

1 **COLUMBIA ASSOCIATION, INC.**

2
3 **CODE OF BUSINESS CONDUCT AND ETHICS**

4
5 **Introduction**

6
7 This Code of Business Conduct and Ethics (this “*Code*”) covers a wide range of business
8 practices and procedures. While this Code cannot cover every conceivable issue that may arise, it
9 does set out basic principles to guide all team members, team leaders, ~~officers and directors~~
10 (collectively, “*CA Personnel*” or “you”) of Columbia Association, Inc. (“*CA*”) in their day-to-day
11 business activities on behalf of CA. Some of these principles are also set forth, in more detail, in
12 CA’s *Team Member Handbook* and CA’s *Purchasing Policy*. CA Personnel are expected to
13 conduct themselves in accordance with this Code and the underlying policies and procedures, so as
14 to avoid even the appearance of improper behavior. This Code should also be provided to CA’s
15 agents and representatives, including consultants, who are expected to apply the same high
16 standards while working on CA business.

17
18 Note that if you are ~~serving on the Board of Directors of CA (each, a “*Board Member*” and~~
19 ~~collectively, the “*Board Members*”) or as an officer of a~~ member of the Senior Leadership Team
20 (each, a “*Senior Management Member*” and collectively, the “*Senior Management Members*”),
21 your conduct also is governed by CA’s *Conflicts of Interest Policy* ~~for Directors, Officers and~~
22 ~~Senior Leadership Team~~.

23
24 If a law conflicts with a policy in this Code, you must comply with the law. Where a
25 custom conflicts with this Code, however, you are expected to comply with this Code. Questions
26 about any such conflicts should be directed to CA’s principal ethics officer (the “*PEO*”), who is
27 currently CA’s General Counsel. You may also contact your immediate supervisor, team leader or
28 the director of human resources.

29
30 If you violate the standards in this Code, you will be subject to disciplinary action (up to
31 and including the termination of your service with CA). If you are in a situation which you believe
32 may violate or lead to a violation of this Code, follow the procedures described in Sections 17 and
33 18 of this Code.

34
35 **1. Principal Ethics Officer**

36
37 The PEO has the responsibility for providing oversight of this Code and assisting CA
38 Personnel regarding this Code and related laws, regulations, policies and procedures. The PEO can
39 be reached at 410-715-3115.

1 ⁺**2. Compliance with Laws, Rules and Regulations; Equal Opportunity and Drug-Free**
2 **Workplace**
3

4 Obeying the law, both in letter and in spirit, is the foundation of CA’s ethical standards. CA
5 Personnel are expected to respect and obey the laws, rules and regulations of the jurisdictions in
6 which CA operates. While it is no small task to know the details of those laws, rules and
7 regulations that may affect the daily business operations of CA, the policies of CA provide
8 important guidance in making decisions. When there is any doubt as to the lawfulness of any
9 proposed activity, you should seek advice from the PEO.
10

11 CA is committed to providing equal employment opportunities and requires that its
12 workplace be free of discrimination, harassment and intimidation based on factors such as race,
13 sex, religion, color, age, national origin, pregnancy, gender identity, and other factors protected by
14 federal, state and local laws. CA makes reasonable job-related accommodations for any qualified
15 CA Personnel with a disability when notified by such CA Personnel that he/she needs an
16 accommodation.² CA is also committed to prohibiting the inappropriate or illegal use of drugs and
17 alcohol, and to maintaining a work environment that is free of offensive conduct, unreasonable
18 interference and intimidation or hostility. The illegal possession, distribution, or use of any
19 controlled substances on CA’s premises or at CA functions is strictly prohibited. Similarly,
20 reporting to work under the influence of any illegal drug or alcohol and the abuse of alcohol or
21 medications in the workplace is not in CA’s best interest and violates this Code.³ While federal and
22 state laws provide guidance in this area, CA internal policies provide specific guidance to CA
23 Personnel. These policies, including without limitation, CA’s *Employment of Family Members*
24 *Policy*, *Drug and Alcohol Policy*, *Equal Opportunity and Sexual Harassment Policy*, *Workplace*
25 *Violence Prevention Policy*, and *Team Member Dating Policy*, can be found on CA’s team
26 member intranet in the folder titled “HR Policies and Forms.” CA Personnel needing information
27 related to employee relations and work environment issues should contact their immediate
28 supervisor, a team leader or the director of human resources. CA Personnel who believe they have
29 been subjected to (or who observe others being subjected to) unlawful discrimination, harassment
30 or intimidation by other CA Personnel, or contractors, vendors, customers or other individuals
31 with whom CA has or expects to have a business relationship, are expected to report such conduct
32 in accordance with the procedures described in Sections ~~17~~16 and ~~18~~17 of this Code and in CA’s
33 *Policy for Reporting Violations of the Code of Business Conduct and Ethics* (the “*Policy for*
34 *Reporting Violations*”).
35

36 **3. Conflicts of Interest**
37

38 A conflict of interest exists when a person’s private activities, agreements, business
39 investments or interests or other situations, whether paid or unpaid, could reasonably be expected

¹ ~~NOTE TO DRAFT: Deleted text covered by Whistleblower Policy.~~

² ~~NOTE TO CA: We have added this provision to bring CA’s policies in line with certain leading policies we reviewed.~~

³ ~~NOTE TO CA: Again, we have added this provision to bring CA’s policies in line with certain leading policies we reviewed.~~

1 to interfere with the person’s objectivity, job performance, judgment or diligence in protecting and
2 promoting the interests of CA to the extent that such person would place his or her personal
3 interests, or those of another, above the interests of CA. While it is not possible to describe or
4 anticipate all the circumstances that might involve a conflict of interest, a conflict of interest is
5 likely to arise when:

