GE** on business matters within the scope of your GE employment.
- **Refrain from discussing GE business with family and friends.**
- **Follow additional requirements for the buying and selling of securities** if required by the nature of your job or business (for example, employees who pre-clear personal trades through the Transaction Control Authority).

What You Should Know

Inside Information is information you may learn in your job about GE or other companies that has not been made public.

Using material inside information for your financial or other personal benefit, or sharing it with others, **violates GE's insider trading policy and may violate the law.**

Inside information is material if a reasonable investor would consider it important in deciding to buy, hold or sell securities, or if publication would likely affect a company's stock price. Examples include:

- Financial forecasts.
- Earnings/dividend announcements.
- Proposed acquisitions or divestitures.
- Strategic plans.
- Regulatory actions.
- Changes in top management.

Stock tipping means sharing inside information about GE or another company — for example, to a relative, colleague, or friend — to enable the person to buy or sell stock or other securities of the company on the basis of such information.

KEY QUESTIONS OF INTEGRITY

The Spirit & The Letter is not a substitute for your good judgment, and it cannot cover every conceivable situation. You should be alert to signs that you or your colleagues are in an integrity gray area and ask yourself three simple questions if you have any doubts about what you should do.

01 >>

How would this decision look to others within GE and externally?

02 >>

Am I willing to be held accountable for this decision?

03 >>

Is this consistent with GE's Code of Conduct?

Remember: Act if you see an issue. Ask if you're not sure.

© General Electric Company 2016

PUTTING PEOPLE FIRST

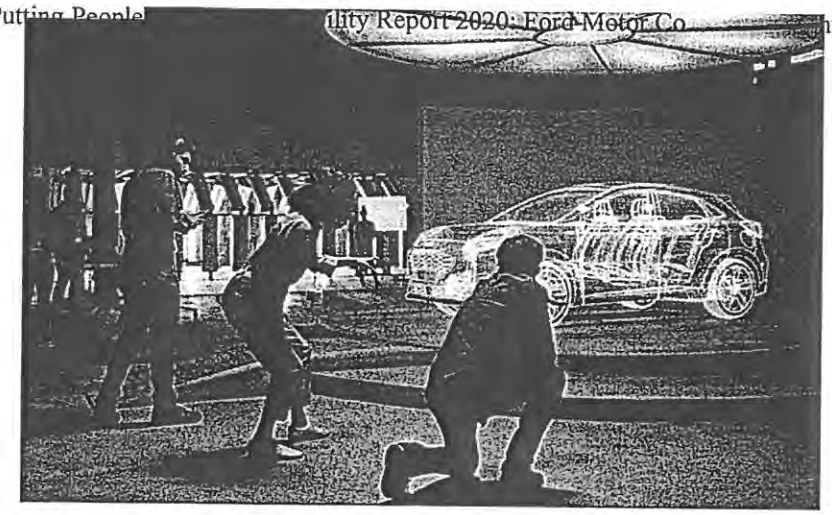
People drive our success: our skilled employees, our dedicated dealers, suppliers and partners, our local communities and our valued customers. They are front and center of everything we do to drive human progress.

"

THE HEART OF FORD'S GLOBAL COMMUNITY WORK IS MAKING PEOPLE'S LIVES BETTER. OUR EMPLOYEES ARE THE BACKBONE OF THIS WORK, AND THEIR VALUES IN GIVING BACK AND CARING FOR OTHERS DRIVE THIS MISSION. SUPPORTING THE COMMUNITIES WHERE WE LIVE AND WORK THROUGH MENTORSHIP, SERVICE AND PARTNERSHIP PROGRAMS IS WHAT MAKES FORD A SPECIAL FAMILY COMPANY."

MARY CULLER

PRESIDENT, FORD FUND
DETROIT DEVELOPMENT DIRECTOR
CHIEF OF STAFF, OFFICE OF THE EXECUTIVE CHAIRMAN



CREATING A WINNING CULTURE

Our culture – what it's like to work at Ford – is built on the strength of our history and transformed by our passion and ambition to create tomorrow, together.

By Putting People First, one of our shared values, we believe in creating experiences that empower our employees, customers, partners and communities to make the world a better place. We embrace a culture that enables us to attract, retain and develop top talent.

Our People Strategy

Through our holistic approach, we will:

- Use continuous learning and adaptive capabilities to deliver business value and reinforce our culture
- Create a more fit and flexible organization through collaborative networks and processes that enable agility and customer centricity
- Build an inclusive, diverse and adaptive learning community, drive accountability and deliver value every day

OUR ASPIRATIONAL GOAL

We aspire to become the most inclusive and diverse global company.

SEE ALL OUR ASPIRATIONAL GOALS IN FULL (SUSTAINABILITY-STRATEGY.HTML#GOALS)

CREATING A WINNING CULTURE

Valuing Diversity at Every Level

We can make our business stronger by fully leveraging the diversity of our workforce to reflect the communities in which we operate. We invite our people to bring all of their passion, inspiration, integrity and uniqueness into work each day. Society and corporations can no longer stay silent to social injustice. We fully commit to creating the fair, just and inclusive culture that all team members deserve.

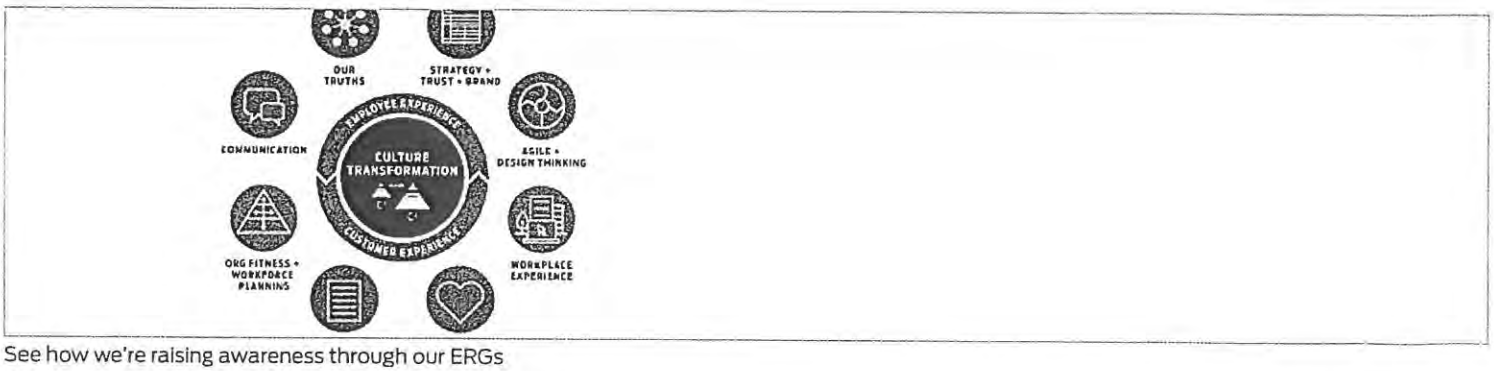
In July 2019, our World Headquarters hosted the Check Your Blind Spots Tour, in support of the CEO Action for Diversity & Inclusion™ (CEO Action) pledge. This event raised awareness of unconscious bias and offered a unique, technology-enabled multimedia experience, centered on uncovering "blind spots" that influence everyday decision making. In partnership with the CEO Action pledge, Ford employees celebrated the Day of Understanding in March 2020, to advance inclusion across Ford.

We have a network of 11 Employee Resource Groups (ERGs) for those who share characteristics or life experiences, as well as a desire to develop professionally and advance business goals. Groups for different ethnicities, women, the LGBTQ+ community, employees of faith, disabled employees, employees new in tenure and veterans host a range of professional, educational and cultural events as well as supporting our diversity-related efforts in recruitment and community outreach. For example, in March 2020, our Women of Ford ERG hosted its seventh annual International Women's Day event.

We are committed to supporting minority-, women- and veteran-owned businesses that foster innovation, drive profitability and prioritize sustainability. Our nationally recognized Supplier Diversity and Inclusion (SDI) program facilitates productive partnerships with a diverse range of entrepreneurs and drives innovative best practices to develop services for our customers. The program now includes certifications from the National LGBT Chambers of Commerce (https://www.nglcc.org/), Disability:IN (https://disabilityin.org/), the Small Business Administration (https://www.sba.gov/) and WEConnect International (https://weconnectinternational.org/en/).

To learn more about our diversity and inclusion initiatives, download a copy of our Sustainability Report from the ESG Reporting Hub (esg-reporting-hub.html).

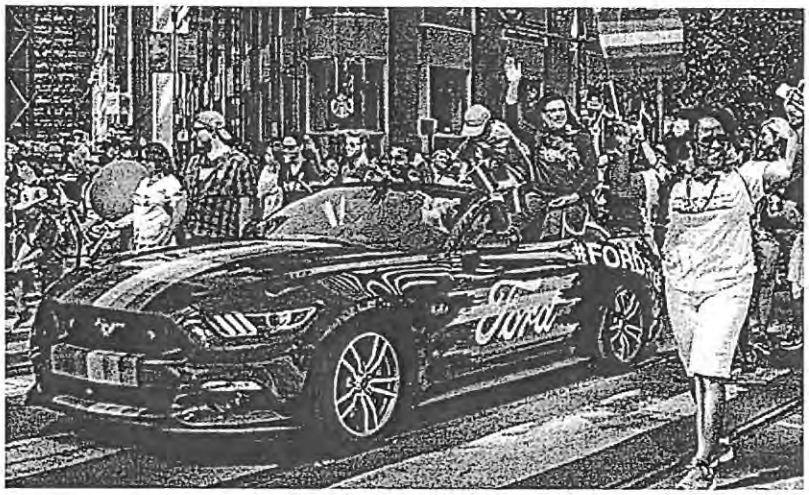
Learn more about our employee re-entry program
(https://www.youtube.com/watch?v=_ibf4F3flaI)



See how we're raising awareness through our ERGs
(https://vimeo.com/424718846/66c1ff86dc)

UN Women's Empowerment Principles

In February 2020, our President and CEO Jim Hackett signed the United Nations Women's Empowerment Principles (https://www.weps.org/) on behalf of Ford Motor Company. In doing so, we have committed to a set of principles to empower women around the world in the workplace, marketplace and communities.



Committed to Workplace Equality

Bloomberg Gender-Equality Index (GEI) (https://www.bloomberg.com/gei/about/): For the second year in a row, Ford was included in the 2020 GEI in recognition of its commitment to transparent gender reporting and workplace equality. And to support our aspiration to become the world's most trusted company, we published our GEI survey responses (PDF, 2.7 MB) (assets/files/sr20-gei-data-index.pdf) along with our Sustainability Report.

2019 Disability Equality Index® (DEI) (https://disabilityin.org/what-we-do/disability-equality-index/best-places-to-work-2019/): For the first time, Ford received a perfect score of 100 on the DEI Best Places to Work for Disability Inclusion list, a leading disability inclusion assessment tool. Our score demonstrates that we follow many aspects of disability inclusion best practices.

Ford has received further recognition from:

Supporting the LGBTQ+ Community

We support Fair and Equal Michigan's efforts to initiate legislation amending the state's civil rights law – the Elliott-Larsen Civil Rights Act – to support the LGBTQ+ community and protect all residents against discrimination.

Creative Ways to Promote Diversity

Ford's commitment to cultural diversity shines through in this year's advertising campaign for the all-new 2020 Escape. The campaign, Built Phenomenally (https://www.youtube.com/watch?v=2-avSAQNzkc), showcases remarkable women in the entertainment industry as well as at Ford. It also spotlights our commitment to the Free the Work (https://freethework.com/) initiative we co-founded, which encourages companies to be more inclusive in the bidding process for creative talent.

DIVERSITY AND INCLUSION IS NOT A PROGRAM OR AN INITIATIVE. IT'S ABOUT PEOPLE. THERE'S ONE BASIC HUMAN NEED COMMON TO EVERY SINGLE PERSON ON THE PLANET: THAT'S THE NEED TO BELONG. WE CAN'T BE THE WORLD'S MOST TRUSTED COMPANY UNLESS EVERYONE SUPPORTING FORD CAN BE THEMSELVES AND DO THEIR BEST WORK."

LORI COSTEW
CHIEF DIVERSITY OFFICER

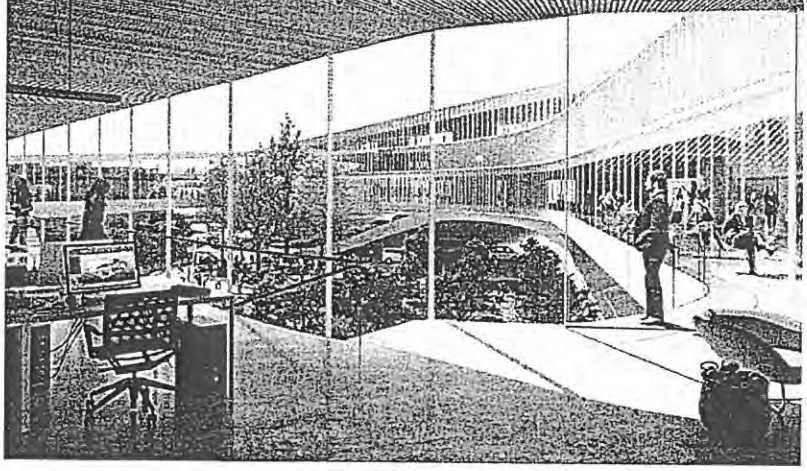
Introducing the new 2020 For Escape: Built Phenomenally (https://www.youtube.com/watch?v=2-avSAQNzkc)

CREATING A WINNING CULTURE

Building an Adaptive Workforce

The corporate landscape is dynamic, so companies increasingly need fresh thinking to keep up with a rapidly evolving world. At the same time, candidates are increasingly looking to work for companies that match their values.

We're continuously developing our learning culture and systems to ensure we acquire the new skills that technological advances demand (https://medium.com/@ford/thousands-of-new-tech-team-members-helping-transform-ford-with-more-on-the-way-804928f01681). We're using new technologies to enhance our manufacturing capabilities in our Factories of Tomorrow, expanding our partnerships to secure a pipeline of new talent and enhancing our learning experiences to prepare future-ready leaders.



See how we're transforming our Dearborn campus
(https://vimeo.com/432824933/1fa8ea873c)

WE ARE CREATING GLOBAL CENTERS OF EXCELLENCE WHERE TALENT CAN THRIVE. THESE WILL BE INVITING PLACES FOR EMPLOYEES, PARTNERS, BUSINESSES AND ENTREPRENEURS TO WORK WITH US TO CREATE TOMORROW, TOGETHER."

DAVE DUBENSKY
CHAIRMAN AND CEO, FORD LAND DEVELOPMENT

Campus Transformation

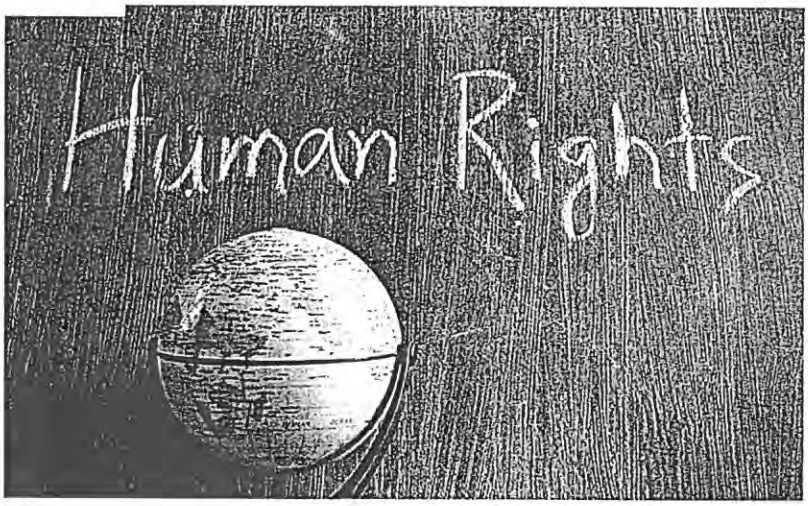
We're transforming our Research and Engineering Center in Dearborn, Michigan, into a high-tech campus for thousands of designers and engineers. The site of interconnected buildings and flexible workspaces – based on the principles of integration, interaction and co-location – will serve as a catalyst for new ideas and a proving ground for new mobility solutions.

The COVID-19 outbreak has forced us to remain flexible in where and how work is done, providing the necessary tools and technology for teams to collaborate virtually, while providing energizing workspaces when teams meet face to face. With around 1,000 virtual workers normally, we were able to ramp that up to 115,000 within one week.

I COME TO WORK EVERY DAY EXCITED TO COLLABORATE AND INNOVATE WITH MY AMAZING TEAM. FORD PROVIDES THE TOOLS, THE SPACE AND THE FREEDOM TO DO JUST THAT. WE ARE CHANGING THE WAY WE WORK BY PROVIDING MORE FLEXIBILITY AND ENCOURAGING EACH OTHER TO DO OUR BEST."

LAURA CASTRO

CHIEF FINANCIAL OFFICER, MEXICO, CARIBBEAN AND CENTRAL AMERICA



RESPECTING HUMAN RIGHTS

We rely on thousands of Ford workers and many more in our supply chain. Everything we produce – or that others make for us – needs to comply with local laws as well as our own commitment to protecting human rights everywhere we operate, both throughout our company and our entire supply chain.

We have signed the UN Global Compact, a framework of 10 universally accepted principles covering human rights, labor, environment and anti-corruption, and incorporate these principles into our policies and procedures, such as our Policy Letter 24: Code of Human Rights, Basic Working Conditions and Corporate Responsibility (https://corporate.ford.com/content/dam/corporate/en/company/corporate-governance/PolicyLetter24.pdf) (referred to as Policy Letter 24).

OUR ASPIRATIONAL GOAL

We aspire to responsibly source all raw materials used within our vehicles globally.

SEE ALL OUR ASPIRATIONAL GOALS IN FULL (SUSTAINABILITY-STRATEGY.HTML#GOALS)

RESPECTING HUMAN RIGHTS

Driving Human Progress

Customers in today's increasingly connected world expect better, with products that drive human progress. That's why we're focused on how consumers, communities and cities define how a company can impact human progress.

For the customer to be at the center of all we do, we're empowering decisions to be made at the lowest level, streamlining systems and processes, and developing our team for the skills needed today and in the future. It is imperative that we have an inclusive culture where all voices are heard, and everyone supporting Ford feels that they belong.

Defining Human Progress

As part of our focus on how Ford can make a positive impact, we conducted a two-year study with the Erb Institute at the University of Michigan, to define human progress. We're using our findings – which spanned preserving human rights, protecting health and safety, increasing access to transportation, and enhancing societal economic prosperity – to drive impacts to our consumers through our vehicles and services.

(assets/images/people/cluster-content-side-graphic.jpg)

I AM FORTUNATE TO WORK FOR A COMPANY WHOSE STRATEGIC SAFETY MEASURES REFLECT THE HEALTH AND WELL-BEING OF BOTH ITS EMPLOYEES AND THEIR FAMILIES. THIS ALLOWS ME TO WORK MORE EFFECTIVELY AND REMINDS ME THAT WHEN I RETURN HOME TO MY FAMILY, I CAN KEEP THEM HEALTHY AND SAFE.

KEVIN BREWER

MILL OPERATOR, TROY DESIGN AND MANUFACTURING (UAW REPRESENTATIVE)

7 years

Without a safety incident at our Hermosillo Stamping and Assembly Plant in Mexico

Health and Safety

As a salient human rights issue and a key strategic priority at Ford, nothing is more important than the health, safety and well-being of our people. We work hard to achieve world-class levels of safety year-over-year, through the application of policies and best practices.

We maintain a robust safety culture to reduce workplace injuries, supported by effective communication, reporting and external benchmarking. We hold regular talks and events on key safety issues, and participate in multi-industry groups to share safety best practices.

In 2019, the many initiatives and promotions we undertook to promote workplace health and safety included:

- Come Home Safe campaign in Turkey, where employees' children recorded messages wearing personal protective equipment and created artwork to remind their parents of the importance of safety
- Drills for National Safety Month in China, to raise employees' safety awareness, reduce unsafe behavior and enhance our strong safety culture
- A partnership with the Michigan Occupational Safety and Health Administration (MIOSHA) in Detroit to protect workers restoring the Michigan Central Station building

RESPECTING HUMAN RIGHTS

Respecting Human Rights Within Ford

Our commitment to addressing our salient human rights issues starts with our employees, and extends to our suppliers and business partners. We strive to maintain a safe and healthy work environment; do not tolerate harassment and discrimination; safeguard against the threat of forced labor, child labor and human trafficking; and follow ethical recruitment practices.

Our values and behaviors, which include Doing the Right Thing and Putting People First, mean that we act with integrity and transparency, and create safe, inclusive workplaces so that everyone can perform at their best.

EVERY BUSINESS MUST PUT PEOPLE FIRST AND STRIVE TO BECOME TRULY RESPONSIBLE, REGENERATIVE AND RESILIENT. THAT'S WHY WE'RE USING OUR LATEST HUMAN RIGHTS SALIENCY ASSESSMENT TO HELP US PRIORITIZE WHERE TO DIRECT OUR RESOURCES, AND DEVELOP ACTION PLANS TO MONITOR, ADDRESS AND INCREASE ENGAGEMENT ON THESE ISSUES."

