



COLUMBIA ASSOCIATION, INC.
CODE OF ETHICS AND BUSINESS CONDUCT AND CONFLICTS OF INTEREST POLICY:
SPECIAL REQUIREMENTS FOR MEMBERS OF THE BOARD OF DIRECTORS

The Columbia Association, Inc. (“CA”) Code of Ethics and Business Conduct (the “**Code**”) and the Conflicts of Interest Policy (the “**Policy**”) cover a wide range of business practices, procedures and policies and set forth rules for the ethical conduct of CA personnel. The provisions of the Code and Policy also apply to and are binding on individuals serving on the CA Board of Directors (each a “**Board Member**” and collectively, the “**Board Members**”). Board Members also are subject to unique obligations (these “**Special Requirements**”) in addition to the provisions of the Code and Policy. The purpose of these Special Requirements is to outline additional duties and obligations of Board Members relative to the Code and Policy. The provisions of these Special Requirements are intended to supplement and expand upon the provisions of the Code and Policy.

If a law conflicts with a policy in these Special Requirements, you must comply with the law. Where a custom conflicts with these Special Requirements, however, you are expected to comply with these Special Requirements. In the event of a conflict between these Special Requirements and the provisions of the Code or Policy, you are expected to comply with these Special Requirements but only with respect to the issue subject to the conflict. Questions about any such conflicts should be directed to CA’s principal ethics officer (the “**PEO**”), who is currently CA’s General Counsel. Any capitalized terms not defined herein, shall have the meanings given to them in the Code or Policy, as applicable.

1. Board Member Rights

Each Board member has a right to:

- Communicate publicly on issues that affect those the Board Member serves, provided that the Board Member unequivocally expresses that he/she is communicating solely as an individual and not as a representative of CA or the CA Board of Directors;
- State publicly that the Board of Directors has taken action on a matter (provided that such action was taken in an open Board meeting) or that the Board of Directors has not taken action and to state individual disagreement with such action or inaction as long as the Board Member does not solicit others to act in a manner or work toward the achievement of a result that is contrary to the Board of Directors’ action; and
- Act in reliance on information and reports received from regular sources that the Board Member reasonably regards as trustworthy.

2. Additional Duties and Obligations of Board Members

In addition to the duties and obligations of Board Members set forth in the Code, Board Members are expected to understand and comply with the following legal strictures governing their behavior.

- (a) **The Standard of Care.** Compliance with a standard of care is required by the Annotated Code of Maryland, Corporation and Associations Article, Section 2-405.1. That standard of care requires that a director act in good faith, in a manner the director reasonably believes to be in the best interests of the corporation, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances. A board member may not act simply as a representative of a particular village or constituency. Once all constituent perspectives are established and acknowledged, they must be considered in relation to the perspective of the entire community of Columbia.

- (b) **Responsibilities of Board Members.** In addition to the requirements of the Code, each Board Member shall:
 - (i) Be informed regarding CA's governing documents including its Charter, Bylaws and such policies as the Board of Directors may adopt as well as applicable Maryland law, so that each Board Member can assist the Board of Directors in the decision-making process.
 - (ii) Be informed regarding the purposes of CA, a copy of which are attached hereto as Exhibit A.
 - (iii) Be informed regarding the aspirational values of CA's Board of Directors, a copy of which are attached hereto as Exhibit B.
 - (iv) Be informed about the services and programs provided by CA.
 - (v) Share equitably in the work of the Board of Directors.
 - (vi) Formulate CA strategic policies.
 - (vii) Exercise independent and informed judgment on all corporate decisions.
 - (viii) Carry out fiduciary responsibilities of the Board of Directors, including oversight and approval of the CA budget and review of CA financial statements.
 - (ix) Serve on committees of the Board of Directors.

- (x) Regularly attend meetings and work sessions of the Board of Directors and applicable committees.
- (xi) Review agendas, supporting materials, and prior meeting minutes before meetings and work sessions of the Board of Directors and applicable Board committees, and otherwise prepare for such meetings and work sessions.
- (xii) Take responsibility for and follow through on assignments arising from meetings and work sessions of the Board of Directors and applicable Board committees.
- (xiii) Participate in formulating the strategic plan for CA, including review of data.
- (xiv) Attend special events and functions of the Board of Directors and individual Village Community Associations as well as community-wide CA events.
- (xv) Present reports of actions of the CA Board of Directors at village board meetings.
- (xvi) Work with CA's President to establish performance objectives.
- (xvii) Evaluate the performance of CA's President, while providing the necessary support for CA's President to further CA's goals.
- (xviii) Remain in good standing with respect to all financial obligations, covenants and regulations contained in CA's Declaration (as defined in Exhibit A) and in the governing documents of the Village Community Association that elected the Board Member as a Columbia Council Representative.