6
7 (a) CA Personnel have a financial or personal interest in a contract or transaction to
8 which CA is a party;

9
10 (b) CA Personnel, or family members of CA Personnel, receive improper personal
11 benefits as a result of their position or a family member’s position in CA;

12
13 (c) CA Personnel work simultaneously for CA and a competitor of or vendor to CA.
14 The best policy is to avoid any direct or indirect business connection with CA’s competitors or
15 vendors, except on CA’s behalf, as such connections almost always constitute a conflict of
16 interest;

17
18 (d) CA purchases property, materials, supplies, equipment or services from CA
19 Personnel or from any business or company that is owned or controlled by CA Personnel; or

20
21 (e) CA makes any personal loans to CA Personnel.
22

23 An actual or perceived conflict of interest may not always be obvious. Care should be taken
24 about the appearance of a conflict of interest since such appearance might impair confidence in, or
25 the reputation of CA even if there is no actual conflict and no wrongdoing.⁴ All CA Personnel have
26 an obligation to avoid any conflict of interest, and, where avoidance is not feasible, to disclose a
27 conflict of interest to their immediate supervisor, a team leader, the director of human resources,
28 the PEO, the Chair of the Board of Directors of CA (the “Board of Directors”) or the Chair of the
29 Audit Committee of the Board of Directors, as applicable.⁵ If you have a question, you should
30 consult with one of these parties, as applicable. If you become aware of any potential, actual or
31 apparent conflict of interest, whether involving you or any other party, you must follow the
32 procedures described in Sections 17 and 18 of this Code and in the Policy for Reporting
33 Violations.
34

35 **4. Gifts, Gratuities and Entertainment; Illegal Payments**

36
37 The purpose of business entertainment and gifts in a commercial setting is to create good
38 will and sound working relationships, not to gain unfair advantage. Except for Tokens of Respect
39 (as defined below), CA Personnel, family members of CA Personnel and agents of CA are
40 prohibited from accepting, offering or providing gifts, entertainment or gratuities. CA Personnel

~~⁴NOTE TO CA: Again, we have added this provision to bring CA’s policies in line with certain leading policies we reviewed.~~

~~⁵NOTE TO CA: We have added this provision to make clear that all CA Personnel are obligated to avoid/disclose conflicts of interest.~~

1 who receive a request for such a gift or gratuity must report it to the PEO. Anyone with questions
2 about whether accepting, offering or providing gifts, entertainment or gratuities is prohibited in
3 any particular situation should contact their immediate supervisor, a team leader, the director of
4 human resources or the PEO.
5

6 For purposes of this Code, a “Token of Respect”: (a) is not a cash gift, (b) is consistent with
7 customary business practices, (c) is not excessive in value, (d) cannot be construed as a bribe or
8 payoff, (e) does not violate any laws or regulations, and (f) is not accepted, offered, or provided
9 with the intent (and could not reasonably be perceived as being accepted, offered, or provided with
10 the intent) to influence the recipient to make a decision they would not otherwise make. Any gift
11 with a value exceeding \$25.00 or a series of gifts with a total value exceeding \$100.00 in a one (1)
12 year period from any one person (1) or entity is deemed excessive in value.⁶
13

14 No illegal payments of any kind are to be made to any local, state or Federal Government
15 officials of the United States, or to government officials of any other country, territory or
16 municipality at any time or under any circumstances. Moreover, no funds or other assets of CA are
17 to be paid, directly or indirectly, to government officials or persons acting on their behalf or to
18 representatives of other businesses for the purpose of influencing decisions or actions with respect
19 to CA’s activities. Kickbacks to or from any person are prohibited.⁷
20

21 You may not use agents, consultants, independent contractors or other representatives to
22 do indirectly what you could not do directly under this Code or applicable law, rules and
23 regulations.⁸
24

25 **5. Contest Awards**

26

27 CA Personnel and family members of CA Personnel are not eligible to win any type of
28 prize or award associated with any contest, drawing, raffle, sweepstakes or other competition open
29 to the public that is sponsored or run by CA. Notwithstanding the foregoing, part-time and
30 seasonal CA team members (excluding family members of ~~Board~~ Members of the Board of
31 Directors of CA and Senior Management Members), are eligible to apply for the Spirit of
32 Columbia Scholarship and to be awarded such Scholarship if they are determined to meet the
33 criteria for such award.
34

35 **6. Corporate Opportunities; Misuse of Assets**

36

37 CA Personnel owe a duty to CA to advance its legitimate interests when the opportunity to
38 do so arises. CA Personnel are prohibited from taking for themselves personally, or directing to
39 others, business opportunities that are made known to them or obtained through the use of

⁶ ~~NOTE TO DRAFT: Deleted text duplicative of previous paragraph.~~

⁷ ~~NOTE TO CA: Again, we have added this provision to bring CA’s policies in line with certain leading policies we reviewed.~~

⁸ ~~NOTE TO CA: Again, we have added this provision to bring CA’s policies in line with certain leading policies we reviewed.~~

1 corporate property, information or their position without the consent of CA’s Board of Directors.
2 CA Personnel should endeavor to protect CA’s assets and ensure their efficient use. CA Personnel
3 may not use corporate property, information, or their position for personal gain⁹. CA Personnel
4 may not remove, dispose of, or destroy anything of value belonging to CA without CA’s express
5 written consent, including both physical items and electronic information. Any suspected incident
6 of fraud or theft should be immediately reported for investigation pursuant to the procedures
7 described in Sections ~~17~~16 and ~~18~~17 of this Code and in the Policy for Reporting Violations.