MARY WROTEN

DIRECTOR, GLOBAL SUSTAINABILITY, SUSTAINABILITY, ENVIRONMENT & SAFETY ENGINEERING

Our Salient Human Rights Issues

In 2020, we conducted our second human rights saliency assessment, in line with the UN Guiding Principles Reporting Framework (UNGPRF) (assets/files/sr20-ungprf.pdf), to review the issues with the greatest risk of negative impacts on human rights. Over the last year, we've started to roll out a series of action plans to prevent, manage and remediate the 10 issues we identified:

(assets/images/people/cluster-content-side-50n28x+800-800.jpg)

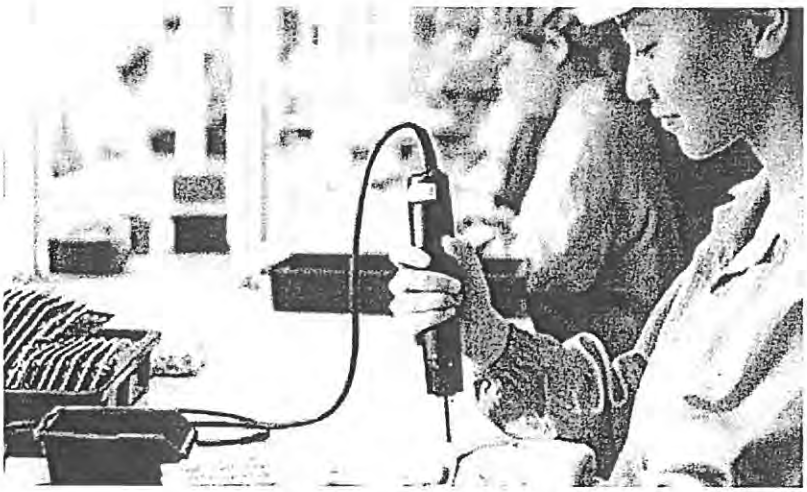
RESPECTING HUMAN RIGHTS

Responsible and Conflict-Free Sourcing

With our complex supply chain, sourcing the hundreds of different materials we use in a typical vehicle is an important human rights issue. For example, the rise of electric vehicles brings new challenges when sourcing minerals such as cobalt for battery production, as well as mica, rubber and rare earth elements.

We never knowingly procure materials that contribute to child and forced labor, bribery and corruption, conflict or environmental concerns. We commit to comply with local laws, report customer terms and conditions, and respect indigenous populations' rights to water and land.

To address these issues, we participate in studies, workgroups and discussions to increase transparency in ethical raw material sourcing, and require suppliers to verify that the materials they supplied to us were sourced responsibly.



SOURCING THE RAW MATERIALS NEEDED FOR BATTERY TECHNOLOGY PRESENTS SOME COMPLEX CHALLENGES. WE WORK TIRELESSLY TO ADDRESS THE ETHICAL, ENVIRONMENTAL, HUMAN AND LABOR RIGHTS ISSUES THROUGHOUT THE SUPPLY CHAIN, AND STRIVE TO MAKE THE WHOLE PROCESS AS TRANSPARENT AS POSSIBLE."

EMMA KING

GLOBAL SUSPENSION AND NORTH AMERICA LEAD CHASSIS DIRECTOR, PURCHASING

1,200

Tier 1 production suppliers

100%

Response rate from in-scope suppliers for conflict minerals reporting

EARNING TRUST THROUGH SAFETY AND QUALITY

Ford cares about customer safety. That's why the safety and quality of our vehicles will always be our highest priority.

We have systems in place to help ensure that our vehicles meet or exceed performance and quality standards, as well as customer expectations, throughout their design, development and manufacture.

EARNING TRUST THROUGH SAFETY AND QUALITY

Vehicle Quality and Safety

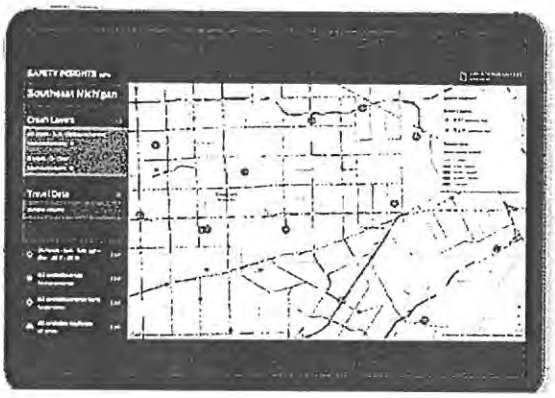
Having set the benchmark with factory-installed safety belts six decades ago, we continue to develop new, innovative technologies that enhance vehicle safety and help customers feel safe and confident on the road. Ford and Lincoln Co-Pilot360™ technologies, available around the world, use a combination of radar, sonar and cameras to sense and interpret the environment.

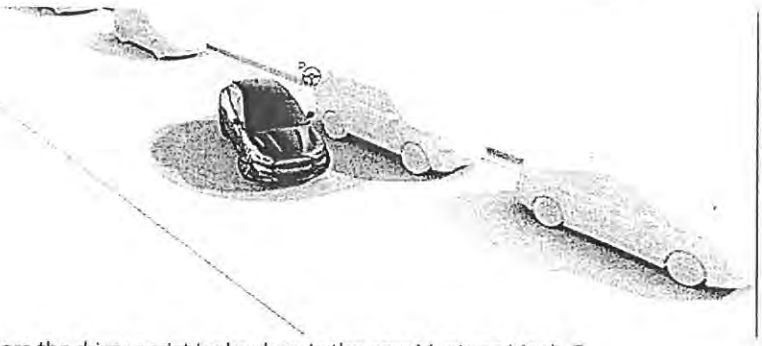
We continue to receive high marks and accolades in public and private crash-testing assessments. For the 2019 model year, 10 Ford and three Lincoln nameplates received 5-Star Overall Vehicle Scores in the U.S. New Car Assessment Program (NCAP), and five models earned 5-star ratings by Euro NCAP in 2019.

Driver Assist Technology

Ford and Lincoln Co-Pilot360™ technologies help customers drive safely and confidently, alerting them to potential collisions and making routine tasks easier. These features, available around the world, use a combination of radar, sonar and cameras to sense and interpret the environment.

In the United States, the base Co-Pilot360™ package is now available on at least 15 of our 2020 model year vehicles, and our 2021 model year Ford Mustang Mach-E and F-150 will be the first vehicles to come with the Ford Co-Pilot360™ 2.0 package. This includes additional features such as Reverse Sensing System, Reverse Brake Assist and Post-Collision Braking.





Explore the driver assist technology in the new Mustang Mach-E (https://vimeo.com/422393058/55c1c4cc87)

WORKING IN A COMPANY THAT IS SO COMMITTED TO THE SAFETY OF ITS CUSTOMERS, AS WELL AS THE ENVIRONMENTAL SUSTAINABILITY OF ITS OPERATIONS AND PRODUCTS, FOSTERS A SPIRIT OF TRUE INNOVATION. CONSTANTLY SEARCHING FOR NEW SOLUTIONS HAS BECOME AN EVERYDAY PASSION."

ADRIAN DIAZ

ASSOCIATE DIRECTOR, AUTOMOTIVE SAFETY OFFICE

WE BUILD OUR VEHICLES AND DEVELOP OUR SERVICES TO DRIVE HUMAN PROGRESS AND PROTECT OUR CUSTOMERS, WHILE DELIVERING THE QUALITY, SAFETY, RELIABILITY AND DRIVING EXPERIENCE THEY EXPECT."

KIMBERLY HARRIS

GLOBAL QUALITY BUSINESS MANAGER

Product Quality

We use warranty repairs per thousand vehicles at three months in service as a key metric for measuring initial quality. Initial quality goes beyond warrantable defects, to include measures of customer excitement with new product features.

We also subscribe to three annual studies by J.D. Power and Associates. Our scores in the Vehicle Dependability Study and APEAL Study continue to improve: in 2019, Ford and Lincoln both made the top five in the Initial Quality Study for the first time.

SUPPORTING COMMUNITY LIFE

Ford has always been much more than just an employer – we're also a neighbor. By creating long-lasting partnerships and increasing access to opportunities, we're working to strengthen our local communities and help make people's lives better for generations to come.

We support initiatives across three key areas: community projects focused on improving quality of life; education, skills development and training; and driver safety.

SUPPORTING COMMUNITY LIFE

Making Lives Better

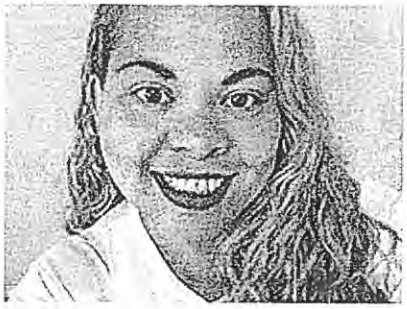
Ford Fund works with local and global partners on programs and services that make people's lives better. From feeding the hungry and mentoring social entrepreneurs in supporting multicultural initiatives and rebuilding after a natural disaster, we connect at a grassroots level to strengthen communities and help people in need. You can learn more about Ford Motor Company Fund highlights (PDF, 2 MB) (https://corporate.ford.com/content/dam/corporate/en/company/community/2019-Ford-Fund-Annual-Report.pdf).

Volunteering has always been an integral part of Ford's commitment to making a positive impact on society. Through the Ford Volunteer Corps, we provide opportunities for employees to support the communities where they live and work, through projects to feed the hungry, provide clean water, build homes, renovate schools, mentor young people and protect the environment.

Employee Response to COVID-19

Ford Fund has offered employees the chance to support efforts to address the COVID-19 outbreak through two initiatives. They can lend a hand through the COVID-19 Donation Match Program, which will match $500,000 in donations to organizations fighting against COVID-19.

In addition, the Read and Record project will create an online library of Ford employees reading children's books for the 1.3 billion young people affected by schools closing around the world.



THIS IS AN OPPORTUNITY FOR PROFESSIONAL AND PERSONAL GROWTH. I HAVE ALWAYS BEEN INVOLVED WITH VOLUNTEER WORK, AND IT IS GREAT TO WORK AT A COMPANY WHERE A LIFE GOAL OF HELPING OTHERS IS FULFILLED THROUGH COMPANY INITIATIVES."

EMANUELA CARVALHO DA SILVA
ANALYST, FORD HUMAN RESOURCES, BRAZIL

1.4 million hours

Service by Ford volunteers in six continents since 2005

More than $2 billion

Invested to strengthen communities around the world to date

Bill Ford Better World Challenge

The Bill Ford Better World Challenge is a global grant program that supports employee-led efforts to address issues in their local communities. Jointly funded by Executive Chairman Bill Ford and Ford Fund, the program has awarded $1.5 million to projects in India, Mexico, South Africa, Thailand and the United States since 2015. In our most recent projects:

- Ford employees in Orlando, Florida, developed Food for Life (https://www.fordfund.org/current-events/312-ford-employees-dig-into-urban-farming-project-food-for-life-to-lift-community), an urban agriculture program that makes nutritious food more accessible by converting underutilized land into micro-farms and teaching the students at two underserved high schools how to grow their own food
- The Watergen program in drought-stricken South Africa uses special equipment hitched to a Ford Ranger to capture moisture from the air. Between August 2019 and March 2020, it provided clean and safe drinking water for 2,700 community members in the Eastern Cape

SUPPORTING COMMUNITY LIFE

Supporting Social Enterprises

We launched our inaugural SHE-MOVES (Strengthen Her: Mobilizing Ventures for Social Innovation) grants program in May 2019, supporting community projects that benefit women and children in India, South Africa and Nigeria.

The projects funded by SHE-MOVES all have women at the heart of social enterprises, either as leaders or beneficiaries. They include projects training women in India to operate and maintain vehicles; providing onboard learning experiences for women using commuter shuttles in Lagos, Nigeria; and providing community support and education to people with disabilities and their female caregivers in South Africa.

BEFORE ESTABLISHING MY OWN STARTUP, I DIDN'T HAVE TIME FOR PERSONAL AND CAREER DEVELOPMENT AND HAD TO TAKE LEAVE TO ATTEND TRAINING. THAT'S WHY I'M VERY EXCITED ABOUT JOINING THE SHUTTLES TO MENTOR YOUNG WOMEN."

NKEM OKOCHA

MENTOR, SHUTTLERS

I WAS PART OF THE SHE-MOVES PROJECT WHEN WORKING AS AN INTERN. THE EXPERIENCE HELPED ME IMPROVE MY DIGITAL LITERACY SKILLS AND WILL HOPEFULLY ENABLE ME TO START MY OWN BUSINESS."

EMEAGWAI MARION NWAMAKA

MENTEE, SHUTTLERS

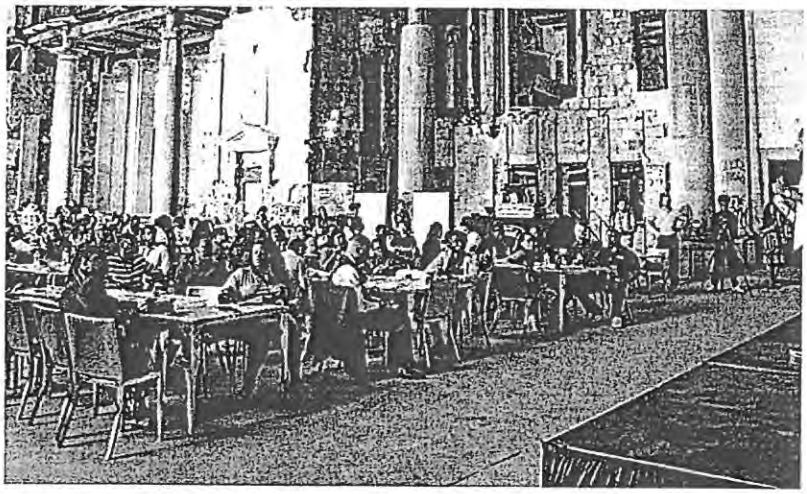
SHE-MOVES

SUPPORTING COMMUNITY LIFE

Investing in Detroit's Revival

Since our company was founded in Detroit in 1903, we have been investing in and around our hometown.

In addition to turning the long-abandoned Central Michigan Station into a new innovation hub, we're investing $10 million over the next four years to support local programs focused on housing affordability, workforce development, mobility solutions, parks preservation, neighborhood safety and preserving Corktown's culture. As part of this agreement, we awarded $250,000 in grants to four nonprofit organizations to fund programs that celebrate the area's history and culture.



Building a Better World

Ford Resource and Engagement Centers (FRECs) are a Ford Fund Innovation that brings nonprofit partners together in a collaborative environment. Each center reflects the community it serves, assisting with food and shelter, training and education, and arts and cultural initiatives.

The original FREC in Southwest Detroit has assisted more than 100,000 local residents by distributing food and helping them complete their tax returns. In total, the facility has returned $3 in services to the local community for every $1 invested. We have since opened FRECs on the east side of Detroit, as well as in South Africa, Romania and Thailand.

The Bill Ford
Better World Challenge

$175 million+

Ford Fund investment in local education, arts, cultural, diversity, hunger relief and social service organizations throughout southeast Michigan

$740 million

Invested in renovation of Detroit's Michigan Central Station

SUPPORTING COMMUNITY LIFE

Education and Training

We support education and training by advancing essential skills development and job training, and presenting opportunities for young people to study science, technology, engineering, arts and math (STEAM) subjects. And through Ford Driving Skills for Life (DSFL), we promote safe driving, providing teens and newly licensed drivers with training beyond what they learn in standard driver education programs.

Promoting Safe Driving

Ford DSFL is a global initiative that teaches teens and other newly licensed drivers how to stay safe behind the wheel. Through free safe-driving clinics and instruction via its online training "Academy," newly licensed drivers are paired with professional driving instructors to learn about vehicle handling, hazard recognition, speed, space management, distraction and impairment. Ford DSFL training is adapted to reflect cultural nuances, unique driving conditions, and local laws and infrastructure in each country.

Empowering students to fulfil their potential through Ford Driving Dreams (https://www.youtube.com/watch?v=_q4Lh7c2Pyc)

Ford DSFL in Numbers

40,000+ participants in **31** countries in 2019

$60 million+ invested to date

More than **1.25 million** drivers trained in **50** U.S. states and **46** countries since 2003

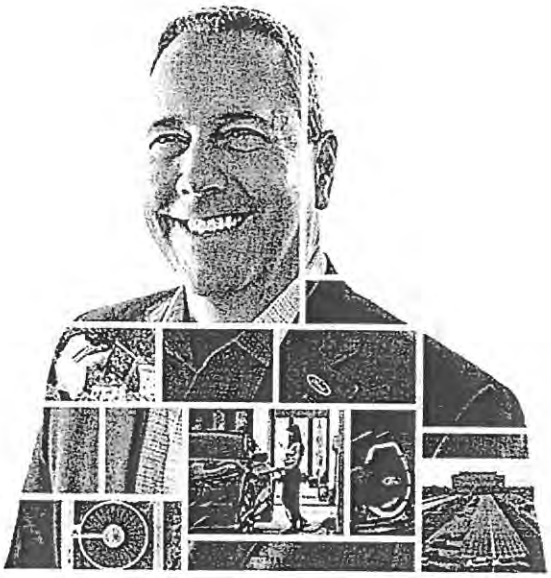
Building a Strong Talent Pipeline

We encourage young people to consider a motor industry career by studying STEAM subjects. Investing in programs such as Primary Engineer, FIRST® Robotics and Girls Who Code helps fill the gap between tomorrow's needs and the skills of today's workforce.

PUTTING PEOPLE FIRST

Sustainable Development Goals

Through our work in putting people first, we are contributing to the following UN SDGs:



Protecting Our Planet

How we are changing how our vehicles are made
(protecting-our-planet.html)

Creating Tomorrow Together

How we are changing the way people move
(creating-tomorrow-together.html)

CODE OF CONDUCT

PATIENT SAFETY AND BENEFIT RESEARCH AND DEVELOPMENT ETHICS PROVIDING INFORMATION ABOUT OUR PRODUCTS INTERACTIONS WITH HEALTHCARE PROFESSIONALS AND ORGANISATIONS PREVENTING BRIBERY AND CORRUPTION EMPLOYMENT PRINCIPLES SAFETY, HEALTH AND THE ENVIRONMENT PUBLIC POLICY AND POLITICAL ACTIVITIES COMMUNITY SUPPORT, PRODUCT DONATIONS AND PATIENT GROUP SUPPORT DATA PRIVACY AVOIDING CONFLICTS OF INTEREST PROTECTING COMPANY PROPERTY AND RESOURCES COMMUNICATIONS, DISCLOSURES AND RECORDS INSIDER TRADING AND CONFIDENTIAL INFORMATION COMPETITION AND ANTI-TRUST LAWS TRADE CONTROLS

ASTRAZENECA REQUIRES ALL MEMBERS OF THE ASTRAZENECA GROUP AND THEIR DIRECTORS, OFFICERS AND EMPLOYEES TO OBSERVE HIGH STANDARDS OF INTEGRITY AND HONESTY, AND TO ACT WITH CARE, DILIGENCE AND FAIRNESS IN ALL OUR BUSINESS ACTIVITIES. ALL OUR INTERACTIONS WITH STAKEHOLDERS AND WIDER SOCIETY SHOULD BE CONDUCTED IN AN ETHICAL AND PROPER MANNER.

TO THAT END, ALL OF US MUST COMPLY WITH THIS CODE AND ALL SUPPORTING POLICIES, THE LAWS AND REGULATIONS OF ALL COUNTRIES IN WHICH WE OPERATE, AND WITH ALL APPLICABLE NATIONAL AND INTERNATIONAL CODES.

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INTRODUCTION

WE WANT ASTRAZENECA TO BE VALUED FOR THE MEDICINES WE PROVIDE AND TRUSTED FOR THE WAY IN WHICH WE WORK TO DELIVER SUSTAINABLE BENEFIT FOR OUR STAKEHOLDERS, OUR BUSINESS AND SOCIETY.

Our mission is to make a meaningful difference to health through the research, development and marketing of great medicines. We consider this to be at the core of our responsibility to our stakeholders and society.

We are also committed to making sure that we deliver success in the right way to bring benefit through both what we do and how we do it. The trust and confidence of our stakeholders, and our licence to operate from society depend on it.

Earning and maintaining the trust of our stakeholders starts with making sure that we always act with integrity, consistently, wherever AstraZeneca has a presence or an impact.

Acting with integrity underpins all the requirements of this global Code of Conduct, which sets out the high ethical standards expected of everyone at AstraZeneca. These are our baseline rules for working with others as we drive our business forward, and compliance is mandatory.

We must all live up to the standards set out in our Code and its supporting policies to ensure that AstraZeneca continues to be a company that is valued and trusted by our stakeholders and society, and for which we are all proud to work.

What we do touches many people's lives – patients and physicians, the people who pay for healthcare, our shareholders, our regulators, our partners and the communities around us. Forging strong relationships with these groups is critical to our success and the strongest relationships are built on trust.

WHO IS THE CODE FOR AND WHAT DOES IT MEAN IN PRACTICE?

THIS CODE APPLIES TO ALL FULL- AND PART-TIME ASTRAZENECA GROUP DIRECTORS, OFFICERS, EMPLOYEES AND OTHER TEMPORARY STAFF WORLDWIDE.

Everyone is required to be aware of, and conduct their activities in accordance with this Code, all supporting policies and applicable codes, and the laws and regulations of the countries in which we work and do business. We must operate to the highest of the standards required by these various authorities, and always have due regard to national legislative requirements, as a minimum, and to circumstances where the laws of more than one country may apply.

Managers are responsible for providing appropriate support to enable their teams to understand the requirements of this Code, the relevant supporting policies, the laws and regulations of the countries in which they work, and how they should be applied in practice. Managers are also responsible for providing assurance on these matters to the Board of Directors of AstraZeneca. These responsibilities reinforce our commitment to integrity and high ethical standards. In addition, AstraZeneca could suffer substantial reputation harm and financial consequences, including the imposition of criminal and/or civil fines and other penalties, for failure to comply with the laws and regulations of the countries in which we do business.

The following sections of this Code outline AstraZeneca's core commitments – what they mean and how they should be actively implemented at all levels within the Company.

You must also be prepared to exercise good judgement and common sense in deciding the right actions to take, because this Code and our supporting policies cannot cover every situation that may arise. You should ask questions if you are unclear about any aspect of this Code, or if you are not sure how to respond to an issue that the Code does not address.

You must also promptly report any known, suspected or observed violations of laws, regulations, this Code or supporting policies of which you become aware.

ANY FAILURE TO COMPLY WITH THIS CODE, ITS SUPPORTING POLICIES, OR THE LAWS AND REGULATIONS OF THE COUNTRIES IN WHICH YOU WORK, WILL BE FULLY INVESTIGATED AND APPROPRIATE ACTION TAKEN. THIS MAY INCLUDE RE-TRAINING, DISCIPLINE, OR OTHER CORRECTIVE ACTION, UP TO AND INCLUDING TERMINATION OF EMPLOYMENT, DEPENDING ON THE CIRCUMSTANCES. VIOLATIONS OF LAW CAN ALSO RESULT IN IMPOSITION OF CRIMINAL AND/OR CIVIL FINES AND OTHER PENALTIES DEPENDING ON APPLICABLE LAW.

