

Resolution B-08

DIRECTOR AND OFFICER ETHICS AND CONDUCT

1. **Purpose.** This Resolution provides policy regarding ethics and conduct for members of the Board of Directors and Officers of the Ocean Pines Association, Inc.
2. **Authority.** Section 5.12(c) of the Bylaws of Ocean Pines Association, Inc. authorizes the Board of Directors to adopt resolutions governing a Director's conduct. By-Laws Section 6.03 provides authority for removal of an Officer of the Association for cause. Section 5.13(g) provides additional authority relevant to this resolution: "The Board may do any and all lawful things and acts that it deems to be for the benefit of Ocean Pines and the members and residents' thereof or advisable, proper, or convenient for the promotion of the interests of said members and residents with regard to health, safety, education, culture, recreation, comfort, and convenience."
3. **Policy.** Upon validation by election or appointment, a Director or Officer will serve in accordance with the following ethical standards and code of conduct. Directors and Officers will abide by the procedures for disposition of complaints regarding possible violations of these policies outlined below and in accordance with the Association Bylaws.

a. **Ethical Standards.**

1. To attend in person, by phone or by other means approved by the Board of Directors unless sufficient justification causes the absence, and to participate in all meetings and communications in accordance with expectations set forth in the By-Laws (Section 5) and Resolutions (B-02, B-04).
2. To maintain a business-like climate in meetings by respecting parliamentary procedure.
3. To abide by the Board's decisions, even if they disagree.
4. To promote the goals and interests of the Association in a constructive manner and attempt to avoid promotion of unnecessary conflict among Association Members.
5. To promote responsible management of the Association's finances when conducting Association business
6. To promote uniform enforcement of the various Sections' Declarations of Restrictions and other governing documents when conducting Association business.
7. When conducting Association business, to place the interests of the Association above those of individual Association Members.
8. To always act within the authority given to them by the Association By-Laws and Resolutions and the State of Maryland.
9. Directors and Officers are required to act with proper decorum. When conducting Association business either in meetings or in email or other forms of communication, Directors and Officers are to focus on issues, and conduct themselves with courtesy and respect toward each other, Association employees, managing agents, suppliers, and Association members. Directors and Officers

shall act in accordance with Board decisions and shall not act unilaterally or contrary to Board decisions

b. **Director Conduct:**

- 1) **Confidential Information.** Directors and Officers are to be responsible for protecting the confidentiality of the Association's confidential information except when its release is duly authorized or legally mandated. No Director or Officer may disclose confidential information including, but not limited to:
 - a. Private information of fellow Directors or Officers;
 - b. Personal information of Association employees;
 - c. Results of disciplinary actions involving Association employees;
 - d. Information or opinions concerning legal disputes in which the Association is or may be involved without the prior written approval of Association legal counsel;
 - e. Any information which is identified as confidential.

- 2) **Interaction with Association Employees.** A Director or Officer may give opinions to the General Manager. Directions and assignments to the General Manager will come from the Board through the President of the Association, acting as liaison between the Board of Directors and the General Manager. In most cases directions and assignments to the General Manager shall be based on decisions made by Board vote or consensus agreement. However, at no time will the President provide direction or assignments which are contrary to Board vote or consensus. In order to ensure efficient management of operations; to avoid conflicting instructions from the Board to management; and to avoid potential legal liability, Directors and Officers shall:
 - a) Not give specific direction to management, employees, or suppliers unless authorized or delegated by the Board of Directors or unless consistent with the duties of the Director's or Officer's role.
 - b) Not directly address employee complaints. Any employee who contacts an individual Director or Officer for the purpose of conveying a complaint should be instructed to bring the matter to the attention of the General Manager or the Association's designated Human Resources Officer.
 - c) Not threaten or retaliate against an employee who brings information to the Board regarding alleged improper actions of a Director or Officer.
 - d) Cooperate with any investigation arising out of this Policy.

- 3) **Conflicts of Interest.** Directors and Officers shall not recommend a course of action, or make a decision on behalf of the Association that materially benefits themselves or certain parties that are related to the Director or Officer, termed "affiliated persons," with respect to any matter in which they have a material interest. Affiliated persons include the following:
 - a. spouse, domestic partner, child, mother, father, brother, sister; and

- b. any corporation or organization in which a Director or Officer participates in management; of which they are a board member, an officer, or a partner; are employed by; are directly or indirectly a debt holder; or are the beneficial owner of any class of equity securities; and
- c. any trust or other estate in which a Director or Officer has a substantial beneficial interest, or in which they serve as a trustee or in a similar capacity; and
- d. Any relationship where there could be a quid pro quo that could reasonably impact the Director's influence on an issue, input to discussion and/or their vote.

Directors and Officers must immediately disclose the existence of any conflict of interest of their own or of affiliated persons to the entire Board of Directors in accordance with the provisions of Resolution B-05.

4. Complaints Regarding Violations of the Ethical Standards and Policies on Director Conduct.

- a. Disposition of complaints. Complaints regarding violations of these standards and policies shall be addressed by the Board in a public meeting timely but not to exceed 14 days after the complaint is received. Meetings to consider such complaints shall be held in closed session only if authorized by the Maryland HOA act Section 11B-111. For the purpose of determining authority to hold such meetings in closed session, Directors shall be considered Employees of the Association.
- b. Remedies. For violations of the Policies on Director and Officer Conduct, the Board may consider remedies including but not limited to removal from the Board for cause. Lesser remedies may be considered for violations of the Ethical Standards. Any recommendation to apply removal for cause must be handled consistent with Sections 5.12 and 6.03 of the Association By-Laws Conduct.
- c. Records. The minutes of the meeting shall state the complaint, the decision regarding any action and/or remedy decided upon through Board vote, and the yes/no vote of individual Directors.

5. Effective Date:

Adopted by the Board of Directors on July 27, 2018.

President:

(sign) 

Date 8/24/18

(print) DOUG PARKS

Attestation by Secretary:

(sign) 

Date 8/24/18

(print) Collette C. Horn

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Review History:

General Manager:

(sign)



Date:

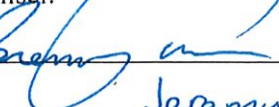
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(print)

John S. Bily

Legal Counsel:

(sign)



Date

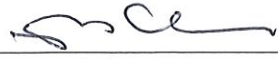
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(print)

Jeremy Tucker

By-Laws and Resolutions Advisory Committee Chair:

(sign)



Date:

8/29/18

(print)

MARTIN D. CLARKE