(c) Restrictions on Board Member Activity. In addition to the other requirements of the Code, no Board Member shall:

- (i) Engage in any writing, publishing or speech-making on behalf of CA that defames any other Board Member or CA team member.
- (ii) Discuss the confidential proceedings of the Board of Directors or release confidential information.
- (iii) Act in a way that is intended to intimidate another person in the conduct of their office or which a reasonable person would conclude had such intent and which, in fact, did intimidate.

- (iv) Undermine the authority of the Board of Directors, the Chair of the Board of Directors or CA's President to perform his/her duties, or interfere with the duties of CA's management and staff.
- (v) Knowingly misrepresent facts or the Board of Director's position on an issue to a resident or property owner in the Columbia community for the purpose of advancing the Board Member's personal cause or influencing the Columbia community to place pressure on the Board of Directors to advance the Board Member's personal cause.
- (vi) Speak for or act on behalf of CA unless specifically authorized to do so by the Board.
- (vii) Conduct themselves in a manner that assumes any greater rights and privileges than any other resident in the Columbia community.
- (viii) Within one (1) year following termination of their term on the Board of Directors assist or represent another party for compensation in a case, contract or other specific matter involving CA if that matter is one in which the member participated while affiliated with CA.
- (ix) While serving on the Board and within one (1) year following termination of their term on the Board of Directors be employed by or enter into any contract for compensation in excess of \$2,500 with CA either personally or in a manner from which they would so benefit directly.
- (x) Simultaneously serve on the Board of Directors and as a sworn partisan public officer.
- (xi) Allow any family member to receive any remuneration for any work performed for CA, except when the family member is a dependent child employed on a part time or seasonal basis or is already a CA employee at the time of the Board Member's election to the board, unless the family member is part of senior management (defined as the President, Department Directors, Division Directors, the internal auditors, the treasurer, the comptroller, and the general counsel).

3. Board Compensation

Any action by the Board of Directors to provide for or increase the compensation for Board Members for expenses incurred for attendance at meetings of the Board of Directors or for other expenses associated with the performance of the duties of a Board Member shall not become effective until two (2) years after the date of the public meeting at which such action

was approved. Board Members are entitled, however, to receive without such passage of time such indirect benefits as attendance at relevant conferences and meetings, travel in CA's ***Sister Cities Program*** to accompany youth participants, and other such benefits as are reasonably related to the conduct of CA's affairs and activities as shall be approved in a public meeting in accordance with federal and state laws and regulations.

4. Commitment and Certification

Board Members are required to provide Confidential Financial Disclosure Reports in accordance with the provisions of the Policy.

Your commitment to conduct yourself in accordance with these Special Requirements, in addition to the provisions of the Code, the Policy and the CA Policy for Reporting Violations is essential to their success. CA requires that each Board Member certify that he/she has received and read these Special Requirements, the Code, the Policy and the CA Policy for Reporting Violations, understands their contents and agrees to conduct him/herself in accordance with their standards.

Approved by the CA Board of Directors on January 26, 2017

ACKNOWLEDGEMENT OF RECEIPT

**COLUMBIA ASSOCIATION, INC.
CODE OF ETHICS AND BUSINESS CONDUCT AND CONFLICTS OF INTEREST POLICY: SPECIAL
REQUIREMENTS FOR MEMBERS OF THE BOARD OF DIRECTORS**

I, _____, acknowledge and confirm that I have received a copy of the Columbia Association, Inc. Code of Ethics and Business Conduct and Conflicts of Interest Policy: Special Requirements for Members of the CA Board of Directors, and the CA Policy for Reporting Violations of the Code of Ethics and Business Conduct and the Conflicts of Interest Policy, as revised and approved by the CA Board of Directors on January 26, 2017, and have read and understand those standards. I agree that I will conduct myself in accordance with those standards.

Witness

Signature

Name

Date

Exhibit A: Columbia Association Purposes

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, 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: Columbia Association Board of Directors Values

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.

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?”)

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.

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’).

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.