AstraZeneca is committed to working only with contractors, such as suppliers, joint venture or co-promotion partners, and research or licensing partners, who embrace standards of ethical behaviour that are consistent with our own.

AstraZeneca is committed to market, sell, promote, research, develop, provide information about, and advertise the products it commercialises in the US in full compliance with Federal health programme requirements, the Food & Drug Administration requirements, and the requirements of its Corporate Integrity Agreement.

HOW TO ASK A QUESTION OR RAISE A CONCERN

ANYONE WHO RAISES A CONCERN ABOUT A POSSIBLE COMPLIANCE BREACH IN GOOD FAITH WILL BE SUPPORTED BY MANAGEMENT, AND WILL NOT BE SUBJECT TO RETALIATION. ANY ACT OR THREAT OF RETALIATION WILL IN ITSELF BE CONSIDERED A SERIOUS VIOLATION OF THIS CODE.

You may at some time come across a situation that appears to violate an AstraZeneca policy. Everyone has a duty to report any suspected violation promptly.

In general, you should first seek to address your concerns with your manager. If you believe this is not appropriate, you may also contact your Human Resources, Legal Department or Compliance representative. If you prefer to contact someone outside your area, you may use any of the following contacts:

AZETHICS LINE See page 23 for the telephone number to call in your country (MedImmune employees should also refer to page 23 for information on reporting within their organisation)

WEBSITE AZethics.com

EMAIL GlobalCompliance@astrazeneca.com

POSTAL ADDRESS Global Compliance Strategy and Assurance, AstraZeneca PLC, 2 Kingdom Street, London, W2 6BD, United Kingdom

If the concern relates to accounting, internal accounting controls or auditing matters, you may contact the AZethics line, the Chief Compliance Officer or the VP, Group Internal Audit.

You can provide information anonymously if you prefer, and if your local laws so permit. In all instances, every effort will be made to ensure that information relating to a reported violation is kept confidential and communicated on a need-to-know basis only.

The above procedures can also be followed if you have a question, or are seeking clarification about any aspect of this Code and its supporting policies.

The AZethics line and AZethics.com are managed by a third party on AstraZeneca's behalf. When you ask a question or raise a concern, you will be asked to provide details and whether you wish to disclose your contact information. AstraZeneca UK Limited may record this information in a database (hosted on its behalf by EthicsPoint in the US) and may contact you for further information. You have a right of subject access to the personal information AstraZeneca processes about you.

PATIENT SAFETY AND BENEFIT

ASTRAZENECA IS COMMITTED TO MINIMISING THE RISKS AND MAXIMISING THE BENEFITS OF EACH OF OUR MEDICINES – THROUGHOUT THEIR LIFE-CYCLE.

Safety and efficacy are core considerations throughout discovery, development and beyond.

We work with regulators to develop prescribing information for our medicines that provides healthcare professionals and others with the benefit/risk information they need to make prescribing decisions.

After launch, we continue to monitor all our medicines for side effects, including those that may not have been identified during the research and development process. We notify the appropriate authorities about side effects of which we become aware and co-operate with them in taking any necessary action.

Every stage of the research, development, manufacture, storage and distribution of our products (and any active pharmaceutical ingredients) must be conducted in accordance with all applicable internal and external standards.

The Company also works to combat the growing problem of counterfeit drugs, which can adversely affect the health and wellbeing of millions of people worldwide.

QUICK REFERENCE

- Comply with all applicable procedures designed to promote product safety, efficacy and quality, such as Good Laboratory, Good Clinical and Good Manufacturing Practice.
- Report any incidents of non-compliance.
- Report any possible adverse effects relating to our medicines through the established procedures.
- Report any counterfeit or suspected counterfeit drugs through the established procedures.

Our fundamental responsibility is to deliver effective medicines that are as safe as they can be for those who take them. All medicines have possible side effects. The benefits of a medicine therefore have to be weighed against its risks.

RESEARCH AND DEVELOPMENT ETHICS

IN OUR SEARCH FOR NEW MEDICINES FOR IMPORTANT AREAS OF HEALTHCARE, ASTRAZENECA IS COMMITTED TO INNOVATIVE, HIGH-QUALITY SCIENCE, CONDUCTED TO HIGH ETHICAL STANDARDS IN ALL AREAS OF RESEARCH AND DEVELOPMENT WORLDWIDE.

Compliance with relevant laws and regulations governing research and development is a minimum baseline and underpins AstraZeneca's own standards.

These include ensuring that those taking part in clinical research anywhere in the world are not exposed to unnecessary risks, that they understand the nature and purpose of the research, that proper procedures for gaining informed consent are followed and that appropriate confidentiality rules are applied.

All information from clinical research must be recorded, handled and stored in a way that complies with applicable data protection laws, and enables accurate and transparent reporting, interpretation and verification.

All research proposals must be ethically and scientifically reviewed in line with current laws and regulations, and all relevant internal review and approval procedures must be followed.

All research involving animals must be carefully considered and justified, and the principles of the 3Rs (replacement, reduction and refinement of animal studies) applied.

QUICK REFERENCE

- Comply with international standards of good practice, such as the Declaration of Helsinki, Good Clinical Practice and Good Laboratory Practice.
- Ensure that appropriate informed consent procedures are followed when conducting clinical research or obtaining human tissue for use in scientific studies.
- Ensure that the provisions of this Code relating to the protection of personal data (see page 16) are applied when collecting or accessing any health information.
- Use laboratory animals only when alternatives are not available.
- Ensure that the welfare of the animals we use is a top priority and that our standards are applied consistently worldwide.

Our commitment to high ethical standards of research and development applies not only to our R&D functions (globally and in our marketing companies), but also to supporting functions such as purchasing, business development and legal.

PROVIDING INFORMATION ABOUT OUR PRODUCTS

ASTRAZENECA IS COMMITTED TO HIGH ETHICAL STANDARDS WHEN PROVIDING INFORMATION ABOUT OUR MEDICINES AND OTHER PRODUCTS.

AstraZeneca uses a wide variety of communications channels, ranging from contact through sales representatives to the internet. Whatever the method used, we must communicate information accurately, effectively and in a proper manner.

The information we provide to support the safe use of our products, whether through publications and promotional materials or in response to enquiries received, must be supported by scientific evidence and approved through the Company's established review and approval procedures. We must only promote licensed products and only for their approved uses.

Our sales and marketing practices worldwide must meet or exceed the minimum standards set by applicable laws, regulations and codes.

QUICK REFERENCE

- Only provide information about our products if you are authorised to do so. This includes communications about our products on the internet or in other electronic media.
- Promote our products in an ethical, fair and balanced way.
- Use only promotional materials and other product information that have been approved through our internal review procedures.
- Publish information about our products in line with Company standards and procedures.
- Comply with the IFPMA Code of Pharmaceutical Marketing Practices, local laws, regulations and applicable codes of marketing practice and our own, often more strict, policies and procedures.
- Do not engage in direct to consumer/direct to patient communications unless permitted by local laws.

Product information includes any information, material or activity, promotional or non-promotional, designed to inform healthcare professionals and organisations, patients, investors, the media and others about the characteristics and use of our products.

INTERACTIONS WITH HEALTHCARE PROFESSIONALS AND ORGANISATIONS*

IN ALL OUR INTERACTIONS WITH HEALTHCARE PROFESSIONALS AND ORGANISATIONS, WE MUST OBSERVE HIGH STANDARDS OF INTEGRITY AND HONESTY.

All our interactions with healthcare professionals and organisations must be intended to ensure the effective use of our medicines and to enhance patient care. This can include advancing medical research, enhancing medical knowledge, or gathering necessary feedback about our medicines.

We must only engage the services of healthcare professionals and organisations when they are legitimately needed, and we must not pay more than an appropriate market rate for the services rendered.

We must not enter into business relationships or offer or provide gifts, hospitality or anything else of value, to induce or reward favourable decisions about our products and services.

We must always provide information about our products to healthcare professionals and organisations in accordance with the relevant provisions of this Code and supporting policies.

QUICK REFERENCE

- Comply with the IFPMA Code of Pharmaceutical Marketing Practices, local laws, regulations and applicable codes of marketing practice and our own, often more strict, policies and procedures.
- Only make payments to healthcare professionals and organisations when there is a written contract in place.
- Do not offer payments, gifts, hospitality or anything else of value if it could constitute a bribe to a healthcare professional or organisation.

Interactions with healthcare professionals and organisations include all meetings, congresses, symposia, communications, research and service arrangements, including product promotion, speaking engagements, advisory board meetings, and consulting agreements.

*For a definition of "healthcare professionals and organisations", see page 24.

PREVENTING BRIBERY AND CORRUPTION

ASTRAZENECA DIRECTORS, OFFICERS AND EMPLOYEES, AND OTHERS WHO ACT ON ASTRAZENECA'S BEHALF, MUST NOT OFFER, PAY OR ACCEPT BRIBES.

We must not offer or give money or anything else of value either as an inducement to make, or as a reward for making, any decision favourable to the interests of AstraZeneca.

This includes providing such benefits to government officials (including those from national and local governments and those serving in public international organisations) and other healthcare professionals and organisations, patients, suppliers, charities and patient groups, whether companies or individuals.

AstraZeneca also does not permit agents, contractors, advisors or other third parties working on our behalf to engage in this type of conduct.

As well as not offering bribes, we must also not accept them. See "Avoiding Conflicts of Interest" on page 17 for more information.

QUICK REFERENCE

- Never make or authorise payments or gifts in order to obtain or retain business or to secure an improper advantage. Never ask or permit third parties to do so on your behalf.
- It is acceptable to engage the services of healthcare professionals and organisations, and provide modest and customary meals and items of value, as long as they comply with any local laws and applicable codes and our supporting policies and procedures (including page 10 of this Code).
- Make sure all activities and conduct are of a nature that would not be open to misinterpretation if publicly disclosed.
- Pay particular attention to relationships with third parties; visits to our facilities; consulting arrangements; post-marketing studies; items of value and hospitality.
- Do not make facilitation payments to public officials or anyone else (unless you must do so to protect your personal safety when under duress).
- Report any suspicion of potentially corrupt behaviour.

Offering or making payments to government officials to obtain favourable treatment, to secure business, or to obtain an improper advantage is a crime in every country in which we do business, whether such payments are in cash or in kind. It is also a crime in many countries to make these types of payments to government officials of another country, and also a crime in most jurisdictions to pay commercial bribes to persons who are not government officials.

EMPLOYMENT PRINCIPLES

ASTRAZENECA IS COMMITTED TO PROMOTING AND MAINTAINING A CULTURE OF RESPECT AND EQUAL OPPORTUNITY, IN WHICH INDIVIDUAL SUCCESS DEPENDS SOLELY ON PERSONAL ABILITY AND CONTRIBUTION.

AstraZeneca values highly the diversity of skills and abilities that a global workforce brings to our business. We are committed to supporting diversity in our workforce and in our leadership and to developing all the talent within our organisation.

All decisions about recruitment, hiring, compensation, development and promotion must be made solely on the basis of a person's ability, experience, behaviour, work performance and demonstrated potential in relation to the needs of the job.

The harassment of any AstraZeneca employee or anyone with whom we do business, is unacceptable.

Any person who believes that they or others have been subject to unlawful discrimination or harassment should report the incident and circumstances to their manager, a Human Resources manager or other senior manager, who will arrange for the incident to be investigated appropriately and impartially.

QUICK REFERENCE

- Encourage diversity and creative potential, recruit and promote on the basis of merit and support the continuous development of people's skills and abilities.
- Behave towards others with integrity, honesty, courtesy, consideration, respect and dignity.
- Contribute to maintaining a working environment in which any form of harassment is unacceptable.
- Report any inappropriate conduct directed towards you or others.

AstraZeneca supports the principles set out in the UN Declaration of Human Rights, and our policies detail our high standards of employment practice. These include respecting diversity and, as a minimum, complying with national legal requirements regarding wages and working hours. We also support the International Labour Organisation's standards regarding child labour and minimum age.

SAFETY, HEALTH AND THE ENVIRONMENT

ASTRAZENECA IS COMMITTED TO CARRYING OUT OUR BUSINESS IN AN ENVIRONMENTALLY RESPONSIBLE MANNER, AND TO PROMOTING A SAFE AND HEALTHY WORKPLACE FOR ALL OUR PEOPLE WORLDWIDE.

We manage our environmental impact and seek to continuously improve the sustainability of our activities by, among other things, economising on our use of non-renewable energy and raw materials; minimising the amount of waste we generate, and minimising any adverse environmental effects associated with our products.

The Company also works to identify, mitigate and monitor existing and emerging risks to the environment associated with our business activities, as well as to the health and safety of our employees and others who visit or work on our premises, and to the communities in which we operate.

We go beyond legal minimums to proactively reduce the potential for exposure to chemical, biological, physical and other hazards in the workplace; reduce the risk of other accidents in our research and manufacturing facilities; promote safe driving, and help our staff to manage their health and wellbeing.

We also aim to promptly and effectively respond to, investigate and share learning from incidents that resulted in, or had the potential to result in, serious illness or injury or environmental harm, and to take any appropriate corrective action promptly.

Everyone is expected to integrate safety, health and environmental considerations into their day-to-day work activities. Line managers also have a duty to provide their teams with a safe and secure business environment, including building awareness of potential security risks and how they should be managed.

QUICK REFERENCE

- Take personal responsibility for safety and health and for understanding how your work may affect the environment.
- Understand the hazards associated with your work, manage the risks responsibly and only undertake work for which necessary safety and health training has been provided.
- Seek to continually improve and reduce the environmental impact of your activities (eg avoid unnecessary business trips).
- Actively participate in energy-saving and waste reduction programmes.
- Promptly report accidents, incidents of non-compliance, or any other matter posing a threat to safety, health or the environment.

Safety and health include the prevention of illness and injury and the promotion of wellbeing in the workplace. Safety and health laws and regulations exist to safeguard the working conditions of employees, and of visitors to business premises.

We are committed to minimising any adverse environmental effects from our activities and products, while working to reduce our consumption of natural resources and otherwise operating in an environmentally sustainable manner.

PUBLIC POLICY AND POLITICAL ACTIVITIES

ANY PUBLIC POLICY OR POLITICAL ACTIVITY UNDERTAKEN ON BEHALF OF ASTRAZENECA MUST BE LAWFUL, ETHICAL AND APPROVED UNDER ESTABLISHED COMPANY PROCEDURES.

PUBLIC POLICY ACTIVITIES

Employees and others who, on AstraZeneca's behalf, engage in dialogue with governments and other public bodies to inform or influence public policy must ensure that all communications are based on facts and evidence and are not misleading or open to misinterpretation. People engaged in these activities must always make it clear that they represent AstraZeneca.

All interactions with government officials and other third parties must also be in accordance with page 11 of this Code (Preventing Bribery and Corruption).

POLITICAL SUPPORT

We must not use, or consent to the use of, any of our corporate funds, resources or facilities to support a governmental entity, political organisation, party or candidate, except where permitted by law and where acceptable as part of local custom and practice with respect to government/industry engagement. This includes support for policy advocacy organisations.

No political support should be provided which, by its scale or affiliation, might be seen as excessive or inappropriate.

All political support provided by the Company must comply with policies approved by the Government Affairs function and be reported through the Finance function as part of the annual consolidation of results.

QUICK REFERENCE

- Do not engage in any public policy or political activity on behalf of AstraZeneca unless you are authorised to do so.
- Do not use Company resources or facilities to carry out, support or further any personal political activities.
- Do not act, or appear to act, as a representative of AstraZeneca when engaging in personal political activities.

Our standards reflect AstraZeneca's commitment to acting lawfully and with integrity in this highly regulated area. They are not intended to discourage you from making any personal donations with personal funds in situations in which your role as an AstraZeneca employee is not implicated or compromised.

COMMUNITY SUPPORT, PRODUCT DONATIONS AND PATIENT GROUP SUPPORT

OUR FOCUS IS ON ACTIVITIES THAT BRING BENEFIT IN WAYS THAT ARE CONSISTENT WITH OUR BUSINESS OF IMPROVING HEALTH AND QUALITY OF LIFE, AND PROMOTING THE VALUE OF SCIENCE.

AstraZeneca is committed to making a positive contribution to our local communities through charitable contributions, sponsorships and other initiatives.

AstraZeneca also responds to humanitarian appeals with financial and/or product donations, where there is a demonstrated public health need. We conform to the WHO Guidelines for drug donations and only donate our medicines through reputable, non-governmental organisations or well defined government programmes, where we are confident that the medicines will reach their intended recipients and will be used appropriately.

AstraZeneca supports the work of patient groups, through the provision of financial and in-kind assistance that seeks to enhance patient welfare. Our relationships with patient groups must always comply with relevant legal and regulatory requirements, as well as applicable codes and our own supporting policies.

QUICK REFERENCE

- Provide support to your community in accordance with relevant guidelines.
- Use the proper approval and management procedures for the donation of medicines.
- Ensure that any relationship with a patient group is transparent and based on trust and a shared objective to improve patient healthcare.

AstraZeneca encourages employees to participate in local community initiatives, but any potential conflicts of interest must be avoided (see page 17).

DATA PRIVACY

ASTRAZENECA VALUES THE PERSONAL DATA ENTRUSTED TO US AND WE ARE COMMITTED TO COLLECTING, USING, RETAINING AND DISCLOSING PERSONAL DATA IN A FAIR, TRANSPARENT AND SECURE WAY.

AstraZeneca holds Personal Data* about our employees, patients, healthcare professionals and suppliers. When we collect, use, retain and disclose Personal Data we must ensure it is the minimum necessary for our business needs, such as to meet specific human resources, scientific or legal purposes. We must consider the privacy risks before we collect, use, retain or disclose Personal Data, such as in a new system or part of a project.

In some cases, such as where local laws require or we are undertaking a clinical trial, we must obtain consent to collect, use, retain and disclose Personal Data.

We must endeavour to keep Personal Data accurate and up-to-date.

We must be open with individuals about how we use their Personal Data, with whom we share it and where it may be sent. We must also make it easy for individuals to access and correct their information.

We must protect the Personal Data we hold by ensuring we have effective safeguards in place so it does not fall into the wrong hands.

Once we no longer have a business need for the Personal Data, it must be destroyed in accordance with our legal obligations and company retention policies.

QUICK REFERENCE

- We must comply with all data privacy and associated laws applicable to the countries in which we gather and hold Personal Data.
- If you are carrying out any of the activities outlined below and are unsure about the additional legal obligations associated with them you should seek advice from a data privacy specialist:
    - Collecting, using, retaining and disclosing Sensitive Personal Data*;
    - Transferring Personal Data from its country of origin;
    - Sharing Personal Data with external parties, such as AstraZeneca suppliers.
- Report any theft, loss or inappropriate disclosure of Personal Data.

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* For definitions of "Personal Data" and "Sensitive Personal Data," see page 24.

AVOIDING CONFLICTS OF INTEREST

WE MUST NOT ALLOW PERSONAL OR FAMILY INTERESTS TO INFLUENCE OUR PROFESSIONAL JUDGEMENT.

We must never accept anything of value, if it would constitute either an inducement to make, or a reward for making, any decision favourable to the interests of a third party.

We must not accept any gift or hospitality that may compromise our independence or judgement regarding a third party, or that is otherwise likely to be seen as inappropriate. We must not accept a third party's offer of an invitation to a meal or social event unless the primary reason for the event is a legitimate business meeting. . Whilst we are free to make personal financial investments and to maintain social relationships with people we meet through business activities, our business relationships must not create any interests that may conflict, or have the potential to conflict, with those of AstraZeneca.

QUICK REFERENCE

- Avoid situations where your loyalty may become divided.
- Do not accept from a vendor or other third party any gift that exceeds modest limits as established locally, or any hospitality that involves a sporting, theatre, music or other entertainment event.
- Do not enter into situations in which your personal or family interests may conflict with those of AstraZeneca.
- Declare any potential conflicts of interest and seek advice from your line manager.
- Report any business dealings between AstraZeneca and companies or organisations in which you have, or a family member or an individual you treat as a family member has, a management role or financial interest (excluding interests of 1% or less in publicly listed companies).
- Do not use your position at AstraZeneca for personal benefit or to benefit a family member, friend or associate.
- Do not pay a third party more than a contractually agreed, market-based price or fee for goods or services provided.

A conflict of interest is created when an activity, interest (financial or personal) or association of an employee directly or indirectly compromises his or her independence or judgement, causing the interests of the employee or another person to influence a business decision inappropriately.

PROTECTING COMPANY PROPERTY AND RESOURCES

ASTRAZENECA'S PROPERTY AND RESOURCES MUST BE USED ONLY FOR THE PROPER ADVANCEMENT OF OUR BUSINESS AND NOT FOR PERSONAL GAIN, NOR FOR ANY FRAUDULENT PURPOSE.

Our duty to our shareholders includes making the best use of the Company's property, money and other resources.

As part of our strategic commitment to driving operational excellence, we must ensure that our property, resources and information systems are protected and kept secure at all times from unauthorised use, damage, disclosure, diversion or removal, whether through accident, improper act or breach of trust.

As part of this, everyone has responsibility for protecting the Company's electronic systems, communications network and computing resources, as well as preserving the integrity and confidentiality of Company information.

QUICK REFERENCE

- Act appropriately and responsibly with regard to AstraZeneca's property and resources.
- Exercise due care when spending the Company's money and making financial commitments on its behalf.
- Report promptly any potential improper action against AstraZeneca's property and resources, so that appropriate action can be taken.
- Only use AstraZeneca property and resources for non-work related activities to the extent permitted under applicable supporting policies.
- Involve the Legal Department in any contractual matter that relates to a material right, obligation or liability.
- Subject to your local law, you should not have any expectations of privacy when using the Company's electronic systems for non-work related activities.