8 9 **7. Sensitive and Proprietary Information**

10 CA Personnel may come in contact with information regarding CA of a confidential,
11 proprietary, restricted or otherwise sensitive nature (“*Proprietary Information*”). Proprietary
12 Information includes but is not limited to intellectual property such as trade secrets, patents,
13 trademarks and copyrights, as well as business, marketing and service plans, engineering and
14 manufacturing ideas, designs, databases, records, and any unpublished financial data and reports¹⁰.
15 Proprietary Information may be encountered in many forms, such as documents, electronic media
16 or even business conversations. Proprietary Information does not include information that (a) is or
17 becomes publicly available without breach of this Code; (b) is or becomes known or available to
18 CA Personnel from a third party who did not acquire or disclose such information or materials by
19 breach of a duty of confidentiality, or by a wrongful or tortious act; (c) is subject to disclosure
20 under the Maryland Homeowners Association Act; (d) is independently developed by CA
21 Personnel without reference to Proprietary Information, or (e) is part of a protected activity or
22 communication under Section 7 of the National Labor Relations Act (29 U.S.C. § 157).

23
24
25 Unauthorized use or distribution of Proprietary Information may be illegal and result in
26 civil or criminal penalties. In general, Proprietary Information shall not be used for the personal
27 benefit of any CA Personnel and shall be distributed within CA on the basis of business necessity.
28 Proprietary Information may not be disclosed outside CA unless required by law or specifically
29 authorized by the appropriate team leader, or officer, and only after the recipient executes a
30 non-disclosure agreement in form and substance acceptable to CA. CA Personnel are expected to
31 take reasonable measures to protect Proprietary Information from being disclosed outside CA.
32 Where third parties seek to compel disclosure of Proprietary Information, CA’s General Counsel
33 must be notified. Proprietary Information that belongs to a third party and is covered by a
34 non-disclosure agreement or similar agreement also must be protected in accordance with the
35 terms of such agreement.

36
37 Additionally, CA Personnel are required to protect the confidentiality of all Proprietary
38 Information after their relationship with CA is terminated. CA Personnel shall not retain any
39 Proprietary Information after termination and shall not disclose any Proprietary Information or use
40 it for any purpose at any time thereafter. CA Personnel shall cooperate with CA after termination
41 in any effort to control disclosure of Proprietary Information or to retrieve information from others
42 and to enforce the terms of any nondisclosure agreement or similar agreement against third parties.

⁹ ~~NOTE TO DRAFT: Deleted text covered by Section 3(b).~~

¹⁰ ~~NOTE TO DRAFT: Deleted text duplicative of clause (e) of the carve outs from “Proprietary Information.”~~

1
2 Questions about the proprietary nature of any information should be directed to your
3 immediate supervisor, a team leader, the director of human resources or the PEO.
4

5 **8. Outside Communication**¹¹ 6

7 CA is committed to providing full, fair and accurate disclosure in all public
8 communications and in compliance with all applicable law, regulations and rules. Consistent with
9 this commitment, CA Personnel may not answer questions from the media or any other members
10 of the public unless such CA Personnel are speaking solely as individuals without any appearance
11 of speaking or acting on CA's behalf or are specifically authorized to do so. If you should receive
12 such an inquiry, you should obtain the name of the person and their contact information if possible
13 and immediately notify CA's Director of Communications and Marketing and CA's Media
14 Relations Specialist. As individuals, you have rights to speak out on issues including in a public
15 forum, whether at your town hall or on a social networking media application or website.
16 However, when you speak as an individual it is critical that you do not give the appearance of
17 speaking or acting on CA's behalf. You should be especially aware of the broad reach of social
18 networking media applications and websites, and that such media is increasingly being monitored
19 by customers, regulators and colleagues. Your comments may be attributed to CA, even though
20 you did not intend for your comments to be attributed that way. Whether or not you identify
21 yourself as an employee of CA, you may not comment on or provide information relating to CA's
22 business (even if such information is not confidential) in an internet chat room, newsgroup, guest
23 book, bulletin board, blog, social or business networking site or similar forum unless you are
24 specifically authorized to do so or you are engaging in activity protected by the National Labor
25 Relations Act. You should not comment in such a forum on any subject matter as to which you
26 have knowledge or expertise by virtue of your duties with CA unless you are specifically
27 authorized to do so or you are engaging in activity protected by the National Labor Relations Act.
28 For additional rules regarding Proprietary Information, see Section 7 of this Code.
29

30 **9. Network Use, Integrity & Security**¹² 31

32 CA reserves the right to monitor or review any and all data and information contained on
33 any CA Personnel's computer or other electronic device issued by CA. In addition, CA reserves
34 the right to monitor or review any CA Personnel's use of the internet and CA e-mail or any other
35 electronic communications without prior notice. Access to CA systems will be revoked and
36 disciplinary action may be taken in the event that such systems are used to commit illegal acts, or
37 to violate the nondiscrimination, harassment, solicitation or proprietary information terms of this
38 Code, or any other terms of this Code.