Property and resources include physical assets, intangible assets and confidential information. Physical assets are items such as materials, supplies, equipment and cash, while intangible assets include intellectual property, information assets, brand value and employee time and talents.

COMMUNICATIONS, DISCLOSURES AND RECORDS

ASTRAZENECA IS COMMITTED TO COMMUNICATING WITH INTEGRITY, TO DISCLOSING INFORMATION IN A TIMELY AND APPROPRIATE MANNER AND TO MAINTAINING ACCURATE COMPANY BOOKS AND RECORDS.

All our communications, through whatever channel, must be fair, accurate, timely and appropriately authorised. All employees must be mindful of situations in which they may be perceived to be communicating on the Company's behalf.

AstraZeneca's policy is to disclose information in a timely manner, as necessary, to comply with all relevant legal and regulatory requirements. All such disclosures must be accurate and not misleading, with no material omissions. This policy applies to all information, whether favourable or unfavourable to AstraZeneca.

We must maintain proper Company books and records to provide an accurate picture of AstraZeneca's business activities and financial position. We must not falsify or inappropriately alter Company records, and we must only destroy records in accordance with relevant supporting policies.

We must not record sales artificially to boost performance or otherwise. We must only sell products pursuant to bona fide orders underpinned by bona fide market demand, and we must only record such sales once the product has been shipped and an invoice submitted.

QUICK REFERENCE

- Ensure that all communications, whether print, web-based or verbal, comply with all appropriate internal and external standards, and have received appropriate internal approval before release.
- Do not communicate on behalf of the Company unless you are authorised to do so. This includes communications about the Company or our products on the internet or in other electronic media.
- Promptly communicate potentially material, non-public information to the AstraZeneca Disclosure Committee, via the VP of Investor Relations or the Deputy Company Secretary at the Corporate Head Office, for a judgement on its disclosability and approval prior to any disclosure.
- Preserve records that are relevant to investigations or litigation involving the Company or its employees.

Communications are any internal or external messages about AstraZeneca or our products, including any that may be deemed to be made by us or on our behalf. They include press releases, advertisements and promotional materials. Disclosures are statements published or submitted by the Company to its shareholders, regulators, securities exchanges, the media and other third parties. Records include contracts, accounts, research and development data, batch records, and financial and non-financial documents.

INSIDER TRADING AND CONFIDENTIAL INFORMATION

ALL OFFICERS AND EMPLOYEES ARE PROHIBITED FROM INSIDER TRADING FOR THEIR OWN OR OTHERS' PERSONAL PROFIT.

We must not use any non-public information about AstraZeneca or other companies learnt through our employment to influence our, or anyone else's, decision to purchase or sell securities.

This requirement applies even after a person has finished working for AstraZeneca.

Confidential information should be protected from improper disclosure, and any authorised communication of confidential information should be limited to individuals who have a "need to know".

QUICK REFERENCE

- Comply with external regulations and internal supporting policies on insider trading and the sale or purchase of securities, including restrictions on trading during close periods.
- Seek guidance (from the VP Investor Relations or Deputy Company Secretary) if you are unsure whether information is inside information (see below) or whether other restrictions apply.
- Examples of inside information include a possible acquisition, financial results information or the results of a clinical study.
- Follow AstraZeneca's supporting policies, including obtaining permission from the relevant persons, before disclosing confidential information to other employees or persons outside the Company.
- Ensure that confidentiality agreements are in place with third parties with whom we share confidential information.

Insider trading generally refers to buying, selling or exercising an option over a security (for example, stocks, shares and ADRs (American Depositary Receipts)) while in possession of non-public information about the issuer of the security (for example AstraZeneca) which, were the information to be made public, would affect the price of the security (inside information) .

COMPETITION AND ANTI-TRUST LAWS

ASTRAZENECA IS COMMITTED TO COMPLYING WITH ALL COMPETITION AND ANTI-TRUST LAWS APPLICABLE IN THE COUNTRIES WHERE WE OPERATE.

In our efforts to drive the success of our business, we must only seek competitive advantage through lawful means.

We must not, either alone or with others, act in ways that stifle the free market. We must not exchange information or enter into agreements or understandings with competitors, customers, suppliers or other third parties in a way that improperly influences research and development activity, manufacturing, marketing, sales, pricing, formulary status, distribution or employee compensation practices, or involves bid-rigging or boycotts.

If we have a position of market power, competition laws impose a special responsibility on the Company not to abuse that position to exclude competitors or to exploit customers.

We must only engage in dialogue with our competitors when there is a legitimate business reason to do so.

QUICK REFERENCE

- Never enter into agreements and understandings that are anti-competitive.
- Consult your local Legal Department before having discussions or interactions with competitors. Participation in trade associations can be a legitimate activity, but the exchange of strategic information between competitors in such settings is still subject to the same rules and standards.
- When dealing with non-competitors, only exchange non-public sensitive information if it is necessary for a legitimate business purpose..
- Regularly review with Legal our market position with respect to our products.
- Only gather information about competitors in an appropriate and lawful manner.
- Report any suspicions or allegations of actual or potential anti-competitive discussions or activities.

Competition and anti-trust laws promote and protect the competitive process. These laws prevent companies from entering into anti-competitive agreements with each other, or from abusing a dominant position. In many cases, these laws can be applied to conduct that occurs outside a country's borders.

TRADE CONTROLS

ASTRAZENECA IS COMMITTED TO IMPORTING, EXPORTING AND ENGAGING IN ALL OTHER FORMS OF TRADE IN A LEGAL AND ETHICAL MANNER.

We must comply with laws, regulations, licensing requirements, boycotts, embargoes and other restrictions that have been approved by recognised national and international authorities, including the United Nations, the European Union, the United Kingdom, Sweden and the United States. Such requirements may relate to, among other items, chemicals, biological materials, equipment, finished products and data/technology (including data that are accessible on a shared computer system)..

We must provide accurate, truthful information about our products and other items to Customs and other relevant Authorities.

QUICK REFERENCE

- When in doubt, consult your local legal contact or compliance lead to ensure compliance with applicable trade controls.
- Report promptly to your local Legal Department all actions or requests that may be related to countries subject to boycotts.
- Refuse to engage in prohibited restrictive trade practices.
- Do not do business with parties subject to recognised trade restrictions.
- Comply with all relevant international, regional and local laws, regulations and AstraZeneca supporting policies in processing the import or export of any item.

Trade restrictions (including sanctions or embargoes) seek to prevent or limit trading with or in specific countries. Boycotts involve a country refusing (for whatever reason) to do business, or prohibiting others from doing business with, one or more other countries.

TELEPHONE NUMBERS FOR ASKING A QUESTION OR RAISING A CONCERN

AZETHICS LINE
From the UK: 0800 0328483
From China (Southern): 10-800-120-1239
From China (Northern): 10-800-712-1239
From the US: 866 993 8442

For other countries, local numbers are listed on AZethics.com. If you cannot access the web, or if your country is not listed, you can call the following number:

+ 1 503 748 0641

When you are put through to the call centre, tell them you are from AstraZeneca and state which language you require.

DEFINITIONS

Applicable codes refers to those codes that AstraZeneca has formally adopted, or with which it is otherwise obliged to comply.

AstraZeneca, AstraZeneca Group, the Group, the Company, we, us and **our** refer to AstraZeneca PLC and its consolidated entities, including MedImmune,.

Confidential information refers to any and all confidential and/or proprietary information or material belonging to or in the possession of any member of the AstraZeneca Group. It may be oral, visual, in writing, in the form of or contained in materials, or in any other form. It includes any information or material in any way related to AstraZeneca's (a) financial information, business plans, projections or strategies, property, business practices and relationships, processes, systems, methods of operation or marketing plans, (b) research, development or other investigative activities, (c) regulatory practices, procedures or policies, (d) products, specifications, formulae, ingredients, pricing policies, marketing plans, product costs or promotional activities, (e) customer, supplier or employee information or agreements, (f) medical, scientific or other technical information, (g) corporate, strategic, commercial, licence or other agreements or (h) inventions, innovations, improvements, know-how, trade secrets or other proprietary information.

Contractor refers to any supplier or other third party with whom or which AstraZeneca has a contract.

Healthcare professionals and organisations refers to any persons who or which may prescribe, administer, recommend, purchase, pay for, reimburse, authorise, approve or supply any product or service sold or provided by AstraZeneca. It includes:

- any members of the medical, dental, pharmacy or nursing professions, or relevant associated administrative staff; and/or
- hospitals and other care organisations, health insurers (including managed care organisations), pharmacies, and formulary or benefit administrators, and relevant staff at such entities.

Person refers to any natural person (ie an individual) or legal person (eg a company).

Personal Data is any information about an identified or identifiable natural person.

Sensitive Personal Data are a specific sub-set of Personal Information and can include ethnicity, political opinions, religious beliefs, trade union membership, physical or mental health, sexual life, commission or alleged commission of offences, financial information and identification numbers.

Supplier refers to any person providing AstraZeneca with goods or services, including vendors and consultants.

Supporting policies refers to any and all Company policies, codes, standards and procedures.

SECTION UPDATED IN VERSION 4 OF THE CODE OF CONDUCT

Telephone Numbers for Asking a question or Raising a Concern

SECTION UPDATED IN VERSION 3 OF THE CODE OF CONDUCT

Public Policy and Political Activities

SECTIONS UPDATED IN VERSION 2 OF THE CODE OF CONDUCT

Introduction

Who is the Code for and What Does it Mean in Practice?

How To Ask a Question or Raise A Concern

Providing Information About our Products

Interactions with Healthcare Professionals

Preventing Bribery and Corruption

Data Privacy (section name changed from Protecting Personal Information)

Avoiding Conflicts of Interest

Communications, Disclosures and Records

Insider Trading and Confidential Information

Competition and Anti-Trust Laws

Trade Controls

Telephone Numbers for Asking a question or Raising a Concern

Definitions

IN YOUR EVERYDAY BUSINESS ACTIVITIES, ASK YOURSELF:

> IS THE DECISION OR ACTION I AM GOING TO TAKE IN LINE WITH THIS CODE OF CONDUCT?

> HAVE I UNDERSTOOD THE RISK AND THE POSSIBLE IMPLICATIONS OF WHAT I AM DOING?

> IF NECESSARY, HAVE I SOUGHT ADVICE TO HELP ME MAKE AN INFORMED DECISION?

> AM I ACTING WITH INTEGRITY?

> AM I LEADING BY EXAMPLE?

> HAVE I CONSIDERED ANY POTENTIAL IMPACT ON ASTRAZENECA'S REPUTATION?

> HOW WILL I FEEL IF THE ACTION I TAKE TODAY IS FEATURED IN THE NEWSPAPERS OR ON TELEVISION TOMORROW?

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Code of Ethics and Professional Conduct

July 6th, 2020

A code of ethics and professional conduct outlines the ethical principles that govern decisions and behavior at a company or organization. They give general outlines of how employees should behave, as well as specific guidance for handling issues like harassment, safety, and conflicts of interest.

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Easy Sample Dress Code Polic
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How to Take Disciplinary Actio
and Effectively
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/disciplinary-action)
Employee Write Up Form -
Downloadable - Printable [Wor
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What is a Substance Abuse Po
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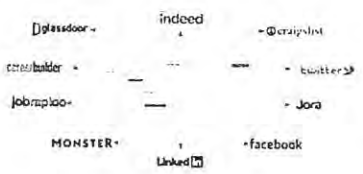

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Related Hiring Resources

Employee Handbook: Download a Complete Template & FAQ (https://www.betterteam.com/employee-handbook)

Insubordination: What it is, How to Deal With It Effectively (https://www.betterteam.com/insubordination)

Easy Dress Code Policy with Common Questions Answered (https://www.betterteam.com/dress-code-policy)

How to Take Disciplinary Action Legally and Effectively (https://www.betterteam.com/disciplinary-action)

Employee Write Up Form - Downloadable Printable Word PDF (https://www.betterteam.com/employee-write-up-form)

What is a Substance Abuse Policy? (Includes Free Template) (https://www.betterteam.com/substance-abuse-policy)

The Difference Between a Code of Ethics and a Code of Conduct:

A code of ethics is broad, giving employees or members a general idea of what types of behavior are considered acceptable and encouraged at a business or organization. A code of conduct is more focused, defines how employees or members should act in specific situations.

Can You Combine a Code of Conduct and Code of Ethics?

Yes, in most cases businesses will combine both of these documents into one as there is significant overlap between them. It is rare to find businesses that have two separate policies. Whilst they are technically different documents, employees will have less difficulty recalling important points around conduct and ethics if they have a single document to refer to.

Code of Ethics and Professional Conduct Sample

Template:

1. Be inclusive.

We welcome and support people of all backgrounds and identities. This includes, but is not limited to members of any sexual orientation, gender identity and expression, race, ethnicity, culture, national origin, social and economic class, educational level, color, immigration status, sex, age, size, family status, political belief, religion, and mental and physical ability.

2. Be considerate.

We all depend on each other to produce the best work we can as a company. Your decisions will affect clients and colleagues, and you should take those consequences into account when making decisions.

3. Be respectful.

We won't all agree all the time, but disagreement is no excuse for disrespectful behavior. We will all experience frustration from time to time, but we cannot allow that frustration become personal attacks. An environment where people feel uncomfortable or threatened is not a productive or creative one.

4. Choose your words carefully.

Always conduct yourself professionally. Be kind to others. Do not insult or put down others. Harassment and exclusionary behavior aren't acceptable. This includes, but is not limited to:

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Related Hiring Resources
Employee Handbook: Download a Complete Template & FAQ (https://www.betterteam.com/employee-handbook)
Insubordination: What it Is, How to Deal With It Effectively (https://www.betterteam.com/insubordination)
Easy Sample Dress Code Policy With Common Questions Answered (https://www.betterteam.com/dress-code-policy)
How to Take Disciplinary Action Legally and Effectively (https://www.betterteam.com/disciplinary-action)
Employee Write Up Form - Downloadable + Printable [Word+PDF] (https://www.betterteam.com/employee-write-up-form)
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- Threats of violence.
- Insubordination. (https://www.betterteam.com/insubordination)
- Discriminatory jokes and language.
- Sharing sexually explicit or violent material via electronic devices or other means.
- Personal insults, especially those using racist or sexist terms.
- Unwelcome sexual attention.
- Advocating for, or encouraging, any of the above behavior.

5. Don't harass.

In general, if someone asks you to stop something, then stop. When we disagree, try to understand why. Differences of opinion and disagreements are mostly unavoidable. What is important is that we resolve disagreements and differing views constructively.

6. Make differences into strengths.

We can find strength in diversity. Different people have different perspectives on issues, and that can be valuable for solving problems or generating new ideas. Being unable to understand why someone holds a viewpoint doesn't mean that they're wrong. Don't forget that we all make mistakes, and blaming each other doesn't get us anywhere.

Instead, focus on resolving issues and learning from mistakes.

Related Human Resources
Employee Handbook Downloads and Complete Templates & FAQ (https://www.betterteam.com/employee-handbook)
Insubordination: What it is, How to Deal With It Effectively (https://www.betterteam.com/insubordination)
Easy Sample Dress Code Policy with Common Questions Answered (https://www.betterteam.com/dress-code-policy)
How to Take Disciplinary Action Legally and Effectively (https://www.betterteam.com/disciplinary-action)
Employee Write-Up Form: Downloadable - Printable [Word+PDF] (https://www.betterteam.com/employee-write-up-form)
What is a Substance Abuse Policy? (Includes Free Template) (https://www.betterteam.com/substance-abuse-policy)

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Sample Code of Ethics and Professional Conduct Download:

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What to Include Your Code of Ethics and Professional Conduct:

A code of ethics and professional conduct consists of four key sections detailed below. You can cover all of them in a short summary Code of Ethics and Professional Conduct as we have above, or expand on them in detail so employees are clear on how to handle many common situations.

1. The work environment.

Employees should act with integrity, comply with laws, maintain a professional work environment and comply with company policies. They should treat customers, colleagues, and partners ethically at all times.

Work Environment Code of Conduct Topics:

- Equal opportunity.
- Harassment.
- Violence policy.
- Safety policy.
- Substance abuse.
- Gambling policy.
- Privacy policy.
- Misconduct explanation and policy.

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2. Conflicts of interest.

A company's reputation depends on the actions and integrity of its employees. It is essential that they avoid relationships and activities that hurt, or appears to hurt, their ability to make objective and fair decisions.

Conflict of Interest Code of Conduct Topics:

- Corporate asset contributions.
- Running for public office.
- Insider trading and financial interests.
- Investments in companies employees do business with.
- Employee political interests.
- Significant financial interests in other companies.
- Securities transactions.
- Taking out loans.

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3. Protecting company assets.

Employees should always act to protect company assets, including physical, intellectual, and electronic or digital.

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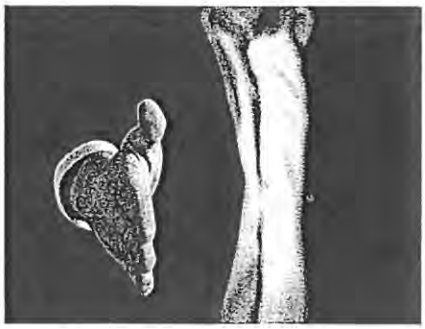
Company Assets Code of Conduct Topics:

- Preparing, maintaining, and disclosing accurate records.
- Information security.
- Protecting communication and information technology systems.
- Protecting external communications.
- Use of company property.
- The property owned by others.
- Facility security.
- Protecting intellectual property.

4. Anti-bribery and corruption.

A company's integrity is essential for maintaining trustworthiness and reputation. Employees should always do their work fairly, honestly, and legally.



Anti-Bribery and Corruption Code of Conduct Topics:

- Doing business with governments.
- Choosing and maintaining service providers.
- Receiving gifts and

entertainment.

- Loans, bribes, and kickbacks.
- Relationships with former employees.
- Obligations of departing and former employees.
- Interaction with competitors.
- Relationships with affiliates, international entities, and customers.

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5. Attendance and punctuality.

Employees are expected to be regular and punctual in attendance. This means being in the office, ready to work, at starting time each day. Absenteeism and tardiness burden other employees and the company.

6. Absence without notice.

Employees who are unable to work due to illness or an accident should notify their supervisor. This allows the company to arrange for coverage of their duties and helps them to continue work in their absence. If an employee does not report to work and the company is not notified of an employee's status for 3 days, it is typically considered a job abandonment (https://www.betterteam.com/job-abandonment).

7. General harassment and sexual harassment.

This company is committed to providing a work environment free of discrimination and unlawful harassment. Actions, words, jokes, or comments based on an individual's sex, race, ethnicity, age, religion, or any other legally protected characteristic are not tolerated.

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8. Cell phone use at work (https://www.betterteam.com/cell-phone-policy).

Personal cell phone usage during work hours is discouraged, except in extreme cases such as an emergency.

9. Dress code (https://www.betterteam.com/dress-code-policy).

A professional appearance is important when employees work with customers or potential customers. Employees should be well groomed and dressed appropriately for the business and for their position.

10. Substance abuse.

The manufacture, distribution, possession, sale, or purchase of controlled substances of abuse on company property is prohibited. Being under the influence of illegal drugs, alcohol, or substances of abuse on company property is prohibited. Working while under the influence of prescription drugs that impair performance is prohibited.

11. Tobacco products.

The use of tobacco products on company property, outside of permitted areas, is specifically prohibited.

12. Internet use at work.

Employees may use the Internet when appropriate to access information needed to conduct a business company business. Use of the Internet must not disrupt or injure the company computer network. Use of the Internet must not interfere with an employee's productivity.

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1. Review your mission statement and core values.

The goal of a code of ethics is to help employees make decisions that are in line with what the company or organization values. This should be distilled into your mission statement and core values, so it's a good place to start.

2. Talk to stakeholders.

What do management, employees, and clients think are the most important values of the company to uphold? Get input from everyone involved to be sure your code reflects what the company stands for. You can have them all look at a code of conduct template to get ideas for how their own might look like.

3. Review past ethical issues.

Where has your company faltered with ethics in the past? What could have been handled better? Call attention to problem areas and highlight the strengths you already have.

4. See where other companies have faltered.

Have other companies in your industry had recent ethical failures? Avoid the same pitfalls by covering these issues in your code.

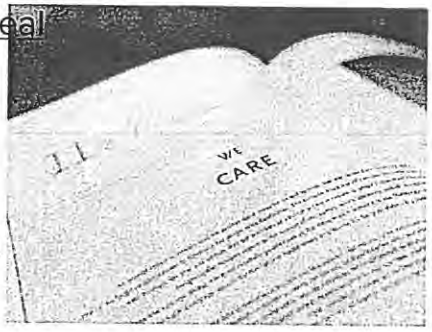
5. Create a draft code for input and discussion.

Give everyone a chance to help decide on the contents of

the code of ethics by inviting them to discuss and give input on a draft.

3 Create a final draft and share it.

Once you've got a final draft approved, share it throughout the organization. Also, make sure that a copy of it is added to your employee handbook (https://www.betterteam.com/employee-handbook).



Code of Ethics and Professional Conduct Examples:

Alphabet

Employees of Alphabet and its subsidiaries and controlled affiliates ("Alphabet") should do the right thing – follow the law, act honorably, and treat co-workers with courtesy and respect.

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Hersey

No matter what job you do or where you do it, you are Hershey. Think about that as you watch over every business relationship, every transaction, and every product, and make sure your actions always reflect our values.

Starbucks

Starbucks empowers all partners to make decisions that impact our reputation. Individual actions at work shape how the world views Starbucks, which is why it's so important that we each take responsibility for Our Starbucks Mission and acting ethically in all situations.

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Under Armour

Make the Right Call. It's as simple as it sounds. Whenever you're faced with a decision—big or small—always do what you know is ethically right, and, of course, always follow the law.

Verizon

We know that bigness is not our strength, best is our strength. Bureaucracy is an enemy. We fight every day to stay "small" and keep bureaucracy out.

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Is a code of ethics really important for your business to have? At what point should you get one? You may be wondering this, especially if you work for a smaller business or organization.

The Importance of a Code of Ethics:

A code of ethics is important because it helps employees or organization members make decisions that are in line with company values in the absence of a clear rule or direct supervision. A code of ethics can improve decision making at

a business, and make it easier for employees to be autonomous.