39 In order to maintain systems integrity and protect CA's network, no CA Personnel should
40 divulge any passwords used to access any CA computer or database. Any suspected breach of

¹¹ ~~NOTE TO CA: Again, we have added this provision to bring CA's policies in line with certain leading policies we reviewed.~~

¹² ~~NOTE TO CA: Again, we have added this provision to bring CA's policies in line with certain leading policies we reviewed.~~

1 CA's network security systems should be reported pursuant to the procedures described in
2 Sections 17 and 18 of this Code and in the Policy for Reporting Violations
3

4 CA Personnel should refrain from using or distributing software that may damage or
5 disrupt CA's work environment by transmitting a virus or conflicting with CA systems. No CA
6 Personnel should engage in the unauthorized use, copying, distribution or alteration of computer
7 software whether obtained from outside sources or developed internally. All software, including
8 "shareware," contains terms of use that must be adhered to.
9

10 **10. Competition and Fair Dealing**

11
12 CA seeks to provide its services to the Columbia community fairly and honestly. We seek
13 competitive advantages through superior performance, never through unethical or illegal business
14 practices. Theft or unauthorized use or disclosure of confidential or proprietary information, or the
15 possession of trade secret information that was obtained without the owner's consent, is
16 prohibited. CA Personnel should endeavor to respect the rights of and deal fairly with the residents
17 and businesses of Columbia, and CA's customers, vendors, competitors and personnel. No CA
18 Personnel should take unfair advantage of anyone through manipulation, concealment, abuse of
19 privileged information, misrepresentation of material facts, or any other intentional unfair-dealing
20 practice.
21

22 **11. Health and Safety**

23
24 CA strives to provide a safe and healthful work environment. CA Personnel have
25 responsibility for maintaining a safe and healthy workplace by following safety and health rules
26 and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. CA
27 has established a safety hotline, 410-715-3101, that CA Personnel may utilize to report any safety
28 concerns.
29

30 **12. Financial Management and Record-Keeping**

31
32 Public disclosure of certain CA information is part of CA's policies and may be required by
33 law. It is CA's policy to make full, fair, accurate, timely and understandable disclosures in its
34 periodic reports, and in public statements, such as press releases. CA requires honest, timely and
35 accurate recording and reporting of information (including CA accounts, payroll, business
36 expenses as well as time recordation) in order to make the aforementioned public disclosures as
37 well as responsible business decisions. Falsifying business records is a serious offense, which may
38 result in criminal prosecution, civil action and/or disciplinary action up to and including
39 termination of your service with CA. If you are authorized to make expenditures or enter into
40 transactions on behalf of CA, you must ensure that all transactions are recorded properly.
41

42 All of CA's books, records, accounts and financial statements must be maintained in
43 reasonable detail, must appropriately reflect CA's transactions and must conform both to
44 applicable legal requirements and to CA's system of internal controls. All records are to fairly and
45 accurately reflect, in reasonable detail, CA's assets, liabilities, revenues and expenses. All

1 transactions are to be supported by accurate documentation in reasonable detail and recorded in the
2 proper account and in the proper accounting period. No transactions should be intentionally
3 misclassified as to accounts, departments or accounting periods. No information should be
4 concealed from CA's internal auditors or the independent auditors. CA Personnel involved in the
5 preparation, accumulation, summarization and reporting of financial information must ensure
6 there are no false or misleading entries, material misstatements or fraudulent activities that would
7 directly or indirectly impact the financial statements or business operations of CA. CA Personnel
8 involved in systems, processes and reporting mechanisms, both financial and non-financial in
9 nature, have a responsibility to ascertain that they are operating effectively.

10
11 Any CA Personnel aware of any significant issue(s) that might impact the financial
12 statements or business operations of CA must make full disclosure to their immediate supervisor, a
13 team leader, the director of human resources or the PEO. CA Personnel involved in establishing or
14 maintaining internal controls must make sure such internal controls are operating effectively and
15 are reasonably sufficient to ensure that information generated is accurately recorded and reported
16 on a timely basis. As requested by team leaders or officers, CA Personnel may be required to
17 certify on a periodic basis to the integrity of financial reports.

18
19 Business records and communications often become public, so exaggeration, derogatory
20 remarks, guesswork, or inappropriate characterizations of people and companies should be
21 avoided. This applies equally to e-mail, internal memos, website and social media postings and
22 blogs, and formal reports. Records should always be retained or destroyed in accordance with
23 CA's *Record Retention and Disposal Policy* (the "*Retention Policy*"). Destroying or altering a
24 document with the intent to impair the document's integrity or availability for use in any potential
25 official proceeding is a crime. Documents relevant to any pending, threatened, or anticipated
26 litigation, investigation, or audit shall not be destroyed for any reason. In accordance with the
27 Retention Policy, in the event of litigation or governmental investigation, consult CA's General
28 Counsel. If you believe that CA records are being improperly altered or destroyed, you should
29 report it pursuant to the procedures described in Sections [4716](#) and [4817](#) of this Code and in the
30 Policy for Reporting Violations.

31
32 Many CA Personnel incur business expenses, which must be documented and recorded
33 accurately. If you are not sure whether a certain expense is legitimate, ask your immediate
34 supervisor, a team leader, the director of human resources or the PEO. Rules and guidelines are set
35 forth in CA's *Procurement Card Policy and Travel Policy* and are available from the Accounting
36 Department.

37 38 **13. Audits/Investigations**

39
40 CA Personnel are expected to cooperate with CA representatives and all competent
41 authorities in matters of internal and external audits, government investigations and other activities
42 relating to this Code to the fullest extent of the law. On occasion, government auditors or
43 investigators may contact individual CA Personnel directly. If you are in doubt about how to
44 proceed, contact CA's General Counsel. Any request for information, complaint or other inquiry
45 from a governmental organization should be forwarded directly to CA's General Counsel. Failure

1 to cooperate fully in a company investigation or audit shall be grounds for discipline (up to and
2 including the termination of your service with CA).
3

4 **14. Additional Guidance and Provisions for ~~Board Members and~~ Senior Management** 5 **Members** 6

7 While all CA Personnel are required to uphold this Code, ~~Board Members and~~ Senior
8 Management Members owe additional duties to CA by virtue of their role as a ~~Board Member~~
9 ~~and/or~~ Senior Management Member. This Section 14 contains additional guidance and provisions
10 specifically applicable to ~~Board Members and~~ Senior Management Members (the “*Additional*
11 *Guidance*”). In the event of a conflict between the Additional Guidance and any other provision of
12 this Code, the Additional Guidance shall control with respect to ~~Board Members and/or~~ Senior
13 Management Members.
14

15 (a) The Additional Guidance has several purposes:
16

- 17 (i) It defines what CA means when it holds ~~Board Members and~~ Senior
18 Management Members to the highest possible ethical standards – it details
19 the fundamental maxim – do the right thing, by defining right and wrong in
20 some detail.
21
- 22 (ii) It has official standing, in that the standards articulated here become
23 concrete evidence of CA’s expectations and intentions, with respect to the
24 behavior of ~~Board Members and~~ Senior Management Members.
25
- 26 (iii) It is pragmatic in that it provides an agreed-to description of both
27 organizational values and the behaviors that those values prescribe.
28
- 29 (iv) It is intended to remind ~~Board Members and~~ Senior Management Members
30 that although their primary duty is to CA itself, the vested interest of the
31 residents and businesses of Columbia and its environs are impacted by the
32 decisions of CA.
33
- 34 (v) It is intended to be used in concert with CA’s governing documents
35 including its Charter, Bylaws and such policies as the Board of Directors
36 may adopt as well as applicable Maryland law.
37
- 38 (vi) It outlines a set of fundamental principles, whether or not they are the basis
39 for certain operational or legal requirements or prohibitions.
40
- 41 (vii) It is intended to help ~~Board Members and~~ Senior Management Members
42 understand why CA’s documents direct behavior in certain ways, why the
43 laws require or prohibit certain actions and what is to be done when the
44 governing documents and legal strictures are ambiguous or subject to
45 interpretation.

1
2 (viii) It is intended to help ~~Board Members and~~ Senior Management Members
3 define what is right, fair, just and good in those cases where it may be less
4 than obvious which path constitutes the high road.
5

6 (b) Personal Ethics. ~~Board Members and~~ Senior Management Members are expected
7 to behave morally according to general expectations of any person in any society,
8 acting in any capacity. The principles of personal ethics include:
9

10 (i) Concern for the well-being of others.

11 (ii) Respect for the autonomy of others.

12 (iii) Trustworthiness and honesty.

13 (iv) Compliance with the law.

14 (v) Basic justice: being fair.

15 (vi) Refusal to take unfair advantage.

16 (vii) Benevolence: doing good.

17 (viii) Prevention of harm.

18
19
20 (c) Professional Ethics. An individual acting as a ~~Board Member or~~ Senior
21 Management Member takes on an additional burden of professional ethical
22 responsibility. The principles of professional ethics include:
23

24 (i) Impartiality.

25 (ii) Openness and full disclosure.

26 (iii) Confidentiality.

27 (iv) Due diligence and duty of care.

28 (v) Fidelity to professional responsibilities.

29 (vi) Avoiding potential or apparent conflict of interest.

30
31
32 (d) Rights of ~~Board Members and~~ Senior Management Members. Each ~~Board or~~
33 Senior Management Member has a right to:
34

35 (i) Be reliably informed about CA's finances and operations; and
36
37
38
39
40
41
42
43
44
45

1
2 (ii) The cooperation of CA's team members, ~~Board Members~~ of the Board of
3 Directors and Senior Management Members.
4

5 ~~(e) — Additional Rights of Board Members. Each Board Member also has a right to:~~

6 (i) ~~Speak publicly on issues that affect those the Board Member serves,~~
7 ~~provided that the Board Member unequivocally states that he/she is~~
8 ~~speaking solely as an individual and not as a representative of CA or the CA~~
9 ~~Board of Directors;~~

10
11 ~~(ii) — State publicly that the Board of Directors has taken action on a matter~~
12 ~~(provided that such action was taken in an open meeting of the Board of~~
13 ~~Directors) or that the Board of Directors has not taken action and to state~~
14 ~~individual disagreement with such action or inaction as long as such~~
15 ~~disagreement does not interfere with the execution of the action, and the~~
16 ~~Board Member does not solicit others to act in a manner or work toward the~~
17 ~~achievement of a result that is contrary to the Board of Directors' action;~~
18 ~~and~~

19
20 ~~(iii) — Act in reliance on information and reports received from regular sources~~
21 ~~that the Board Member reasonably regards as trustworthy.~~
22

23 (e) ~~(f)~~ Political Activity. A ~~Board Member or~~ Senior Management Member is free to
24 engage in political activity, including endorsement of candidates for political
25 office, when the member is acting in his/her individual capacity. In no way,
26 however, should the activities of a ~~Board Member or~~ Senior Management Member
27 be performed in such a manner as to indicate that CA supports a specific candidate.
28 All political activities must be carried out on a strictly personal basis and supported
29 only by personal, not CA, resources. A ~~Board Member or~~ Senior Management
30 Member may not endorse candidates for political office while the member is acting
31 as a representative of CA and shall not use his or her CA title in connection with
32 any political endorsement. A ~~Board Member or~~ Senior Management Member will
33 be considered to be acting as a representative of CA when he/she is:
34

35 (i) Carrying out work or volunteer duties on behalf of CA,

36 (ii) Attending a CA meeting or event sponsored by CA,

37 (iii) Attending a meeting as a representative of CA, or

38
39 (iv) Wearing a name badge or clothing designating him/her as a representative
40 of CA.
41