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FAQs:

What are the five codes of ethics?

- Integrity.
- Objectivity.
- Professional competence.
- Confidentiality.
- Professional behavior.

See this Code of Ethics and Professional Conduct sample template.

Why does a project manager need a code of ethics and professional conduct?

A code of ethics is important because it helps employees or organization members make decisions that are in line with company values in the absence of a clear rule or direct supervision. A code of ethics can improve decision making at a business, and make it easier for employees to be autonomous.

Learn about the importance of a Code of Ethics.

What is a Code of Conduct with example?

A professional Code of Conduct is an official document that clearly defines how a company's employees should behave in the workplace on a day-to-day basis.

Check out this free sample of a Code of Ethics and Professional Conduct.

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What is the difference between a Code of Ethics and Code of Conduct?

A code of ethics is broad, giving employees or members a general idea of what types of behavior and decisions are acceptable and encouraged at a business or organization. A code of conduct (https://www.betterteam.com/professional-code-of-conduct) is more focused. It defines how employees or members should act in specific situations.

What are the three main categories or types of codes of ethics?

- Duties to clients and customers.
- Duties to the public.
- Duties to company.

What is included in a code of ethics?

This depends on your business policies and industry. Generally, a code of ethics should include the six universal moral values, where you state that you expect an employee to be trustworthy, respectful, responsible, fair, kind and good citizens. Honorable mentions include adding that your business celebrates diversity, green practices, and proper dress codes.

What is a written code of ethics?

A code of ethics helps to guide ethical behavior in the workplace. Anytime an employee or group of employees need to make a decision, they can refer back to the code of ethics. The code of ethics also communicates values and expectations to new employees.

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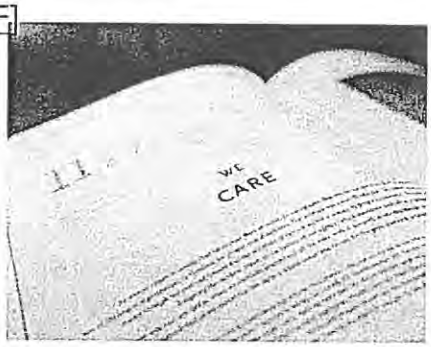
Is a code of ethics required by law?

It depends on your business. However, many businesses are required to establish a code of ethics.

Can I combine my company's code of conduct and code of ethics?

Yes, in most cases businesses will combine both of these documents into one as there is significant overlap between them. It is rare to find businesses that have two separate policies. Whilst they are technically different documents, employees will have less difficulty recalling important points around conduct and ethics if they have a single document to refer to.



What are some examples of a code of ethics?

- Alphabet - Employees of Alphabet and its subsidiaries and controlled affiliates ("Alphabet") should do the right thing – follow the law, act honorably, and treat co-workers with courtesy and respect.
- Hershey - No matter what job you do or where you do it, you are Hershey. Think about that as you watch over every

business relationship, every transaction, and every product, and make sure your actions always reflect our values.

- Starbucks - Starbucks empowers all partners to make decisions that impact our reputation. Individual actions at work shape how the world views Starbucks, which is why it's so important that we all take responsibility for Our Starbucks Mission and acting ethically in all situations.
- Under Armour - Make the Right Call. It's as simple as it sounds. Whenever you're faced with a decision—big or small—always do what you know is ethically right, and, of course, always follow the law.
- Verizon - We know that bigness is not our strength, best is our strength. Bureaucracy is an enemy. We plan to stay small and keep bureaucracy out.

How is the code of ethics different from a code of conduct by definition?

A code of ethics or professional code of ethics is usually a set of general guidelines or values. A code of conduct policy is typically more specific, giving guidelines for how to respond in certain situations. A code of conduct example would be a rule expressly prohibiting accepting or offering bribes.

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Code of Ethics and Business Conduct

Statement of Our Core Values

Company Vision

[Insert Company Vision Statement]

Values

[Insert Company Values Statement]

Mission

[Insert Company Mission Statement]

Build Trust and Credibility

The success of our business is dependent on the trust and confidence we earn from our employees, customers and shareholders. We gain credibility by adhering to our commitments, displaying honesty and integrity and reaching company goals solely through honorable conduct. It is easy to *say* what we must do, but the proof is in our *actions*. Ultimately, we will be judged on what we do.

When considering any action, it is wise to ask: will this build trust and credibility for [Company Name]? Will it help create a working environment in which [Company Name] can succeed over the long term? Is the commitment I am making one I can follow through with? The only way we will maximize trust and credibility is by answering "yes" to those questions and by working every day to build our trust and credibility.

Respect for the Individual

We all deserve to work in an environment where we are treated with dignity and respect. [Company Name] is committed to creating such an environment because it brings out the full potential in each of us, which, in turn, contributes directly to our business success. We cannot afford to let anyone's talents go to waste.

[Company Name] is an equal employment/affirmative action employer and is committed to providing a workplace that is free of discrimination of all types from abusive, offensive or harassing behavior. Any employee who feels harassed or discriminated against should report the incident to his or her manager or to human resources.

Create a Culture of Open and Honest Communication

At [Company Name] everyone should feel comfortable to speak his or her mind, particularly with respect to ethics concerns. Managers have a responsibility to create an open and supportive environment where employees feel comfortable raising such questions. We all benefit tremendously when employees exercise their power to prevent mistakes or wrongdoing by asking the right questions at the right times.

[Company Name] will investigate all reported instances of questionable or unethical behavior. In every instance where improper behavior is found to have occurred, the company will take

appropriate action. We will not tolerate retaliation against employees who raise genuine ethics concerns in good faith.

For your information, [Company Name]'s whistleblower policy is as follows:

[Note to employer: This policy should have already been adopted as an addendum to the organization's handbook.]

Employees are encouraged, in the first instance, to address such issues with their managers or the HR manager, as most problems can be resolved swiftly. If for any reason that is not possible or if an employee is not comfortable raising the issue with his or her manager or HR, [Company Name]'s [Title of Executive Officer] does operate with an open-door policy.

Set Tone at the Top

Management has the added responsibility for demonstrating, through their actions, the importance of this Code. In any business, ethical behavior does not simply happen; it is the product of clear and direct communication of behavioral expectations, modeled from the top and demonstrated by example. Again, ultimately, our actions are what matters.

To make our Code work, managers must be responsible for promptly addressing ethical questions or concerns raised by employees and for taking the appropriate steps to deal with such issues. Managers should not consider employees' ethics concerns as threats or challenges to their authority, but rather as another encouraged form of business communication. At [Company Name], we want the ethics dialogue to become a natural part of daily work.

Uphold the Law

[Company Name]'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 company 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 [Company Name] policy, we should seek the advice from the resource expert. We are responsible for preventing violations of law and for speaking up if we see possible violations.

Because of the nature of our business, some legal requirements warrant specific mention here. *[Note to employer: Insert any applicable industry-specific laws here].*

Competition

We are dedicated to ethical, fair and vigorous competition. We will sell [Company Name] products and services based on their merit, superior quality, functionality and competitive pricing. We will make independent pricing and marketing decisions and will not improperly cooperate or coordinate our activities with our competitors. We will not offer or solicit improper payments or gratuities in connection with the purchase of goods or services for [Company Name] or the sales of its products or services, nor will we engage or assist in unlawful boycotts of particular customers.

Proprietary Information

It is important that we respect the property rights of others. We will not acquire or seek to acquire improper means of a competitor's trade secrets or other proprietary or confidential

information. We will not engage in unauthorized use, copying, distribution or alteration of software or other intellectual property.

Selective Disclosure

We will not selectively disclose (whether in one-on-one or small discussions, meetings, presentations, proposals or otherwise) any material nonpublic information with respect to [Company Name], its securities, business operations, plans, financial condition, results of operations or any development plan. We should be particularly vigilant when making presentations or proposals to customers to ensure that our presentations do not contain material nonpublic information.

Health and Safety

[Company Name] is dedicated to maintaining a healthy environment. A safety manual has been designed to educate you on safety in the workplace. If you do not have a copy of this manual, please see the HR department.

Avoid Conflicts of Interest

Conflicts of Interest

We must avoid any relationship or activity that might impair, or even appear to impair, our ability to make objective and fair decisions when performing our jobs. At times, we may be faced with situations where the business actions we take on behalf of [Company Name] may conflict with our own personal or family interests. We owe a duty to [Company Name] to advance its legitimate interests when the opportunity to do so arises. We must never use [Company Name] property or information for personal gain or personally take for ourselves any opportunity that is discovered through our position with [Company Name].

Here are some other ways in which conflicts of interest could arise:

1. Being employed (you or a close family member) by, or acting as a consultant to, a competitor or potential competitor, supplier or contractor, regardless of the nature of the employment, while you are employed with [Company Name].

2. Hiring or supervising family members or closely related persons.

3. Serving as a board member for an outside commercial company or organization.

4. Owning or having a substantial interest in a competitor, supplier or contractor.

5. Having a personal interest, financial interest or potential gain in any [Company Name] transaction.

6. Placing company business with a firm owned or controlled by a [Company Name] employee or his or her family.

7. Accepting gifts, discounts, favors or services from a customer/potential customer, competitor or supplier, unless equally available to all [Company Name] employees.

Determining whether a conflict of interest exists is not always easy to do. Employees with a conflict of interest question should seek advice from management. Before engaging in any

activity, transaction or relationship that might give rise to a conflict of interest, employees must seek review from their managers or the HR department.

Gifts, Gratuities and Business Courtesies

[Company Name] is committed to competing solely on the merit of our products and services. We should avoid any actions that create a perception that favorable treatment of outside entities by [Company Name] was sought, received or given in exchange for personal business courtesies. Business courtesies include gifts, gratuities, meals, refreshments, entertainment or other benefits from persons or companies with whom [Company Name] does or may do business. We will neither give nor accept business courtesies that constitute, or could reasonably be perceived as constituting, unfair business inducements that would violate law, regulation or polices of [Company Name] or customers, or would cause embarrassment or reflect negatively on [Company Name]'s reputation.

Accepting Business Courtesies

Most business courtesies offered to us in the course of our employment are offered because of our positions at [Company Name]. We should not feel any entitlement to accept and keep a business courtesy. Although we may not use our position at [Company Name] to obtain business courtesies, and we must never ask for them, we may accept unsolicited business courtesies that promote successful working relationships and good will with the firms that [Company Name] maintains or may establish a business relationship with.

Employees who award contracts or who can influence the allocation of business, who create specifications that result in the placement of business or who participate in negotiation of contracts must be particularly careful to avoid actions that create the appearance of favoritism or that may adversely affect the company's reputation for impartiality and fair dealing. The prudent course is to refuse a courtesy from a supplier when [Company Name] is involved in choosing or reconfirming a supplier or under circumstances that would create an impression that offering courtesies is the way to obtain [Company Name] business.

Meals, Refreshments and Entertainment

We may accept occasional meals, refreshments, entertainment and similar business courtesies that are shared with the person who has offered to pay for the meal or entertainment, provided that:

• They are not inappropriately lavish or excessive.

• The courtesies are not frequent and do not reflect a pattern of frequent acceptance of courtesies from the same person or entity.

• The courtesy does not create the appearance of an attempt to influence business decisions, such as accepting courtesies or entertainment from a supplier whose contract is expiring in the near future.

• The employee accepting the business courtesy would not feel uncomfortable discussing the courtesy with his or her manager or co-worker or having the courtesies known by the public.

Gifts

Employees may accept unsolicited gifts, other than money, that conform to the reasonable ethical practices of the marketplace, including:

• Flowers, fruit baskets and other modest presents that commemorate a special occasion.

• Gifts of nominal value, such as calendars, pens, mugs, caps and t-shirts (or other novelty, advertising or promotional items).

Generally, employees may not accept compensation, honoraria or money of any amount from entities with whom [Company Name] does or may do business. Tangible gifts (including tickets to a sporting or entertainment event) that have a market value greater than $100 may not be accepted unless approval is obtained from management.

Employees with questions about accepting business courtesies should talk to their managers or the HR department.

Offering Business Courtesies

Any employee who offers a business courtesy must assure that it cannot reasonably be interpreted as an attempt to gain an unfair business advantage or otherwise reflect negatively upon [Company Name]. An employee may never use personal funds or resources to do something that cannot be done with [Company Name] resources. Accounting for business courtesies must be done in accordance with approved company procedures.

Other than to our government customers, for whom special rules apply, we may provide nonmonetary gifts (i.e., company logo apparel or similar promotional items) to our customers. Further, management may approve other courtesies, including meals, refreshments or entertainment of reasonable value, provided that:

• The practice does not violate any law or regulation or the standards of conduct of the recipient's organization.

• The business courtesy is consistent with industry practice, is infrequent in nature and is not lavish.

• The business courtesy is properly reflected on the books and records of [Company Name].

Set Metrics and Report Results Accurately

Accurate Public Disclosures

We will make certain that all disclosures made in financial reports and public documents are full, fair, accurate, timely and understandable. This obligation applies to all employees, including all financial executives, with any responsibility for the preparation for such reports, including drafting, reviewing and signing or certifying the information contained therein. No business goal of any kind is ever an excuse for misrepresenting facts or falsifying records.

Employees should inform Executive Management and the HR department if they learn that information in any filing or public communication was untrue or misleading at the time it was made or if subsequent information would affect a similar future filing or public communication.

Corporate Recordkeeping

We create, retain and dispose of our company records as part of our normal course of business in compliance with all [Company Name] policies and guidelines, as well as all regulatory and legal requirements.

All corporate records must be true, accurate and complete, and company data must be promptly and accurately entered in our books in accordance with [Company Name]'s and other applicable accounting principles.

We must not improperly influence, manipulate or mislead any unauthorized audit, nor interfere with any auditor engaged to perform an internal independent audit of [Company Name] books, records, processes or internal controls.

Promote Substance Over Form

At times, we are all faced with decisions we would rather not have to make and issues we would prefer to avoid. Sometimes, we hope that if we avoid confronting a problem, it will simply go away.

At [Company Name], we must have the courage to tackle the tough decisions and make difficult choices, secure in the knowledge that [Company Name] is committed to doing the right thing. At times this will mean doing more than simply what the law requires. Merely because we can pursue a course of action does not mean we *should* do so.

Although [Company Name]'s guiding principles cannot address every issue or provide answers to every dilemma, they can define the spirit in which we intend to do business and should guide us in our daily conduct.

Accountability

Each of us is responsible for knowing and adhering to the values and standards set forth in this Code and for raising questions if we are uncertain about company policy. If we are concerned whether the standards are being met or are aware of violations of the Code, we must contact the HR department.

[Company Name] takes seriously the standards set forth in the Code, and violations are cause for disciplinary action up to and including termination of employment.

Be Loyal

Confidential and Proprietary Information

Integral to [Company Name]'s business success is our protection of confidential company information, as well as nonpublic information entrusted to us by employees, customers and other business partners. Confidential and proprietary information includes such things as pricing and financial data, customer names/addresses or nonpublic information about other companies, including current or potential supplier and vendors. We will not disclose confidential and nonpublic information without a valid business purpose and proper authorization.

Use of Company Resources

Company resources, including time, material, equipment and information, are provided for company business use. Nonetheless, occasional personal use is permissible as long as it does not affect job performance or cause a disruption to the workplace.

Employees and those who represent [Company Name] are trusted to behave responsibly and use good judgment to conserve company resources. Managers are responsible for the resources assigned to their departments and are empowered to resolve issues concerning their proper use.

Generally, we will not use company equipment such as computers, copiers and fax machines in the conduct of an outside business or in support of any religious, political or other outside daily activity, except for company-requested support to nonprofit organizations. We will not solicit contributions nor distribute non-work related materials during work hours.

In order to protect the interests of the [Company Name] network and our fellow employees, [Company Name] reserves the right to monitor or review all data and information contained on an employee's company-issued computer or electronic device, the use of the Internet or [Company Name]'s intranet. We will not tolerate the use of company resources to create, access, store, print, solicit or send any materials that are harassing, threatening, abusive, sexually explicit or otherwise offensive or inappropriate.

Questions about the proper use of company resources should be directed to your manager.

Media Inquiries

[Company Name] is a high-profile company in our community, and from time to time, employees may be approached by reporters and other members of the media. In order to ensure that we speak with one voice and provide accurate information about the company, we should direct all media inquiries to the [Public Relations Executive]. No one may issue a press release without first consulting with the [Public Relations Executive].

Do the Right Thing

Several key questions can help identify situations that may be unethical, inappropriate or illegal. Ask yourself:

• Does what I am doing comply with the [Company Name] guiding principles, Code of Conduct and company policies?

• Have I been asked to misrepresent information or deviate from normal procedure?

• Would I feel comfortable describing my decision at a staff meeting?

• How would it look if it made the headlines?

• Am I being loyal to my family, my company and myself?

• What would I tell my child to do?

• Is this the right thing to do?

Information and Resources

General Manager [or CEO, President, etc.]

[insert name and contact information]

Director of Human Resources

[insert name and contact information]

[Title of Other Contact Person]

[insert name and contact information]

Code of Ethics and Business Conduct

Statement of Our Core Values

Company Vision

[Insert Company Vision Statement]

Values

[Insert Company Values Statement]

Mission

[Insert Company Mission Statement]

Build Trust and Credibility

The success of our business is dependent on the trust and confidence we earn from our employees, customers and shareholders. We gain credibility by adhering to our commitments, displaying honesty and integrity and reaching company goals solely through honorable conduct. It is easy to *say* what we must do, but the proof is in our *actions*. Ultimately, we will be judged on what we do.

When considering any action, it is wise to ask: will this build trust and credibility for [Company Name]? Will it help create a working environment in which [Company Name] can succeed over the long term? Is the commitment I am making one I can follow through with? The only way we will maximize trust and credibility is by answering "yes" to those questions and by working every day to build our trust and credibility.

Respect for the Individual

We all deserve to work in an environment where we are treated with dignity and respect. [Company Name] is committed to creating such an environment because it brings out the full potential in each of us, which, in turn, contributes directly to our business success. We cannot afford to let anyone's talents go to waste.

[Company Name] is an equal employment/affirmative action employer and is committed to providing a workplace that is free of discrimination of all types from abusive, offensive or harassing behavior. Any employee who feels harassed or discriminated against should report the incident to his or her manager or to human resources.

Create a Culture of Open and Honest Communication

At [Company Name] everyone should feel comfortable to speak his or her mind, particularly with respect to ethics concerns. Managers have a responsibility to create an open and supportive environment where employees feel comfortable raising such questions. We all benefit tremendously when employees exercise their power to prevent mistakes or wrongdoing by asking the right questions at the right times.

[Company Name] will investigate all reported instances of questionable or unethical behavior. In every instance where improper behavior is found to have occurred, the company will take

appropriate action. We will not tolerate retaliation against employees who raise genuine ethics concerns in good faith.

For your information, [Company Name]'s whistleblower policy is as follows:

[Note to employer: This policy should have already been adopted as an addendum to the organization's handbook.]

Employees are encouraged, in the first instance, to address such issues with their managers or the HR manager, as most problems can be resolved swiftly. If for any reason that is not possible or if an employee is not comfortable raising the issue with his or her manager or HR, [Company Name]'s [Title of Executive Officer] does operate with an open-door policy.

Set Tone at the Top

Management has the added responsibility for demonstrating, through their actions, the importance of this Code. In any business, ethical behavior does not simply happen; it is the product of clear and direct communication of behavioral expectations, modeled from the top and demonstrated by example. Again, ultimately, our actions are what matters.

To make our Code work, managers must be responsible for promptly addressing ethical questions or concerns raised by employees and for taking the appropriate steps to deal with such issues. Managers should not consider employees' ethics concerns as threats or challenges to their authority, but rather as another encouraged form of business communication. At [Company Name], we want the ethics dialogue to become a natural part of daily work.

Uphold the Law

[Company Name]'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 company 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 [Company Name] policy, we should seek the advice from the resource expert. We are responsible for preventing violations of law and for speaking up if we see possible violations.

Because of the nature of our business, some legal requirements warrant specific mention here. *[Note to employer: Insert any applicable industry-specific laws here].*

Competition

We are dedicated to ethical, fair and vigorous competition. We will sell [Company Name] products and services based on their merit, superior quality, functionality and competitive pricing. We will make independent pricing and marketing decisions and will not improperly cooperate or coordinate our activities with our competitors. We will not offer or solicit improper payments or gratuities in connection with the purchase of goods or services for [Company Name] or the sales of its products or services, nor will we engage or assist in unlawful boycotts of particular customers.

Proprietary Information

It is important that we respect the property rights of others. We will not acquire or seek to acquire improper means of a competitor's trade secrets or other proprietary or confidential

information. We will not engage in unauthorized use, copying, distribution or alteration of software or other intellectual property.

Selective Disclosure

We will not selectively disclose (whether in one-on-one or small discussions, meetings, presentations, proposals or otherwise) any material nonpublic information with respect to [Company Name], its securities, business operations, plans, financial condition, results of operations or any development plan. We should be particularly vigilant when making presentations or proposals to customers to ensure that our presentations do not contain material nonpublic information.

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1. Being employed (you or a close family member) by, or acting as a consultant to, a competitor or potential competitor, supplier or contractor, regardless of the nature of the employment, while you are employed with [Company Name].

2. Hiring or supervising family members or closely related persons.

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All corporate records must be true, accurate and complete, and company data must be promptly and accurately entered in our books in accordance with [Company Name]'s and other applicable accounting principles.

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[Company Name] takes seriously the standards set forth in the Code, and violations are cause for disciplinary action up to and including termination of employment.

Be Loyal

Confidential and Proprietary Information

Integral to [Company Name]'s business success is our protection of confidential company information, as well as nonpublic information entrusted to us by employees, customers and other business partners. Confidential and proprietary information includes such things as pricing and financial data, customer names/addresses or nonpublic information about other companies, including current or potential supplier and vendors. We will not disclose confidential and nonpublic information without a valid business purpose and proper authorization.

Use of Company Resources

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Generally, we will not use company equipment such as computers, copiers and fax machines in the conduct of an outside business or in support of any religious, political or other outside daily activity, except for company-requested support to nonprofit organizations. We will not solicit contributions nor distribute non-work related materials during work hours.

In order to protect the interests of the [Company Name] network and our fellow employees, [Company Name] reserves the right to monitor or review all data and information contained on an employee's company-issued computer or electronic device, the use of the Internet or [Company Name]'s intranet. We will not tolerate the use of company resources to create, access, store, print, solicit or send any materials that are harassing, threatening, abusive, sexually explicit or otherwise offensive or inappropriate.

Questions about the proper use of company resources should be directed to your manager.

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[Company Name] is a high-profile company in our community, and from time to time, employees may be approached by reporters and other members of the media. In order to ensure that we speak with one voice and provide accurate information about the company, we should direct all media inquiries to the [Public Relations Executive]. No one may issue a press release without first consulting with the [Public Relations Executive].

Do the Right Thing

Several key questions can help identify situations that may be unethical, inappropriate or illegal. Ask yourself:

• Does what I am doing comply with the [Company Name] guiding principles, Code of Conduct and company policies?

• Have I been asked to misrepresent information or deviate from normal procedure?

• Would I feel comfortable describing my decision at a staff meeting?

• How would it look if it made the headlines?

• Am I being loyal to my family, my company and myself?

• What would I tell my child to do?

• Is this the right thing to do?

Information and Resources

General Manager [or CEO, President, etc.]

[insert name and contact information]

Director of Human Resources

[insert name and contact information]

[Title of Other Contact Person]

[insert name and contact information]

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6 Ethical Issues in Business and What to Do About Them

Posted February 19, 2020
in: HR Professionals (https://sprigghr.com/blog/category/hr-professionals/), Leaders (https://sprigghr.com/blog/category/leaders/), Performance Culture (https://sprigghr.com/blog/category/performance-culture/)

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Ethical issues in business can be a difficult challenge to navigate for any business owner. Though there are laws and statutes that exist to hold workers and employers accountable, these alone do not entirely deter employees from behaving unethically.

What Are Ethical Issues in Business?

Ethical issues in business encompass a wide array of areas within an organization's ethical standards. Fundamental ethical issues in business include promoting conduct based on integrity and trust, but more complex issues include accommodating diversity, empathetic decision-making, and compliance and governance that is consistent with the organization's core values. According to the Global Business Ethics Survey (https://43wli92bfqd835mbif2ms9qz-wpengine.netdna-ssl.com/wp-content/uploads/2019-Global-Business-Ethics-Survey-Report.pdf) of 2019, 25% of employees still feel that their senior managers do not have a good understanding of key ethical and compliance business risks across the organization.

In order to manage the ethical issues in business that arise in your organization, you first need to develop a thorough understanding of what those issues can look like. Understanding how to detect and, most importantly, deter these issues before they become a problem can ensure your focus stays on business growth and success instead of remediation.

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Workplace

Harassment and discrimination are arguably the largest ethical issues that impact business owners today. Should harassment or discrimination take place in the workplace, the result could be catastrophic for your organization both financially and reputationally.

Every business needs to be aware of the anti-discrimination laws and regulations that exist to protect employees from unjust treatment. The U.S. Equal Employment Opportunity Commission (EEOC) defines many different types of discrimination and harassment statutes (https://www.eeoc.gov/laws/types/) that can have an effect on your organization, including but not limited to:

- **Age:** applies to those 40 and older, and to any ageist policies or treatment that takes place.
- **Disability:** accommodations and equal treatment provided within reason for employees with physical or mental disabilities.
- **Equal Pay:** compensation for equal work regardless of sex, race, religion, etc.
- **Pregnancy:** accommodations and equal treatment provided within reason for pregnant employees.
- **Race:** employee treatment consistent regardless of race or ethnicity.
- **Religion:** accommodations and equal treatment provided within reason regardless of employee religion.
- **Sex and Gender:** employee treatment consistent regardless of sex or gender identity.

2. Health and Safety in the Workplace

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1. **Fall Protection**, e.g. unprotected sides and edges and leading edges
2. **Hazard Communication**, e.g. classifying harmful chemicals
3. **Scaffolding**, e.g. required resistance and maximum weight numbers
4. **Respiratory Protection**, e.g. emergency procedures and respiratory/filter equipment standards
5. **Lockout/Tagout**, e.g. controlling hazardous energy such as oil and gas
6. **Powered Industrial Trucks**, e.g. safety requirements for fire trucks
7. **Ladders**, e.g. standards for how much weight a ladder can sustain
8. **Electrical, Wiring Methods**, e.g. procedures for how to circuit to reduce electromagnetic interference
9. **Machine Guarding**, e.g. clarifying that guillotine cutters, shears, power presses, and other machines require point of operation guarding
10. **Electrical, General Requirements**, e.g. not placing conductors or equipment in damp or wet locations

However, health and safety concerns should not be limited to physical harm. In a 2019 report (https://www.ilo.org/safework/events/safeday/WCMS_686645/lang--en/index.htm) conducted by the International Labour Organization (ILO), an emphasis was placed on the rise of "psychosocial risks" and work-related stress and mental health concerns. Factors such as job insecurity, high demands, effort-reward imbalance, and low autonomy, were all found to contribute to health-related behavioural risks, including sedentary lifestyles, heavy alcohol consumption, increased cigarette smoking, and eating disorders.

3. Whistleblowing or Social Media Rants

The widespread nature of social media has made employees conduct online a factor in

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In the same vein, business owners must be able to respect and not penalize employees who are deemed whistleblowers to either regulatory authorities or on social media. This means that employees should be encouraged, and cannot be penalized, for raising awareness of workplace violations online. For example, a Yelp employee published an article (https://medium.com/@taliajane/an-open-letter-to-my-ceo-fb73df021e7a#.f1nm1qoff) on the blogging website Medium, outlining what she claimed as the awful working conditions she was experiencing at the online review company. She was then fired for violating Yelp's terms of conduct. The ambiguity of her case, and whether her post was justifiable, or malicious and disloyal conduct, shows the importance of implementing clear social media policies within an organization. In order to avoid this risk of ambiguity, a company should stipulate which online behaviors constitute an infringement.

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4. Ethics in Accounting Practices

Any organization must maintain accurate bookkeeping practices. "Cooking the books",

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The deception affected stockholder prices, and public shareholders lost over $25 billion because of this ethics violation. Both companies eventually went out of business, and although the accounting firm only had a small portion of its employees working with Enron, the firm's closure resulted in 85,000 jobs lost.

In response to this case, as well as other major corporate scandals, the U.S. Federal Government established the Sarbanes-Oxley Act in 2002, which mandates new financial reporting requirements meant to protect consumers and shareholders. Even small privately held companies must keep accurate financial records to pay appropriate taxes and employee profit-sharing, or to attract business partners and investments.

5. Nondisclosure and Corporate Espionage

Many employers are at risk of current and former employees stealing information, including client data used by organizations in direct competition with the company. When intellectual property is stolen, or private client information is illegally distributed, this constitutes corporate espionage. Companies may put in place mandatory nondisclosure agreements, stipulating strict financial penalties in case of violation, in order to discourage these types of ethics violations.

6. Technology and Privacy Practices

Under the same umbrella as nondisclosure agreements, the developments in technological security capability pose privacy concerns for clients and employees alike. Employers now have the ability to monitor employee activity on their computers and

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content, keystrokes, and time spent on the keyboard, and 43% storing and reviewing computer files as well as monitoring employee emails. The key to using technological surveillance in an ethical manner is transparency. According to the same survey, 84% of those companies tell their employees that they are reviewing computer activity. In order to ensure employee surveillance does not turn into an ethical issue for your business, both employees and employers should remain conscious of the actual benefits of being monitored, and whether it is a useful way of developing a record of their job performance.

Final Thoughts on Addressing Ethical Issues in Business

Avoiding ethical issues in business always starts with top management. Providing clearly written policies and processes that ensure those policies are both acknowledged and adhered to, can ensure transparency and ethical business practices are applied.

In order to effectively detect and, most importantly, deter ethical issues in business from surfacing in your organization, there are several everyday efforts you can take. Be sure to communicate and enforce a robust code of ethics when making decisions and ask the same of your employees. Remain aware of the discrimination laws that exist in your region. Stay informed on the rules that impact your industry, and ensure your organization is acting in compliance with those regulations. Collaborate with accountants, maintaining transparency and honesty in your financial reports. Be present in your company, making sure your organization and employees alike are always doing the right and ethical thing.

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Morality and Ethics in the Workplace

Posted by Andreea Hrab | 6 years ago Management, Recruiting

Many employers are concerned about how their employees behave at work. And they should be! How an employee behaves toward customers can have a major impact on whether or not those customers ever come back; how an employee behaves toward other employees could result in lawsuits, and how an employee behaves with suppliers could result in criminal prosecution. There's a lot at stake for employers when it comes to making sure that employees behave the way the company desires. We want employees to be both ethical and moral. The problem is that these words have different meanings to different people.

Ethics vs. Morals

Although these terms are often used interchangeably by many people, they in fact have very different meanings. According to the website *Diffen*, which compares things unbiasedly, ethics is:

"The rules of conduct recognized in respect to a particular class of human actions or a particular group, culture, etc. It defines how thing are according to the rules."

The same website defines morals as:

"Principles or habits with respect to right or wrong conduct. It defines how things should work according to individuals' ideals and principles."

Ethics are external constructs, while morals are internal beliefs that have been formed by personal experience and learning.

We Can Enforce Ethics

Ethics are defined by company practices and also a common practice. A company can enforce ethical behavior by first defining what it means to be ethical in that specific organization. Some common ethics that most companies will want to enforce include the following: you don't lie, you don't steal, you don't cheat (on expense reports or anything else), you don't falsify information, company can specifically state its ethics policies and can hold employees to specific behaviors. As in any standard reinforcement

situation, you can either reward good behavior or punish bad behavior. Most companies typically do both. You can read an example of this approach in the article by Stan Mack on Chron.com called "How to Enforce Ethical Behavior in the Workplace." I think Mack's approach is a bit too Draconian, and I much prefer the approach outlined in "How to Reward Ethical Behavior" on the Sustainable Business Forum, written by Matt McGonegle.

Either way, whether an employee engages in ethical behavior or not can be strongly influenced by the company. If they act correctly, they keep their job and they are rewarded. And if they don't, they face the consequences, which can include losing their job. They may also be fined or jailed, depending on whether their behavior also violates ethical behavior as defined by other authorities, such as the federal government.

Employee Morals are Harder to Control

Because morals are internal and based on how someone was raised, it is harder to control or have an effect on someone's morals. What I may consider to be immoral may be perfectly acceptable to someone else. Yet, we may work together as long as we do our work and abide by the ethics of the organization. Of course, there are some immoral behaviors that spill over into the unethical. At least in American business, stealing is considered immoral and violates most ethics policies. There is even a code among thieves that you don't steal from your fellow thief. But there are many personal acts that people may engage in behind closed doors that a fellow employee may consider to be immoral, while others won't. For example, gay marriage is considered immoral by some and is perfectly acceptable to others. How you opt to deal with these issues will be guided by your own moral code and, of course, the laws of whatever state you reside in.

Can You Screen for Ethics and Morals?

Certainly, honesty tests that have been used and validated in some situations such as courts of law, but they are not yet used on a widespread basis. You can ask candidates to undergo tests for illegal drug use, and that may screen out some who engage in behaviors you don't want the company associated with.

One of the best screening tools I have seen used in administering a "cultural" assessment. This will give you an idea of whether a candidate is a good "fit" for your organization. Of course, this assumes that you have a very good idea of what your company culture is and that it has been documented. Without the proper baseline knowledge on which you can formulate your questions, this kind of assessment will not work.

I think the best course of action is to bring up the idea of ethics and the expectation of moral conduct during the interview process. Once the person is hired, you can then train him or her on the ethical code expected at your organization. Then, reward ethical behavior as you see it, and administrative penalties when you see the code violated. Once people learn there are consequences to their behavior, they will adjust it accordingly. I would not worry about their moral behavior until such time as it causes an ethical violation.

What about you? How do you view ethics and morality in the workplace?

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Andreea Hrab
International HR Director for OSF Global Services, Andreea is a veteran recruiter who has seen them all. She developed HR recruiting strategies and retention programs that guarantees the success of the company. She is a people person and she handles very easy new relationships with new employees, but her most interesting challenge is to find the middle way between company's best interests and employee's needs. To learn more about Andreea contact her on LinkedIn.

7 Comments

Kim Kinders says:

July 8, 2014 at 10:54 am

Ethics is by all means important in the workplace. Every employee should make himself/herself familiar with the company rules and behavior at the workplace. Work is a place, where people from different backgrounds come together, and so there should be some "universal" laws of conduct at work.

Reply

Sam Kooney says:

July 9, 2014 at 10:54 am

Morality is something you really cannot control at work. Besides, you cannot impose your moral views on adults, who already have their own established views on things. I would suggest that every company should have written ethical rules and every employee should adhere to those rules, at least while they are at work.

Reply

Adam L. says:

July 10, 2014 at 10:59 am

I like the idea of having "cultural" assessment of the candidate. Morality and ethics cannot be controlled, but they are indeed important in the workplace. No one would love to work with a person who is constantly gossiping, doesn't treat others with respect, etc, even though such a person might have great professional experience.

Reply

Jenny S says:

July 12, 2014 at 8:53 am

Even though morality isn't something that can be controlled, morality and ethics go hand in hand in the workplace. An employee with strong values will always know how to adapt to the company ethics. From my perspective, morality is about making the right choices, while ethics is about an appropriate reasoning.

Reply

Susan Devers says:

July 16, 2014 at 8:55 am

Topics about morality and ethics are not a new subject for most of us. I think that this debate can be influenced by the speaker` perspective. I know that morality doesn't depend on the employer, but it`s a matter of how an employer can create a strong ethic policy for his company.

Reply

Marg Online says:

February 8, 2017 at 4:17 am

If your employees have a role model in you, it would be easier for them to adhere to the company's code of conduct and ethics. Seniors behaving in a morally upright manner will set an example for juniors to emulate.

Reply

geomineral.ru says:

June 11, 2017 at 12:30 am

Your business should have a clear set of organizational goals and policies, particularly when it comes to morals and ethics. Your employees need to know that your business holds itself — and them — to a higher standard. By being clear about what is and is not acceptable in the workplace, you remove any gray ethical or moral areas. Your business should always operate in an ethical manner, even if this means taking a loss or falling behind competitors who are not ethical.

Reply

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Imagine a world where everyone lived by the same code of ethics. We would all believe the same things were right and wrong; we'd all have the same hard-working gumption; we'd all trust each other implicitly, and we'd never have to reprimand others for their behavior.

This course discusses the importance of having a workplace code of ethics—a code of conduct that is expected and required of all employees. Participants will have the chance to evaluate their own ethical beliefs and discuss how to take a more ethical approach back at the workplace.

COURSE OUTLINE

Module 1: Define ethics and ethical behavior

- Create your definition of ethics
- Spot the behaviors of ethical and unethical people
- Working by an ethical code is like playing golf
- Learn 10 benefits of maintaining an ethical code of conduct

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Module 2: Maintain and support good ethics

- Techniques for building trust and mutual respect
- Create an environment of openness and transparency
- Credibility busters to avoid and ways to boost your credibility
- Identify your core values
- Create and align your mission statement with your company's
- Learn how ethics lead to effective decision making
- Use what-if scenarios to work through real-world dilemmas
- Ask questions when faced with a difficult person

Module 3: Understanding and following a code of conduct

- Overview of the Sarbanes-Oxley Act (SOX)
- Company-level controls under SOX
- Create a fair and equitable workplace
- Examples of conflicts of interest and how to evaluate one
- What you should do if you are in, or headed for, a conflict of interest
- Cyberslacking: What it is and why organizations should be concerned
- What you can do about cyberslacking

Module 4: Ensuring compliance

- Examine your corporate culture and learn how to make ethics a priority
- Create an infrastructure to support ethical behavior
- Communicate your ethics policy and identify where your policies fall short
- Confront a co-worker who commits an ethical breach
- Know your rights as a whistleblower and the correct process to follow
- Avoid the slippery slope of ethics violations—little things mean a lot
- Say "no" the first time: Be a person of values who won't be corrupted
- Take responsibility for your actions: Make personal accountability your key to compliance
- Create an ethics action plan

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Local Codes of Ethics

This page provides examples of ethics codes that have been adopted by cities, counties, and special purpose districts in Washington State, highlighting common ethics and conflict of interest concerns.

Overview

While state law prohibits municipal officers from engaging in certain conflicts of interest and unethical behavior (see our page on Ethics and Conflicts of Interest), some local governments adopt their own ethics codes that include additional restrictions. These policies cannot conflict with state law, but they can supplement it. There are several good reasons to adopt a local ethics code:

- It allows the municipality to further explain what is covered by state law;
- It can cover employees as well as officers; and
- It can address ethical issues not covered by state law.

Sometimes these ethics codes are adopted as part of an employee handbook or policy, but often they are codified. Below are some of the most common topics addressed by local ethics codes as well as examples of different policy approaches for each. It is up to each jurisdiction to determine what topics—if any—should be addressed in its ethics code.

Nepotism

Nepotism provisions aim to keep family patronage out of local government. Examples of local nepotism code provisions are listed below. For more information, see our page on Nepotism.

- **Bainbridge Island** Code of Conduct and Ethics Program Article II (G) (2020) - Generally prohibits elected officials from hiring or appointing immediate family members for any type of city employment. However, the policy provides a waiver procedure.
- **Chelan County** Employee Handbook Sec. 1.20.210 - Well-organized, clear, and concise; includes a policy explanation for prohibiting nepotism.
- **Port of Seattle** Employee Code of Conduct CC-12 - Bars an employee from supervising, appointing, or disciplining a relative who is a port employee or consultant performing work for the port.
- **Vancouver** Employee Ethics Policies Sec. 504 (2008) - Applies to all eligible city employees unless otherwise addressed by a current collective bargaining agreement or public safety policy.

Accepting Gifts

RCW 42.23.070(2) prohibits municipal officers from receiving gifts from a source other than their employer for a matter connected with or related to their public service. Several local government entities have chosen to go into more detail on the nuances of gifting. The examples below provide specific discussion on where to draw the line on gifts to public employees or officers.

- **Clallam County** Code Sec. 3.01.030(2) - Contains a provision that prohibits private individuals from offering, and public officials, employees, and candidates from accepting, anything of value based on an agreement that the public official, employee, or candidate would take official action in a certain manner.
- **Lynnwood** Municipal Code Sec. 2.94.050 - Very detailed acceptance of gifts section.
- **Renton** Municipal Code Sec. 1-6-4 - Standard and concise example.

Prohibited Contract Interests

RCW 42.23.030 generally prohibits a municipal officer from directly or indirectly receiving a financial benefit from a public contract. For more information, see our page on Ethics and Conflicts of Interest.

But deciding where to draw the line on interests in a public contract can be tough, so many local governments have supplemented state law with their own codes of ethics. Below are some examples.

- **Cowlitz County PUD No. 1** Board of Commissioners Governance Policy Art. XIV Sec. 2(c) - Prohibits members of the governing body from having a financial interest in property that the district acquires as well as direct or indirect financial interests in an entity with which the district does business.
- **Richland** Municipal Code Sec. 2.26.060 - Primarily focuses on public disclosure of such interests.
- **SeaTac** Municipal Code Sec. 2.90.030(A)(2) & (3) - Includes sections on "remote interests" and "influence in contract selection."

Misuse of Public Resources or Property

Misuse of public resources or property by employees or officers of a local government could implicate several provisions of state law, such as RCW 42.20.090 or the Washington State Constitution's prohibition on gifts of public funds. Some local governments have chosen to provide further detail on this subject in their local ethics code.

- **Grandview** Municipal Code Sec. 2.90.030(A) - Provides a few examples of public officials and employees who are allowed to take city vehicles home after hours.
- **Kirkland** Municipal Code Sec. 3.14.030(c) - Generally prohibits city officials from using public resources not available to the general public, but allows for infrequent use that is at little or no cost to the city.

Misuse of Public Position

RCW 42.23.070 prohibits misuse of a municipal officer's position to gain special privileges or exemptions for themselves or others. The codes below address improper influence or leveraging of a government position for

personal gain.

- **Lynnwood** Municipal Code Sec. 2.94.030 - Provides a mechanism through which the mayor may adopt rules regarding the nature, scope, and extent to which city officials and employees may provide in-kind and other assistance to a particular activity or event.
- **Pierce County** Code Sec. 3.12.030(D) - Generally prohibits county officials, employees, and candidates for county office from using their offices, positions, or prospect of future office to induce or coerce any other person to provide anything of value to that official, employee, or candidate.
- **Port of Seattle** Employee Code of Conduct CC-1(III) - Detailed explanation of prohibited uses of a public position.
- **Snoqualmie** Municipal Code Sec. 2.80.030(B)(1) - Well-written and concise example.

Representation of Third Parties

Many local governments have limited their officers and employees from representing a private person in proceeding in which the local government is a party due to the conflicts of interest such behavior could raise. Below are some examples of codes that go into detail on this ethics issue.

- **King County** Code Sec. 3.04.030(D) - Detailed section on third party representation that is similar to what many local governments use.
- **Tacoma** Municipal Code Sec. 1.46.030(C) - Clear, concise, standard example that is similar to provisions adopted by other local government entities.
- **Whatcom County** Code Sec. 2.104.070(C) - Focused on representation by former county employees.

Disclosure of Confidential Information

RCW 42.23.070(4) prohibits municipal officers from disclosing confidential information gained by reason of their position, but doesn't specify what information should be considered "confidential." The code provisions listed below try to solve this issue by providing a clearer definition of what information is considered confidential.

- **Concrete** Municipal Code Sec. 2.56.050 - Provides an extended analysis of what information is "confidential" as well as a nonexclusive list of information that would be confidential.
- **Kirkland** Municipal Code Sec. 3.14.030(g) - Concise example, distinguishing between disclosing generalized information and specific confidential information.
- **Lynnwood** Municipal Code Sec. 2.94.070 - Very detailed example that specifies who can determine what information is confidential in different situations.
- **San Juan County PHD No. 1** Board of Commissioners Code of Ethics Sec. V(K) - Generally prohibits commissioners from disclosing "confidential information," defined as being information that is confidential pursuant to local, state, or federal law.