42
43 **15. ~~Additional Duties and Obligations of Board Members~~**
44

1 ~~In addition to the other provisions of this Code, Board Members are expected to understand~~
2 ~~and comply with the following legal strictures governing their behavior.~~

3
4 ~~(a) The Standard of Care. Compliance with a standard of care is required by the~~
5 ~~Annotated Code of Maryland, Corporation and Associations Article, Section~~
6 ~~2-405.1. The standard of care encompasses two principal elements: the Duty of~~
7 ~~Care and the Duty of Loyalty.~~

8
9 ~~(i) The Duty of Care. The satisfaction of the duty of care requires Board~~
10 ~~Members to act in good faith, with the care an ordinarily reasonable and~~
11 ~~prudent person in a like position would exercise under similar~~
12 ~~circumstances.~~

13
14 ~~(ii) The Duty of Loyalty. The duty of loyalty requires Board Members to~~
15 ~~exercise their powers in good faith and in the best interests of CA rather~~
16 ~~than in their own interest or the interest of another entity or person.~~

17
18 ~~(b) The Best Interests of CA. Each Board Member must act in the best interests of the~~
19 ~~whole community of Columbia and not simply as a representative of a particular~~
20 ~~village or constituency. Once all constituent perspectives are established and~~
21 ~~acknowledged, they must be considered in relation to the perspective of the entire~~
22 ~~community of Columbia. Board Members shall also bear in mind CA's purposes as~~
23 ~~stated in CA's Charter. When determining the best interests of CA each Board~~
24 ~~Member must consider the following:~~

25
26 ~~(i) The purpose of CA to operate exclusively for the common good and social~~
27 ~~welfare of the people of Columbia and its environs.~~

28
29 ~~(ii) The CA mission to enhance the quality of life for those living or working in~~
30 ~~Columbia and to remain an open, integrated and caring community.~~

31
32 ~~(iii) CA's financial ability to remain viable and to continue to achieve its~~
33 ~~purpose and mission.~~

34
35 ~~(c) Responsibilities of Board Members. In addition to the other requirements of this~~
36 ~~Code, each Board Member shall:~~

37
38 ~~(i) Be informed regarding CA's governing documents including its Charter,~~
39 ~~Bylaws and such policies as the Board of Directors may adopt as well as~~
40 ~~applicable Maryland law, so that each Board Member can assist the Board~~
41 ~~of Directors in the procedural and substantive decision-making process.~~

42
43 ~~(ii) Be informed regarding the purposes of CA, a copy of which are attached~~
44 ~~hereto as Exhibit A.~~

- 1 ~~(iii) Be informed regarding the aspirational values of CA's Board of Directors, a~~
2 ~~copy of which are attached hereto as Exhibit B.¹³~~
3
4 ~~(iv) Be informed about the services and programs provided by CA.~~
5
6 ~~(v) Share equally in the work of the Board of Directors.~~
7
8 ~~(vi) Formulate CA strategic policies.~~
9
10 ~~(vii) Exercise independent and informed judgment on all corporate decisions.~~
11
12 ~~(viii) Carry out fiduciary responsibilities of the Board of Directors, including~~
13 ~~oversight and approval of the CA budget and review of CA financial~~
14 ~~statements.~~
15
16 ~~(ix) Serve on committees of the Board of Directors.~~
17
18 ~~(x) Regularly attend meetings of the Board of Directors and applicable~~
19 ~~committees thereof.~~
20
21 ~~(xi) Review agenda, supporting materials, and prior meeting minutes before~~
22 ~~meetings of the Board of Directors and applicable committees thereof, and~~
23 ~~otherwise prepare for such meetings.~~
24
25 ~~(xii) Take responsibility for and follow through on assignments arising from~~
26 ~~meetings of the Board of Directors and applicable committees thereof.~~
27
28 ~~(xiii) Attend strategic planning sessions and participate in formulating the~~
29 ~~strategic plan for CA, including review of data.~~
30
31 ~~(xiv) Attend special events and functions of the Board of Directors and individual~~
32 ~~Village Community Associations as well as community wide CA events.~~
33
34 ~~(xv) Present reports of actions of the Board of Directors at village board~~
35 ~~meetings.~~
36
37 ~~(xvi) Work with CA's President to establish performance objectives.~~
38
39 ~~(xvii) Evaluate the performance of CA's President, while providing the necessary~~
40 ~~support for CA's President to further CA's goals.~~

¹³ ~~NOTE TO CA: To avoid confusion regarding "mandatory" restrictions on Board Members as opposed to "aspirational" goals, we have clarified that CA values are "aspirational" in nature and included them in an Exhibit to this Code. While Board Members must be informed concerning these values, they are not separate or additional obligations of the Board Members.~~

1
2 ~~(xviii) Remain in good standing with respect to all financial obligations, covenants~~
3 ~~and regulations contained in CA's Declaration (as defined in Exhibit A) and~~
4 ~~in the governing documents of the Village Community Association that~~
5 ~~elected the Board Member as a Columbia Counsel Representative.~~

6
7 ~~(d) Restrictions on Board Member Activity. In addition to the other requirements of~~
8 ~~this Code, no Board Member shall:~~

9
10 ~~(i) Engage in any writing, publishing or speech making on behalf of CA that~~
11 ~~defames any other Board Member or Senior Management Member.~~

12
13 ~~(ii) Discuss the confidential proceedings of the Board of Directors or release~~
14 ~~confidential information not previously available to the public.~~