Incompatible Offices

The Doctrine of Incompatible offices limits an individual from simultaneously holding two "public offices" that are

incompatible with one another. While state statute is largely silent on this issue, courts and the Attorney General's Office have weighed in on a number of situations. For more information, see our page on Incompatible Offices.

However, some local codes specifically address the extent to which officers or employees can simultaneously hold two or more public offices.

- **East County Fire & Rescue** Governing Rules and Ethics Policy 13.4.12 - Prohibits sitting fire commissioners from accepting appointment or election to a public office that is incompatible with the office of fire commissioner.
- **King County** Code Sec. 3.04.030(B)(9) - Concise example.
- **Pierce County** Charter Sec. 9.45 – Prohibits elected officials from holding any other elected office except political party precinct committee officer. *(Amendment was overwhelmingly approved by voters in November 2016 but, as of June 2017, has not yet been codified in the online version of the charter.)*
- **SeaTac** Municipal Code Sec. 2.90.030(A)(5) - Prohibits elected officials from simultaneously holding any other elected public office, regardless of whether the Doctrine of Incompatible Offices would apply. It also prohibits elected officials from engaging in employment or providing services for any interest that would be incompatible with the proper discharge of their official duties.

Private Employment or Outside Employment

When local government employees perform outside work, some conflict of interest questions may arise. Some local governments have addressed this issue by adopting policies limiting private employment for public employees, as well as laying out procedures for disclosure of outside employment or interests.

- **King County** Code Sec. 3.04.030(B)(6)–(10) - Extensive discussion of the extent to which county employees may engage in private or outside employment while working for the county.
- **Renton** Municipal Code Sec. 1-6-6 - Good, basic model.
- **Vancouver** Employee Ethics Policies Sec. 502 (2008) - Allows employees to engage in paid outside employment, consulting work, or self-employment only if the work does not compete with or create a conflict of interest with the employee's duties to the city. The policy then defines what it means to "compete" or create a "conflict of interest" with city employment.

Whistleblower Protection

Whistleblower protection policies assure government employees reporting ethics violations that the process will be handled equitably and there will not be repercussions. Chapter 42.41 RCW provides protection for whistleblowers, but some local governments have supplemented state law with more specific guidelines and definitions. For more information, see our page on Whistleblowing.

- **Chelan County** Employee Handbook Sec. 1.20.200 - Generally mirrors state law, but provides an alternative reporting procedure for district court employees.
- **Cowlitz County PUD No. 1** Board of Commissioners Governance Policy Art. XIII Sec. 2(i) - Prohibits retaliatory actions against district employees or officials, including action taken as a result of whistleblowing.
- **King County** Code Ch. 3.42 - Very detailed and discusses the powers of officials investigating the reported

misconduct, as well as the procedure for reporting improper governmental action.

- **Vancouver** Employee Ethics Policies Sec. 508 (2008) - Protects employees who make good faith reports of improper governmental action from "intimidation" or "retaliation." The policy defines these terms and establishes a procedure for reporting and appealing.

Employment/Conduct after Leaving Office

Some local governments have adopted code provisions that address potential conflicts of interest related to public employees' conduct after leaving public employment.

- **Clallam County** Code Sec. 3.01.030(7) - Standard policy example with moderate level of detail. Includes a provision allowing the Board of Commissioners, when requested, to make an exception if there is no real conflict.
- **Edmonds** Municipal Code Sec. 3.70.010 - Detailed section provides that a former official, officer, or employee generally may not receive compensation from an employer within a period of one year after leaving city employment if that employer has a contract with the city worth more than $10,000, and the former official, officer, or employee helped negotiate or administer the contract while employed by the city.
- **Grant County PUD** Code of Ethics Policy 3 – Bars employment that may require disclosure of confidential information.
- **King County** Code Sec. 3.04.035 - Very detailed provisions limiting the ability of former employees and former members of county boards, commissions, and committees from engaging in certain activities within one year of terminating service to the county.
- **Tacoma** Municipal Code Sec. 1.46.030(N)(3) - Includes a duty to inform the city manager when a current city officer is contracting with a former city officer or employee.

Appearance of Fairness

Chapter 42.36 RCW discusses the application and limitations of the Appearance of Fairness Doctrine, a rule extending due process protections to quasi-judicial decisions. For more information, see our page on the Appearance of Fairness Doctrine.

Local governments that wish to prioritize procedural fairness may supplement state law through their local ethics code.

- **Grandview** Municipal Code Sec. 2.90.030(B)(10) - (11) - Requires any employee whose participation in a discussion could violate the Appearance of Fairness Doctrine to excuse themselves from the discussion.
- **San Juan County PHD No. 1** Board of Commissioners Code of Ethics Sec. V(B) and (C) - Requires commissioners to conduct their official duties objectively and without improper outside influence.
- **Snohomish County** Code Sec. 2.50.020 - Explicitly identifies some quasi-judicial hearings to which the Appearance of Fairness Doctrine applies.

Disclosure of Personal Investment Interests

In order to ensure transparency and equity, several local governments have policies requiring the regular disclosure of investments and real property interests of its officers. Here are some examples of such policies.

- **Kirkland** Municipal Code Sec. 3.14.040 - Requires that all city officials file an annual disclosure of investments, real property, income, and creditors.
- **Lakehaven Water & Sewer District** Code of Ethical Standards Sec. 5 - Requires disclosure of financial interests that might create a conflict, as well as a duty to report other members' conflicting interests.
- **Renton** Municipal Code Sec. 1-6-7 - Requires every elected city official with a financial, private, or personal interest in any ordinance, resolution, contract, proceeding, or other action pending before the city council to disclose such interest.
- **Richland** Municipal Code Sec. 2.26.060 - Requires councilmembers with a financial, private, or personal interest in action pending before the city council to disclose the nature and extent of the interest. However, disclosure is not required if the councilmember disqualifies themselves from participating in any discussion and vote on the matter under consideration.

Campaigning Activities

RCW 42.17A.555 sets the rules for use of public facilities during campaigns, but local governments can supplement state law regarding campaigning activities in order to avoid any conflicts of interest or inequality in campaigns.

- **Grant County** Employee Handbook Sec. 11.17 - Prohibits county employees that meet with or may be observed by the public from wearing political buttons or badges while performing their regular duties for the county. The policy also prohibits county employees from campaigning while on county time, in a county uniform, or while representing the county in any manner.
- **Lynnwood** Municipal Code Sec. 2.94.060 - Concise example.
- **Pierce County** Code Sec. 3.12.030(R) - Prohibits county officials and employees from using or authorizing the use of "facilities of the county" or resources to assist a political campaign. The code also provides a nonexclusive list of what constitutes "facilities of the county."
- **Port of Seattle** Employee Code of Conduct CC-13 - Prohibits use of district facilities for campaign activities, also prohibits communications that might be construed as an official endorsement by the district.

Beneficial/Private Interest in Legislation

RCW 42.23.030 prohibits any private or beneficial interest in contracts, but many local governments have taken this a step further to prohibit employees or officers from having a personal interest in legislation. Below are some examples of code provisions that discuss this ethics issue.

- **SeaTac** Municipal Code Sec. 2.90.030(A)(6) - Prohibits elected officials from having a financial interest in any legislation coming before the council unless such interest is a remote interest.

Enforcement

When drafting a code of ethics, local governments should include procedures for enforcement of the code so that expectations are clear for public officers and employees. Here are some examples of how local governments have chosen to enforce their ethics codes.

- **Cowlitz County PUD No. 1** Board of Commissioners Governance Policy Art. XVI. - Detailed section covering authority to enforce, procedure for enforcing, and potential consequences for violations.
- **Kirkland** Municipal Code Sec. 3.14.060-.080 - Creates an ethics officer position to issue advisory opinions and receive, investigate, and resolve ethics complaints.
- **Lynnwood** Municipal Code Sec. 2.94.080 - Creates an appointed three-member board of ethics and also provides for the appointment of a "qualified individual or firm" as independent legal counsel to the ethics board, separate from the city attorney.
- **Tacoma** Municipal Code Sec. 1.46.045 - Very detailed example. Creates an appointed five-member board of ethics, requires an annual report from the board, sets out complaint processes and penalties, and allows for review by Pierce County Superior Court.

Examples of Local Codes of Ethics

Below are some sample codes of ethics from a variety of cities, counties, and special purpose districts, including all of the examples cited earlier on this page.

Cities/Towns under 10,000 Population

- **Concrete** Municipal Code Ch. 2.56

Cities of 10,000 to 50,000 Population

- **Bainbridge Island** Ethics Program (2012)
- **Ferndale** Ethics Handbook for Elected Officials (2010)
- **Grandview** Municipal Code Ch. 2.90 – Applies to all elected and appointed officials and city employees
- **Edmonds** Municipal Code Ch. 3.70 – Conflicts of interest, including detailed section on conduct after leaving office
- **Lynnwood** Municipal Code Ch. 2.94
- **SeaTac** Municipal Code:
  - Ch. 2.90 (elected officials)
  - Ch. 2.91 (employees)
  - Ch. 2.92 (boards, committees, and commissions)
- **Snoqualmie** Municipal Code Ch. 2.80
- **Tumwater** Employee Code of Ethics and Whistleblower Policy (2011)

Cities over 50,000 Population

- **Federal Way** Code of Ethics (2013) – Applies to councilmembers, mayor, and employees
- **Kirkland** Municipal Code Ch. 3.14

- **Renton** Municipal Code Title 1, Ch. 6
- **Richland** Municipal Code Ch. 2.26
- **Tacoma** Municipal Code Ch. 1.46
- **Vancouver** City Council Code of Ethics and Conduct (2011)
- **Vancouver** Employee Ethics Policies (2008)
- **Yakima** Code of Ethics for City Council Members (2009) – Brief, one-page document for councilmembers to sign

Counties

- **Chelan County** Employee Handbook – see Articles II and III
- **Clallam County** Code Ch. 3.01
- **Grant County** Employee Handbook – Includes one-page code of ethics and also addresses other topics such as conflicts of interest, employment of relatives, and political activities
- **Grant County** Management Handbook and Code of Ethics (2002) – Applies to elected officials, department heads, managers, and supervisors
- **King County** Code Ch. 3.04 – Employee code of ethics
- **Jefferson County** Code of Ethics Policy and Procedures (2015) – Applies to all employees and "quasi employees"
- **Pierce County** Code Ch. 3.12
- **Snohomish County** Code Ch. 2.50
- **Whatcom County** Code Ch. 2.104

Special Purpose Districts

- **Cowlitz County Public Utility District No. 1** Board of Commissioners Governance Policy (2015) - see Section XVIII on Board Member Code of Conduct
- **C-TRAN** Board of Directors Code of Ethics (2016) – Applies to board members and includes a good section on Avoidance of Appearance of impropriety
- **East County Fire & Rescue** Board of Commissioners Governing Rules and Ethics Policy (2015)
- **Grant County Public Utility District** Code of Ethics (2014) - Applies to all commissioners, officers, and employees
- **Lakehaven Water & Sewer District** Code of Ethical Standards (2014) - Applies to commissioners and employees
- **Port of Seattle** Employee Code of Conduct (2010) - Includes sections on employees, former employees, and consultants
- **San Juan Public Hospital District No. 1** Board of Commissioners Code of Ethics (2014)

Recommended Resources

- **MRSC:** Ethics and Conflicts of Interest - Overview of state laws regarding conflicts of interest for municipal officers
- **Washington State Municipal Attorneys Association:** Public Law Ethics Primer (2010) - Ethics guide for municipal attorneys

Last Modified: March 05, 2020

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From Jacquie Matson

Rob Case

From: Matson, Jacquie <jacquie.matson@selahwa.gov>
Sent: Sunday, July 19, 2020 11:07 PM
To: Rob Case
Cc: Raymond, Sherry; Wayman, Donald
Subject: Requested input re: Codes of Conduct

Good Evening Rob;

Just a few suggestions and questions re: Codes of conduct for council and staff.

Question first: Was there an opportunity to contact other Cities our size to see if they have employee handbooks and/or codes of conduct for their staff? How about other councils (except Sunnyside)?

Suggestions as requested:

1. Incorporate a completed code of conduct into Selah City Council Rules of Procedure (the document provided did not appear to be complete and I did not receive it when sworn in)
2. Ensure the above reference document has a signature page and review/signature of such document is completed within a certain time frame after being sworn in as council member.
3. Looks like City of Selah Personnel Rules and Regulations was either created or amended on January 1, 2011. I do not see any document showing any dates of amendments or additions to this document. This may be a good time to have HR department review and revise this document. Maybe the Association of Washington Cities would be a good resource.

I can understand your position in regards to "where do you start". After reading the provided information and other information I see what you mean. I am sure as we get started with sharing information, brainstorming and hopefully a study session we can provide you with enough input to clarify what we are looking for.

Sincerely;

Jacquie Matson

From Suzanne Vargas

Desires any Code of Conduct to apply to all employees and to the City Council.

Rob Case

From: Vargas, Suzanne <Suzanne.Vargas@selahwa.gov>
Sent: Friday, July 17, 2020 10:19 PM
To: Potter, Andrew; Rob Case; Raymond, Sherry; Wayman, Donald
Subject: Re: document requested

Thanks for the documents Andrew. It's my understanding that this code of conduct will be applicable to city employees and the council. Both these documents have some good points but are directed at the council only and are overly explanatory and repetitive. It seems appropriate that an ethical standards part be included in the "City of Selah Personnel Rules and Regulations." Some ethical items are already detailed within the "Employee Responsibilities and Conduct" and others could be included there as well. A good example to model off of is included here: https://www.codepublishing.com/WA/Concrete/html/Concrete02/Concrete0256.html

I specifically like and suggest including the transparent defined steps for when complaints are made. (2.56.060), and I like the succinct nature of the ethical standards (2.56.020).

There are a lot of Washington local code of ethics available at http://mrsc.org/Home/Explore-Topics/Personnel/Local-Rules-and-Policies/Codes-of-Ethics.aspx. Examples such as these as well as Andrew's HR knowledge will serve us well in creating this.

From: Potter, Andrew
Sent: Tuesday, July 14, 2020 7:42:30 PM
To: Lake, Monica; Raymond, Sherry; Bell, Roger; Carlson, Russell; Lantz, Christopher; Matson, Jacquie; Peterson, Clifford; Vargas, Suzanne; Wickenhagen, Kevin
Cc: Rob Case; Wayman, Donald
Subject: Re: document requested

Council:

As a reminder, none of the council members should "reply all" as that would open the City to a violation of the Open Public Meetings Act. Please send your thoughts directly to Rob Case and copy Sherry Raymond and Don Wayman. I'd certainly appreciate being copied as I will likely be the one drafting changes to the personnel policies and procedures, but in unnecessary at this point.

Enjoy,

Andrew Potter
Human Resource Manager

From: Lake, Monica
Sent: Tuesday, July 14, 2020 7:37:58 PM
To: Raymond, Sherry; Bell, Roger; Carlson, Russell; Lantz, Christopher; Matson, Jacquie; Peterson, Clifford; Vargas, Suzanne; Wickenhagen, Kevin

Cc: Rob Case; Wayman, Donald; Potter, Andrew
Subject: document requested

As requested during the meeting, here is the draft of the Sunnyside code of conduct that Bob Noe has started to work on. There was another draft labeled Rules of Procedure that I'm including as well. I've also included the Personnel Rules and Regulations from HR.

And per our Municipal Code:

1.06.130 https://selah.municipal.codes/Code/1.06.130
Rules of decorum.

(a) It shall be the constant duty of each council member to maintain respect for each other, the staff and the public. Likewise, the council shall require corresponding respect from all persons who attend a meeting.

(b) While the council is in session, all members must preserve order, decency and decorum at all times and no member shall, by conversation or otherwise, delay or interrupt the proceedings or the peace of the council nor disturb any member while speaking or refuse to obey the order of the presiding officer. Members of the city council shall not leave their seats during a meeting without first obtaining the permission of the presiding officer except in an emergency. No member of the city council shall use any impertinent, degrading or other slanderous language or impugn the integrity of any other member, employee of the city or the public. The city council may punish any member for violation of this section upon first notifying the councilmember of the specifics and giving the accused councilmember an opportunity to respond at a council meeting.

(c) Members of the city staff and employees shall observe the same rules of order and decorum as are applicable to members of the city council, with the exception that members of the city staff may leave their seats during the meeting without first obtaining the permission of the presiding officer. (Ord. 972 § 34, 1989.)

Monica Lake
Executive Assistant
City of Selah
115 West Naches Ave.
Selah, WA 98942
Main line (509) 698-7328
Direct line (509) 698-7336

Chapter 2.56

TOWN MEETING CODE OF ETHICS, PROCEDURES AND BEHAVIOR

Sections:

2.56.010 Purpose and scope.
2.56.020 Ethical standards.
2.56.030 Conflicts of interest.
2.56.040 Gifts and gratuities.
2.56.050 Confidential information – Disclosure prohibited.
2.56.060 Specific complaint against public official or town employee.
2.56.070 Procedure.
2.56.080 Severability.

2.56.010 Purpose and scope.

The purpose of the town of Concrete code of ethics is to provide a clear statement of the minimum standards of ethical conduct expected of both town officials and employees and local responsibility for compliance with adopted standards. The town of Concrete code of ethics contains standards similar to the provisions of state statute found in Chapter 42.23 RCW governing the ethical conduct expected of local government officials and employees statewide. [Ord. 725, 2014]

2.56.020 Ethical standards.

In order to avoid becoming involved or implicated in a conflict of interest or impropriety or, just as important, an appearance of conflict of interest or impropriety, public officials and town employees shall not:

(1) Knowingly use their office or position for personal or family gain or profit; or

(2) Use town-owned property or town services for personal or family gain or profit;

(3) Use information acquired in confidence by reason of their official position from a town customer, supplier, lessee or contractor for other than town purposes. [Ord. 725, 2014]

2.56.030 Conflicts of interest.

(1) Public officials and town employees shall not knowingly engage in activities which are in conflict, or which have the potential to create conflict, with performance of official duties. Examples of conflicts or potential conflicts of interest include, but are not necessarily limited to, circumstances where a public official or town employee:

(a) Influences the selection or nonselection of, or the conduct of business between the town and any entity in which the public official, town employee or their spouses or domestic partners has a financial interest.

(b) Accepts any retainer, compensation, gift or anything of value that is contingent upon a specific action or nonaction by the public official or town employee.

(c) Intentionally uses or discloses information not available to the general public and acquired by reason of his or her official position which benefits himself or herself, family, friends or others.

(2) Public officials and town employees shall not take part in any council action, as that term is defined in Chapter 42.30 RCW, concerning any contract, property, or other matter of any kind, in which the public official, town employee or his or her immediate family has a financial interest, or which otherwise creates a conflict of interest.

(3) Public officials and town employees shall not be deemed to violate subsection (2) of this section when they only have a remote interest in a contract or sale. Public officials and department heads shall disclose the fact and extent of a remote interest for the official minutes of

the town council prior to the town council taking any action related to the interest and thereafter all action taken by the town council related to such interest shall be by vote sufficient for the purpose without counting the vote of the public official or town employee having the remote interest.

(4) Members of the town of Concrete, Washington, boards, commissions, and town staff are prohibited from being awarded contracts with the town.

Notwithstanding subsection (4) of this section, public officials and town employees may have a beneficial interest in a contract with the town under the following circumstances:

(a) If an item of business relating to the contract comes before the public official or town employee, the official or employee must identify the contract on the record and recuse himself or herself from acting in any way on that item. The individual shall not remain in the meeting room during the discussion of that item; and

(b) The official or employee has not lobbied the town to enter into the contract; and

(c) The official or employee has not influenced town policy with the primary purpose of creating the need for the contract; and

(d) The contact cannot be made by, through or under the supervision of the official or employee, in whole or in part, or for the benefit of his or her office. [Ord. 725, 2014]

2.56.040 Gifts and gratuities.

Public officials and town employees shall not, directly or indirectly, solicit any gift or accept or receive any gift, whether it be money, services, loan, travel, entertainment, hospitality, promise, or any other form, under the following circumstances:

(1) It could be reasonably inferred or expected that the gift was intended to influence them in the performance of their official duties; or

(2) The gift was intended to serve as a reward for any official action on their part. Public officials and town employees may accept de minimis gifts such as, but not limited to, calendars, coffee mugs, flowers, candy, and other similar items that are given as a customary business practice and have no material significance to the recipient, with such gifts from any one source not to exceed $100.00 in value in any 12-month period. Town employees should report any gift to their immediate supervisor.

This section shall not apply to gifts made to the town. All such gifts shall be given to the mayor for official disposition. [Ord. 725, 2014]

2.56.050 Confidential information – Disclosure prohibited.

Public officials and town employees shall not, except as required or reasonably believed to be required for the performance of his/her duties, disclose confidential information gained by reason of his/her official position or use such information for his/her own personal interest.