15
16 ~~(iii) Act in a way that is intended to intimidate another person in the conduct of~~
17 ~~their office or which a reasonable person would conclude had such intent~~
18 ~~and which, in fact, did intimidate.~~

19
20 ~~(iv) Undermine the authority of the Board of Directors, the Chair of the Board~~
21 ~~of Directors or CA's President to perform his/her duties, or interfere with~~
22 ~~the duties of CA's management and staff.~~

23
24 ~~(v) Knowingly misrepresent facts or the Board of Director's position on an~~
25 ~~issue to a resident or property owner in the Columbia community for the~~
26 ~~purpose of advancing the Board Member's personal cause or influencing~~
27 ~~the Columbia community to place pressure on the Board of Directors to~~
28 ~~advance the Board Member's personal cause.~~

29
30 ~~(vi) Speak for or act on behalf of CA unless specifically authorized to do so by~~
31 ~~the Board.~~

32
33 ~~(vii) Conduct themselves in a manner that assumes any greater rights and~~
34 ~~privileges than any other resident in the Columbia community.~~

35 ¹⁴~~16.~~ **Special Circumstances; Waivers of the Code of Business Conduct and Ethics**

36
37 CA's President or the Board of Directors may waive application of the policies set forth in
38 this Code only when special circumstances warrant granting a waiver, and then only in conjunction
39 with any appropriate monitoring of the particular situation. Any waivers of this Code may be made
40 only by CA's President or the Board of Directors, must be in a writing stating the rationale for the
41 waiver and will be promptly disclosed as required by law. Any amendments to this Code may be
42 made only by a majority vote of the Board of Directors.

43

¹⁴ ~~NOTE TO DRAFT: Deleted text duplicative of Section 6.~~

1 **17.16. Reporting any Illegal or Unethical Behavior**

2
3 CA Personnel are required to report any circumstance that such person believes in good
4 faith may constitute a violation of this Code or any other CA policy, or applicable law, regulations
5 or rules according to the procedures described in the Policy for Reporting Violations. If you are in
6 a situation that you believe may involve or lead to a violation of this Code, you have an affirmative
7 duty to disclose to, and seek guidance from your immediate supervisor, a team leader, the director
8 of human resources or the PEO.
9

10 It is CA's policy to encourage the communication of bona fide concerns relating to the
11 lawful and ethical conduct of business, and audit and accounting procedures or related matters. It is
12 also the policy of CA to protect those who communicate bona fide concerns from any retaliation
13 for such reporting. Pursuant to, among other things, the Policy for Reporting Violations, CA does
14 not permit retaliation of any kind against CA Personnel for good faith reports of misconduct by
15 others. CA Personnel are expected to cooperate in internal investigations of misconduct.
16

17 **18.17. Compliance Procedures**

18
19 While everyone must work to ensure prompt and consistent action against violations of this
20 Code, a lack of information or background may make it difficult to determine whether a violation
21 of this Code has occurred. Every situation that may arise cannot be anticipated, so it is important to
22 have a way to objectively approach a new question or problem. These are the steps to keep in
23 mind:
24

- 25 (a) Make sure you have all the facts. In order to reach the right solutions, we must be as
26 fully informed as possible.
27
- 28 (b) Ask yourself: What specifically am I being asked to do? Does it seem unethical or
29 improper? This will enable you to focus on the specific question you are faced with,
30 and the alternatives you have. Use your judgment and common sense; if something
31 seems unethical or improper, it probably is.
32
- 33 (c) Clarify your responsibility and role. In most situations, there is shared
34 responsibility. Are your colleagues informed? It may help to get others involved
35 and discuss the problem.
36
- 37 (d) Discuss the problem. This is the basic guidance for all situations. In many cases, a
38 supervisor or team leader will be more knowledgeable about the question, and will
39 appreciate being brought into the decision-making process.
40
- 41 (e) Seek help from CA resources. In the rare case where it may not be appropriate to
42 discuss an issue with your immediate supervisor or team leader, or where you do
43 not feel comfortable approaching them with your question, discuss it with the
44 director of human resources, the PEO or any team leader with whom you feel
45 comfortable. If you prefer to write, address your concerns to the PEO at the address

1 of CA’s corporate headquarters. You may also make an anonymous report by
2 contacting the MySafeWorkplace ethics hotline at 800-461-9330 or
3 www.MySafeWorkplace.com.
4

5 (f) You may report ethical violations in confidence and without fear of retaliation.
6 Pursuant to, among other things, the Policy for Reporting Violations, CA does not
7 permit retaliation of any kind against CA Personnel for good faith reports of
8 misconduct by others.
9

10 (g) Always ask first, act later: If you are unsure of what to do in any situation, seek
11 guidance before you act.
12

13 **19.18. Violations of this Code**
14

15 CA Personnel who fail to comply with this Code will be subject to disciplinary action, up
16 to and including termination of your service with CA. In circumstances deemed warranted by CA,
17 misconduct by CA Personnel may also be reported to the appropriate law enforcement authorities.
18

19 **20.19. Commitment and Certification**
20

21 Your commitment to conduct yourself in accordance with this Code is essential to its
22 success.⁺⁵¹ CA requires that each of the CA Personnel certify that he/she has received and read this
23 Code and understand its contents.
24

25 ⁺⁶²
26

27 **Approved by the CA Board of Directors on October 26, 2006**
28 **Revised and approved by the CA Board of Directors on July 7, 2011**
29 **Revised and approved by the CA Board of Directors on [_____,] 20152016**
30

⁺⁵¹ NOTE TO DRAFT: Deleted text duplicative of Section 17.

⁺⁶² NOTE TO DRAFT: Deleted text moved to new Section 19.

ACKNOWLEDGEMENT OF RECEIPT

COLUMBIA ASSOCIATION, INC.

CODE OF BUSINESS CONDUCT AND ETHICS

I, _____, acknowledge and confirm that I have received a copy of the Columbia Association, Inc. Code of Business Conduct and Ethics, as revised and approved by the CA Board of Directors on [_____ ____,] ~~2015~~, 2016, and have read and understand those standards. I agree that I will conduct myself in accordance with those standards.

Witness

Signature

Title/Position

Date

EXHIBIT A

Purposes

~~(See Attached)~~

~~Columbia Association Purposes~~¹⁷

The purposes for which CA is formed are as follows:

~~1. To organize and operate a civic organization which shall not be organized or operated for profit, but which shall be organized and operated exclusively for the promotion of the common good and social welfare of the people of the community of Columbia and its environs (“Columbia” being defined as the community developed and to be developed on that tract of land in Howard County, Maryland (the “County”), presently consisting of 14,744.382 acres of land, more or less, the fee of which, or the leasehold interest in which is presently subjected to the “Declaration,” as hereinafter defined. Said tract of land, together with any additional land in the County which may hereafter be subjected to the Declaration by any amendment or supplement thereto filed among the Land Records of Howard County, Maryland, being sometimes hereinafter referred to as (“the Property”).~~

~~2. CA shall have no members other than the Columbia Council Representatives, as hereinafter defined, and no part of the net earnings of CA shall at any time in any manner inure to the benefit of any member, director or individual. No substantial part of the activities of CA shall consist of carrying on propaganda or otherwise attempting to influence legislation, provided that CA may elect to have its allowable expenditures for such purpose determined in accordance with the provisions of section 501(h) of the Internal Revenue Code of 1954, as amended; nor shall it in any manner or to any extent participate in or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office; nor shall CA engage in any activities that are unlawful under applicable Federal, state or local laws.~~

~~For the general purpose aforesaid, and limited to that purpose (hereinafter sometimes referred to as the “Purpose”), CA shall have the following specific purposes:~~

~~1. To aid, promote, and provide for the establishment, advancement and perpetuation of any and all utilities, systems, services and facilities within Columbia which tend to promote the general welfare of its people with regard to health, safety, education, culture, recreation, comfort or convenience to the extent and in the manner deemed desirable by the Board of Directors;~~

~~2. To exercise all the rights, powers and privileges and to perform all of the duties and obligations of CA as set forth and undertaken in the Deed, Agreement and Declaration of Covenants, Easements, Charges and Liens (the “Declaration”) dated December 13, 1966 between CA as grantor and C. Aileen Ames as grantee and filed among the Land Records of Howard County, Maryland, at Liber 463, Folio 158, as heretofore modified and supplemented or as may be modified or supplemented from time to time as therein provided;~~

~~3. To operate and maintain, or provide for the operation and maintenance of, any properties which may from time to time be designated or conveyed to CA for operation and maintenance as areas serving the general welfare of Columbia and the people thereof with regard to health, safety,~~

¹⁷ ~~NOTE TO DRAFT: Listing of purposes duplicated from CA Charter for easy reference.~~

~~education, culture, recreation, comfort and convenience, all pursuant to the Declaration and subject to the provisions thereof;~~

~~4. To enforce all covenants, restrictions, reservations, servitudes, profits, licenses, conditions, agreements, easements, and liens provided in the Declaration, and to assess, collect, and disburse the charges created under such Declaration and to use the proceeds of such charges for the promotion of any and all of the purposes heretofore mentioned in any lawful manner determined by the Board of Directors, pursuant to and subject to the provisions of the Declaration; and~~

~~5. To do any and all lawful things and acts that CA may from time to time, in its discretion, deem to be for the benefit of Columbia and the inhabitants thereof or advisable, proper or convenient for the promotion of the interests of said inhabitants with regard to health, safety, education, culture, recreation, comfort or convenience.~~

EXHIBIT B

Values

(See Attached)

~~Columbia Association Board of Directors Values¹⁸~~

- ~~1. Represent constituent interests assertively and make decisions based on the welfare of the entire community.~~
 - ~~• Recognize diverse perspectives, such as ethnicity, age, economic circumstances, differing village life cycles, and varying tenures of Columbia residents.~~
 - ~~• Once all constituent perspectives are established and acknowledged, weigh them in relation to the perspective of the entire community.~~
- ~~2. Engage in open discussions that encourage and respect differing positions.~~
 - ~~• “Seek first to understand, then to be understood.”~~
 - ~~• When differing with someone’s position, first acknowledge it by summarizing his or her point of view. (Or, ask for such a summary if someone differs with you. “Did you understand my intention? What was it?”)~~
- ~~3. Strive for consensus, but agree to disagree based on the merits.~~
 - ~~• Argue to seek a better understanding, not to win the argument. Use inquiry to probe positions with which you may not agree. Call the question after points have been established.~~
- ~~4. Speak as a Board of Directors through unified messages that present both majority and minority positions.~~
 - ~~• If consensus cannot be reached, end the discussions by summarizing both sides to their mutual satisfaction.~~
 - ~~• When speaking outside of meetings of the Board of Directors, identify whose opinion you are discussing (your own or the Board of Directors’).~~
- ~~5. Cultivate trust by showing respect for others, by accepting responsibility for your role in the process.~~
 - ~~• When discussing issues focus on the issues not the people with whom you are discussing the issue.~~

¹⁸~~NOTE TO DRAFT: Listing of values consolidated from separate document for easy reference.~~