"Confidential information" is all information, whether transmitted orally or in writing, that the employee has been informed, is aware, or has reason to believe is intended to be used only for town purposes, is not intended for public disclosure, or is otherwise of such nature that is not, at the time, a matter of public record or public knowledge. Confidential information includes, but is not limited to, personal information regarding town officials and employees; private financial and other personal information provided by town taxpayers, license holders, contractors, and customers; intelligence and information, including the identity of persons filing complaints; formula, designs, drawings, and research data obtained or produced by the town and preliminary, nonfinal assessments, or opinions, and recommendations concerning town policies and actions. Any public official who is uncertain as to whether certain information is confidential should consult the mayor. [Ord. 725, 2014]

2.56.060 Specific complaint against public official or town employee.
(1) In conjunction with CMC 2.52.920 these provisions are intended to supplement the guidelines for appropriate conduct of town employees and officials as follows:
(a) Any person may submit a written complaint to the mayor alleging one or more violations of this ethics code by a public official. If said complaint or allegation is against the mayor the complaint shall be submitted to the mayor pro-tem. The allegation shall set forth specific facts with precision and detail, sufficient for a determination of sufficiency by the mayor. Complaints should be signed by the person or persons submitting them, include the submitter's correct name, address at which mail may be personally delivered to the submitter, and the telephone number at which the submitter may be contacted.
(b) The mayor or his/her designee shall inform the public official and the council of the complaint and shall submit the complaint to the town council for determination of sufficiency of the complaint within 24 hours of its receipt. Voice mail, e-mail or similar notification of the defendant is acceptable if actual notice is not immediately practicable. A copy of the complaint shall also be sent to the defendant by registered mail within three days of receipt. A complaint cannot be sufficient unless it precisely alleges and describes unjustified acts which constitute a prima facie showing of a violation of a specified provision or provisions of this code.
(c) The complainant shall have the responsibility for proving the allegations in the complaint by a preponderance of the evidence.
(d) Complaints shall be subject to a one year statute of limitations. The limitations period shall commence from the date that information on completion of the alleged misconduct was reasonably available to the public.
(e) Complaints may be amended as authorized by the decision-maker as justice requires; provided, that the time frames of the review process provide the defendant with a fair opportunity to respond.
(f) All public officials and employees, excluding the alleged violator, shall observe strict confidentiality as to the complaint and alleged violator until the review is complete, to the extent that the information is acquired as a result of a person's status as a public official or employee.
(g) In the event the final determination by the town council provides that the individual against whom the complaint has been filed has violated the code of ethics, the council shall convene and render its decision within 30 days of the receipt of said determination unless an extension is requested by the defendant and granted by the council. In the event that the town council members agree by majority vote that one or more of the violations occurred, then as to the violations the town council may take any of the following actions by a majority vote of the council; provided, that penalties may only be based upon violations alleged in the complaint or amended complaint and not upon other violations discovered during the complaint process:
(i) Admonition. An admonition shall be a verbal nonpublic statement made by the mayor to the individual.
(ii) Reprimand. A reprimand shall be administered to the individual by letter. The letter shall be approved by the town council and shall be signed by the mayor. If the individual objects to the content of such letter, he or she may file a request for review of the letter of reprimand with the town council. The town council shall review the letter of reprimand in light of the report and the request for review, and may take whatever action appears appropriate under the circumstances. The action of the town council shall be final and not subject to further review.
(iii) Censure. A censure shall be a written statement administered personally to the individual. The individual shall appear at a time and place directed by the town council to receive the

censure. Notice shall be given at least 20 days before the scheduled appearance at which time a copy of the proposed censure shall be provided to the individual. Within five days of receipt of the notice, the individual may file a request for review of the content of the censure. The town council shall review the proposed censure in light of the report and the request for review, and may take whatever action appears appropriate under the circumstances. The action of the town council shall be final and not subject to further review. If no such request is received, the censure shall be administered at the time and place set. It shall be given publicly, and the individual shall not make any statement in support of or in opposition thereto or in mitigation thereof. A censure shall be deemed administered at the time it is scheduled whether or not the individual appears as required.

(iv) Removal. In the event the individual against whom the complaint has been filed is a member of a town board, commission, committee, or other multi-member bodies appointed by the mayor with the approval of town council, the town council may, by a majority vote, remove the individual from such board, commission or committee; provided, however, that nothing in this section authorizes the town council to remove a council member or the mayor from his or her office.

(h) Action by the town council shall be by majority vote. If the proceeding involves a member of the town council, the member does not vote on any matter involving the member. As provided in RCW 35.27.280 and clarified in RCW 35.27.270 and 35.27.330, the mayor shall vote in the case of a tie, except if the action is against the mayor. Deliberation by the council may be in executive session; however, upon request of the person complained against, the meeting shall be open to the public.

(i) A complaint cannot be sufficient unless it precisely alleges and describes unjustified acts, which constitute a prima facie showing of a violation of a specified provision or provisions of this code.

(2) Specific Complaint Against a Town Employee. In the event the individual against whom the complaint has been filed is a town employee, the town shall follow the appropriate discipline, through the employee's supervisor and/or department head, procedures as outlined in the appropriate bargaining agreement, employee handbook, and/or standard operating procedures. Employees also have the right to appeal through the court system as regulated by state and federal law. [Ord. 725, 2014]

2.56.070 Procedure.

The town council shall, from time to time, adopt rules of procedure for the orderly conduct of business at any public meeting. These rules shall generally follow the guidelines attached to the ordinance codified in this chapter and Robert's Rules of Order. The guidelines attached to the ordinance codified in this chapter are the rules of procedure of any official town meeting wherein a record is kept. [Ord. 725, 2014]

2.56.080 Severability.

If any section, subsection, paragraph, sentence, clause or phrase of this chapter is for any reason held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this chapter, it being hereby expressly declared that this chapter and each section, subsection, paragraph, sentence, clause, sections, subsections, paragraphs, sentences, clauses, or phrases be declared invalid or unconstitutional. [Ord. 725, 2014]

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Local Codes of Ethics
On this Page

This page provides examples of ethics codes that have been adopted by cities, counties, and special purpose districts in Washington State, highlighting common ethics and conflict of interest concerns.

Overview

While state law prohibits municipal officers from engaging in certain conflicts of interest and unethical behavior (see our page on Ethics and Conflicts of Interest), some local governments adopt their own ethics codes that include additional restrictions. These policies cannot conflict with state law, but they can supplement it. There are several good reasons to adopt a local ethics code:

It allows the municipality to further explain what is covered by state law;
It can cover employees as well as officers; and
It can address ethical issues not covered by state law.

Sometimes these ethics codes are adopted as part of an employee handbook or policy, but often they are codified. Below are some of the most common topics addressed by local ethics codes as well as examples of different policy approaches for each. It is up to each jurisdiction to determine what topics—if any—should be addressed in its ethics code.

Nepotism

Nepotism provisions aim to keep family patronage out of local government. Examples of local nepotism code provisions are listed below. For more information, see our page on Nepotism.

Bainbridge Island Code of Conduct and Ethics Program Article II (G) (2020) - Generally prohibits elected officials from hiring or appointing immediate family members for any type of city employment. However, the policy provides a waiver procedure.

Chelan County Employee Handbook Sec. 1.20.210 - Well-organized, clear, and concise; includes a policy explanation for prohibiting nepotism.

Port of Seattle Employee Code of Conduct CC-12 - Bars an employee from supervising, appointing, or disciplining a relative who is a port employee or consultant performing work for the port.

Vancouver Employee Ethics Policies Sec. 504 (2008) - Applies to all eligible city employees unless otherwise addressed by a current collective bargaining agreement or public safety policy.

Accepting Gifts

RCW 42.23.070(2) prohibits municipal officers from receiving gifts from a source other than their employer for a matter connected with or related to their public service. Several local government entities have chosen to go into more detail on the nuances of gifting. The examples below provide specific discussion on where to draw the line on gifts to public employees or officers.

Clallam County Code Sec. 3.01.030(2) - Contains a provision that prohibits private individuals from offering, and public officials, employees, and candidates from accepting, anything of value based on an agreement that the public official, employee, or candidate would take official action in a certain manner.

Lynnwood Municipal Code Sec. 2.94.050 - Very detailed acceptance of gifts section.

Renton Municipal Code Sec. 1-6-4 - Standard and concise example.

Prohibited Contract Interests

RCW 42.23.030 generally prohibits a municipal officer from directly or indirectly receiving a financial benefit from a public contract. For more information, see our page on Ethics and Conflicts of Interest.
But deciding where to draw the line on interests in a public contract can be tough, so many local governments have supplemented state law with their own codes of ethics. Below are some examples.
Cowlitz County PUD No. 1 Board of Commissioners Governance Policy Art. XIV Sec. 2(c) - Prohibits members of the governing body from having a financial interest in property that the district acquires as well as direct or indirect financial interests in an entity with which the district does business.
Richland Municipal Code Sec. 2.26.060 - Primarily focuses on public disclosure of such interests.
SeaTac Municipal Code Sec. 2.90.030(A)(2) & (3) - Includes sections on "remote interests" and "influence in contract selection."

Misuse of Public Resources or Property
Misuse of public resources or property by employees or officers of a local government could implicate several provisions of state law, such as RCW 42.20.090 or the Washington State Constitution's prohibition on gifts of public funds. Some local governments have chosen to provide further detail on this subject in their local ethics code.
Grandview Municipal Code Sec. 2.90.030(A) - Provides a few examples of public officials and employees who are allowed to take city vehicles home after hours.
Kirkland Municipal Code Sec. 3.14.030(c) - Generally prohibits city officials from using public resources not available to the general public, but allows for infrequent use that is at little or no cost to the city.

Misuse of Public Position
RCW 42.23.070 prohibits misuse of a municipal officer's position to gain special privileges or exemptions for themselves or others. The codes below address improper influence or leveraging of a government position for personal gain.
Lynnwood Municipal Code Sec. 2.94.030 - Provides a mechanism through which the mayor may adopt rules regarding the nature, scope, and extent to which city officials and employees may provide in-kind and other assistance to a particular activity or event.
Pierce County Code Sec. 3.12.030(D) - Generally prohibits county officials, employees, and candidates for county office from using their offices, positions, or prospect of future office to induce or coerce any other person to provide anything of value to that official, employee, or candidate.
Port of Seattle Employee Code of Conduct CC-1(III) - Detailed explanation of prohibited uses of a public position.
Snoqualmie Municipal Code Sec. 2.80.030(B)(1) - Well-written and concise example.

Representation of Third Parties
Many local governments have limited their officers and employees from representing a private person in proceeding in which the local government is a party due to the conflicts of interest such behavior could raise. Below are some examples of codes that go into detail on this ethics issue.

King County Code Sec. 3.04.030(D) - Detailed section on third party representation that is similar to what many local governments use.
Tacoma Municipal Code Sec. 1.46.030(C) - Clear, concise, standard example that is similar to provisions adopted by other local government entities.
Whatcom County Code Sec. 2.104.070(C) - Focused on representation by former county employees.

Disclosure of Confidential Information
RCW 42.23.070(4) prohibits municipal officers from disclosing confidential information gained by reason of their position, but doesn't specify what information should be considered "confidential." The code provisions listed below try to solve this issue by providing a clearer definition of what information is considered confidential.
Concrete Municipal Code Sec. 2.56.050 - Provides an extended analysis of what information is "confidential" as well as a nonexclusive list of information that would be confidential.
Kirkland Municipal Code Sec. 3.14.030(g) - Concise example, distinguishing between disclosing generalized information and specific confidential information.
Lynnwood Municipal Code Sec. 2.94.070 - Very detailed example that specifies who can determine what information is confidential in different situations.
San Juan County PHD No. 1 Board of Commissioners Code of Ethics Sec. V(K) - Generally prohibits commissioners from disclosing "confidential information," defined as being information that is confidential pursuant to local, state, or federal law.

Incompatible Offices
The Doctrine of Incompatible offices limits an individual from simultaneously holding two "public offices" that are incompatible with one another. While state statute is largely silent on this issue, courts and the Attorney General's Office have weighed in on a number of situations. For more information, see our page on Incompatible Offices.
However, some local codes specifically address the extent to which officers or employees can simultaneously hold two or more public offices.
East County Fire & Rescue Governing Rules and Ethics Policy 13.4.12 - Prohibits sitting fire commissioners from accepting appointment or election to a public office that is incompatible with the office of fire commissioner.
King County Code Sec. 3.04.030(B)(9) - Concise example.
Pierce County Charter Sec. 9.45 – Prohibits elected officials from holding any other elected office except political party precinct committee officer. (Amendment was overwhelmingly approved by voters in November 2016 but, as of June 2017, has not yet been codified in the online version of the charter.)
SeaTac Municipal Code Sec. 2.90.030(A)(5) - Prohibits elected officials from simultaneously holding any other elected public office, regardless of whether the Doctrine of Incompatible Offices would apply. It also prohibits elected officials from engaging in employment or providing services for any interest that would be incompatible with the proper discharge of their official duties.

Private Employment or Outside Employment
When local government employees perform outside work, some conflict of interest questions may arise. Some local governments have addressed this issue by adopting policies limiting

private employment for public employees, as well as laying out procedures for disclosure of outside employment or interests.
King County Code Sec. 3.04.030(B)(6)–(10) - Extensive discussion of the extent to which county employees may engage in private or outside employment while working for the county.
Renton Municipal Code Sec. 1-6-6 - Good, basic model.
Vancouver Employee Ethics Policies Sec. 502 (2008) - Allows employees to engage in paid outside employment, consulting work, or self-employment only if the work does not compete with or create a conflict of interest with the employee's duties to the city. The policy then defines what it means to "compete" or create a "conflict of interest" with city employment.

Whistleblower Protection
Whistleblower protection policies assure government employees reporting ethics violations that the process will be handled equitably and there will not be repercussions. Chapter 42.41 RCW provides protection for whistleblowers, but some local governments have supplemented state law with more specific guidelines and definitions. For more information, see our page on Whistleblowing.
Chelan County Employee Handbook Sec. 1.20.200 - Generally mirrors state law, but provides an alternative reporting procedure for district court employees.
Cowlitz County PUD No. 1 Board of Commissioners Governance Policy Art. XIII Sec. 2(i) - Prohibits retaliatory actions against district employees or officials, including action taken as a result of whistleblowing.
King County Code Ch. 3.42 - Very detailed and discusses the powers of officials investigating the reported misconduct, as well as the procedure for reporting improper governmental action.
Vancouver Employee Ethics Policies Sec. 508 (2008) - Protects employees who make good faith reports of improper governmental action from "intimidation" or "retaliation." The policy defines these terms and establishes a procedure for reporting and appealing.

Employment/Conduct after Leaving Office
Some local governments have adopted code provisions that address potential conflicts of interest related to public employees' conduct after leaving public employment.
Clallam County Code Sec. 3.01.030(7) - Standard policy example with moderate level of detail. Includes a provision allowing the Board of Commissioners, when requested, to make an exception if there is no real conflict.
Edmonds Municipal Code Sec. 3.70.010 - Detailed section provides that a former official, officer, or employee generally may not receive compensation from an employer within a period of one year after leaving city employment if that employer has a contract with the city worth more than $10,000, and the former official, officer, or employee helped negotiate or administer the contract while employed by the city.
Grant County PUD Code of Ethics Policy 3 – Bars employment that may require disclosure of confidential information.
King County Code Sec. 3.04.035 - Very detailed provisions limiting the ability of former employees and former members of county boards, commissions, and committees from engaging in certain activities within one year of terminating service to the county.
Tacoma Municipal Code Sec. 1.46.030(N)(3) - Includes a duty to inform the city manager when a current city officer is contracting with a former city officer or employee.

Appearance of Fairness

Chapter 42.36 RCW discusses the application and limitations of the Appearance of Fairness Doctrine, a rule extending due process protections to quasi-judicial decisions. For more information, see our page on the Appearance of Fairness Doctrine.

Local governments that wish to prioritize procedural fairness may supplement state law through their local ethics code.

Grandview Municipal Code Sec. 2.90.030(B)(10) - (11) - Requires any employee whose participation in a discussion could violate the Appearance of Fairness Doctrine to excuse themselves from the discussion.

San Juan County PHD No. 1 Board of Commissioners Code of Ethics Sec. V(B) and (C) - Requires commissioners to conduct their official duties objectively and without improper outside influence.

Snohomish County Code Sec. 2.50.020 - Explicitly identifies some quasi-judicial hearings to which the Appearance of Fairness Doctrine applies.

Disclosure of Personal Investment Interests

In order to ensure transparency and equity, several local governments have policies requiring the regular disclosure of investments and real property interests of its officers. Here are some examples of such policies.

Kirkland Municipal Code Sec. 3.14.040 - Requires that all city officials file an annual disclosure of investments, real property, income, and creditors.

Lakehaven Water & Sewer District Code of Ethical Standards Sec. 5 - Requires disclosure of financial interests that might create a conflict, as well as a duty to report other members' conflicting interests.

Renton Municipal Code Sec. 1-6-7 - Requires every elected city official with a financial, private, or personal interest in any ordinance, resolution, contract, proceeding, or other action pending before the city council to disclose such interest.

Richland Municipal Code Sec. 2.26.060 - Requires councilmembers with a financial, private, or personal interest in action pending before the city council to disclose the nature and extent of the interest. However, disclosure is not required if the councilmember disqualifies themselves from participating in any discussion and vote on the matter under consideration.

Campaigning Activities

RCW 42.17A.555 sets the rules for use of public facilities during campaigns, but local governments can supplement state law regarding campaigning activities in order to avoid any conflicts of interest or inequality in campaigns.

Grant County Employee Handbook Sec. 11.17 - Prohibits county employees that meet with or may be observed by the public from wearing political buttons or badges while performing their regular duties for the county. The policy also prohibits county employees from campaigning while on county time, in a county uniform, or while representing the county in any manner.

Lynnwood Municipal Code Sec. 2.94.060 - Concise example.

Pierce County Code Sec. 3.12.030(R) - Prohibits county officials and employees from using or authorizing the use of "facilities of the county" or resources to assist a political campaign. The code also provides a nonexclusive list of what constitutes "facilities of the county."

Port of Seattle Employee Code of Conduct CC-13 - Prohibits use of district facilities for campaign activities, also prohibits communications that might be construed as an official endorsement by the district.

Beneficial/Private Interest in Legislation

RCW 42.23.030 prohibits any private or beneficial interest in contracts, but many local governments have taken this a step further to prohibit employees or officers from having a personal interest in legislation. Below are some examples of code provisions that discuss this ethics issue.

SeaTac Municipal Code Sec. 2.90.030(A)(6) - Prohibits elected officials from having a financial interest in any legislation coming before the council unless such interest is a remote interest.

Enforcement

When drafting a code of ethics, local governments should include procedures for enforcement of the code so that expectations are clear for public officers and employees. Here are some examples of how local governments have chosen to enforce their ethics codes.

Cowlitz County PUD No. 1 Board of Commissioners Governance Policy Art. XVI. - Detailed section covering authority to enforce, procedure for enforcing, and potential consequences for violations.

Kirkland Municipal Code Sec. 3.14.060-.080 - Creates an ethics officer position to issue advisory opinions and receive, investigate, and resolve ethics complaints.

Lynnwood Municipal Code Sec. 2.94.080 - Creates an appointed three-member board of ethics and also provides for the appointment of a "qualified individual or firm" as independent legal counsel to the ethics board, separate from the city attorney.

Tacoma Municipal Code Sec. 1.46.045 - Very detailed example. Creates an appointed five-member board of ethics, requires an annual report from the board, sets out complaint processes and penalties, and allows for review by Pierce County Superior Court.

Examples of Local Codes of Ethics

Below are some sample codes of ethics from a variety of cities, counties, and special purpose districts, including all of the examples cited earlier on this page.

Cities/Towns under 10,000 Population

Concrete Municipal Code Ch. 2.56

Cities of 10,000 to 50,000 Population

Bainbridge Island Ethics Program (2012)

Ferndale Ethics Handbook for Elected Officials (2010)

Grandview Municipal Code Ch. 2.90 – Applies to all elected and appointed officials and city employees

Edmonds Municipal Code Ch. 3.70 – Conflicts of interest, including detailed section on conduct after leaving office

Lynnwood Municipal Code Ch. 2.94

SeaTac Municipal Code:

Ch. 2.90 (elected officials)

Ch. 2.91 (employees)

Ch. 2.92 (boards, committees, and commissions)

Snoqualmie Municipal Code Ch. 2.80

Tumwater Employee Code of Ethics and Whistleblower Policy (2011)
Cities over 50,000 Population
Federal Way Code of Ethics (2013) – Applies to councilmembers, mayor, and employees
Kirkland Municipal Code Ch. 3.14
Renton Municipal Code Title 1, Ch. 6
Richland Municipal Code Ch. 2.26
Tacoma Municipal Code Ch. 1.46
Vancouver City Council Code of Ethics and Conduct (2011)
Vancouver Employee Ethics Policies (2008)
Yakima Code of Ethics for City Council Members (2009) – Brief, one-page document for councilmembers to sign
Counties
Chelan County Employee Handbook – see Articles II and III
Clallam County Code Ch. 3.01
Grant County Employee Handbook – Includes one-page code of ethics and also addresses other topics such as conflicts of interest, employment of relatives, and political activities
Grant County Management Handbook and Code of Ethics (2002) – Applies to elected officials, department heads, managers, and supervisors
King County Code Ch. 3.04 – Employee code of ethics
Jefferson County Code of Ethics Policy and Procedures (2015) – Applies to all employees and "quasi employees"
Pierce County Code Ch. 3.12
Snohomish County Code Ch. 2.50
Whatcom County Code Ch. 2.104
Special Purpose Districts
Cowlitz County Public Utility District No. 1 Board of Commissioners Governance Policy (2015) - see Section XVIII on Board Member Code of Conduct
C-TRAN Board of Directors Code of Ethics (2016) – Applies to board members and includes a good section on Avoidance of Appearance of impropriety
East County Fire & Rescue Board of Commissioners Governing Rules and Ethics Policy (2015)
Grant County Public Utility District Code of Ethics (2014) - Applies to all commissioners, officers, and employees
Lakehaven Water & Sewer District Code of Ethical Standards (2014) - Applies to commissioners and employees
Port of Seattle Employee Code of Conduct (2010) - Includes sections on employees, former employees, and consultants
San Juan Public Hospital District No. 1 Board of Commissioners Code of Ethics (2014)

Recommended Resources
MRSC: Ethics and Conflicts of Interest - Overview of state laws regarding conflicts of interest for municipal officers
Washington State Municipal Attorneys Association: Public Law Ethics Primer (2010) - Ethics guide for municipal attorneys

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Related Materials

BLOG
Oh Boy! A Gift!
Conflict of Interest and the Spouse
ASK MRSC
Is there a conflict with Lodging Tax Advisory Committee (LTAC) members voting to support their organization's application?
PUBLICATIONS
Getting into Office: Being Elected or Appointed into Office in Washington Counties, Cities, Towns, and Special Districts
Knowing the Territory - Basic Legal Guidelines for Washington City, County and Special District Officials
TOPICS
Ethics and Conflicts of Interest
Conflicts of Interest: Court Decisions and AG Opinions

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