

**SEANC/SEIU 2008 CODE OF ETHICAL PRACTICES
AND CONFLICT OF INTEREST POLICY**

(As amended May 31, 2013)

PART A: PREAMBLE AND APPLICABILITY

SEANC/SEIU 2008 believes in the dignity and worth of all workers. We have dedicated ourselves to improving the lives of workers and their families and to creating a more just and humane society. We are committed to pursuing justice for all, and in particular to bringing economic and social justice to those most exploited in our community. In order to achieve our mission, we must develop highly trained and motivated leaders at every level of SEANC/SEIU 2008 who reflect the membership in all of its diversity.

Association members place tremendous trust in their leaders. SEANC/SEIU 2008 elected officers and managers owe not just fiduciary obligations to Association members but, given the moral purpose of our mission, SEANC/SEIU 2008 leaders owe members the highest level of ethical behavior in the exercise of all leadership decisions and financial dealings on members' behalf. Members have a right to have proper stewardship over Association resources and transparency in the expenditure of Association dues. Misuse of funds or leadership authority undermines the confidence members have in the Association and weakens it. Corruption in all forms will not be tolerated in SEANC/SEIU 2008. This Code of Ethical Practices and Conflict of Interest Policy strengthens SEANC/SEIU 2008's ethics rules, practices and enforcement standards and thus enhances the Association's ability to accomplish its important mission.

We recognize that no code of ethics can prevent some individuals from violating ethical standards of behavior. We also know that this Code and Policy is not the only answer to creating and maintaining an ethical culture within the Association. To accomplish the goals for which this Code has been created, we must establish systems of accountability for all elected leaders and management staff. These systems must include appropriate checks and balances and internal operating systems and procedures that minimize the opportunity for misuse or abuse, as well as the perception of either, in spending Association funds or exercising decision-making authority. The systems also must include adequate provision for training on how to understand and implement this Code and Policy.

State and Federal laws and regulations govern many activities undertaken by SEANC/SEIU 2008 officers and managers and must be complied with as part of our commitment to maintain high standards of conduct. Although these laws and regulations are not part of, or enforceable through, this Code and Policy, their observance is part and parcel of creating the overall ethical culture we strive for.

This Code and Policy should be read together with the SEANC/SEIU 2008 Bylaws, and the SEANC/SEIU 2008 Unlawful Workplace Harassment Policy, which contain other important protections that are not contained or incorporated in this Code. These bylaws and policy

provisions are enforceable under the Bylaws or the anti-harassment policy, not under the Code of Ethical Practices' enforcement mechanisms.

The ultimate punishment for violation of this Code and Policy is removal from office and/or termination of membership. Membership in SEANC/SEIU 2008 is a basic right of all current, retired and future state employees who meet the membership criteria contained in the SEANC/SEIU 2008 Bylaws and should be terminated only for the most egregious conduct. The decision to terminate a member's membership or to remove a member from office shall be based on the degree of damage caused by the member to SEANC/SEIU 2008's reputation or its ability to operate effectively on its members behalf. Generally, removal from SEANC/SEIU 2008 membership or office should require extreme misconduct such as conviction of a felony or serious misdemeanor while a member or officer, or any serious violation of this Code and Policy.

SECTION 1. *Applicability.* The substance and procedures of this Code and Policy shall be binding upon SEANC/SEIU 2008 Local 2008, including all statewide elected or appointed officers and members of all statewide boards and committees, each of its districts, including all district officers and members of district executive committees and other district governing boards and committees, all delegates to SEANC/SEIU 2008 conventions and SEIU Conventions, and SEANC/SEIU 2008 managerial employees.

SECTION 2. *Limitation on Scope of Code.* This Code and Policy does not include or encompass complaints concerning alleged violations of the SEANC/SEIU 2008 Bylaws unless such complaints involve an allegation of a violation of this Code and Policy.

PART A1: LOYALTY TO SEANC BYLAWS AND INTERESTS

SECTION 3: *Duty to Act Consistent with SEANC/SEIU 2008 Bylaws and Interests.*

SEANC members to whom this Policy and Code are applicable as described in Section 1, above:

- a. Shall uphold the Bylaws regulating the activities of SEANC.
- b. Shall not condone, nor engage in any activity that would undermine SEANC's goals and objectives, including, but not limited, to disclosure of confidential information obtained in an executive session meeting of SEANC.
- c. Shall not form alliances, make decisions or engage in activities [including harassment] in the performance of SEANC duties that would discriminate on the basis of race, color, sex, national origin, ancestry, marital status, political or religious beliefs, family, social or cultural background or sexual orientation, gender expression, age or disability.
- d. Shall not disclose information regarding SEANC business obtained in the course of service to the Association unless such disclosure is in the best interest of SEANC and its members.
- e. who have filed to run for or who hold an elected or appointed public office shall not serve as an elected or appointed state-level officer of SEANC, including its subsidiary bodies, or be employed as SEANC's executive director, political director, legislative affairs director or chief of staff/general counsel.

PART B: BUSINESS AND FINANCIAL ACTIVITIES OF SEANC/SEIU 2008, ITS OFFICERS AND EMPLOYEES

SECTION 4. *General Duty to Protect Members' Funds.* The assets and funds of a labor organization are held in trust for the benefit of the membership. The membership is entitled to assurance that those assets and funds are not dissipated and are spent for proper purposes. The Union shall conduct its proprietary functions, including all contracts for purchase or sale or for the provision of significant services, in a manner consistent with the provisions of this Code and Policy. All officers and managerial employees of SEANC/SEIU 2008, whether elected or appointed, have a trust and high fiduciary duty to honestly and faithfully serve the best interests of the membership.

SECTION 5. *Prohibited Financial Interests and Transactions.* No officer or managerial employee of SEANC/SEIU 2008 shall, to the best of his/her knowledge, have an ownership or other substantial financial interest which conflicts with his/her fiduciary duty. In particular, it shall not be permissible for any officer or managerial employee to:

(a) make or attempt to influence, or participate in any way in, a decision concerning the relations of SEANC/SEIU 2008 or a district with a firm in which the officer or managerial employee, or his or her relative or business partner, has a substantial ownership or financial interest.

(b) engage in any self-dealing transactions with SEANC/SEIU 2008 or any of its districts, such as buying property from or selling property to SEANC/SEIU 2008, without the informed approval of the Executive Committee obtained after full disclosure, including an independent appraisal of the fair market value of the property to be bought or sold.

(c) For purposes of these rules, a "substantial ownership or financial interest" is one which either contributes significantly to the individual's financial well-being or which enables the individual to significantly affect or influence the course of the business entity's decision making. A "substantial ownership or financial interest" does not include stock in a purchase plan, profit-sharing plan or ESOP.

SECTION 6. *Ownership of Certain Investment Vehicles Permitted.* As long as there is compliance with the terms of Section 3 above, this Code and Policy is not intended to preclude officers or managerial employees of SEANC/SEIU 2008 from owning publicly traded shares of any employer that does business with SEANC/SEIU 2008 or its districts, through a mutual fund or other similar investment vehicle, provided that all transactions affecting such interests are consistent with rates and terms established by the open market. Further, this Code and Policy does not apply to investments held in a blind trust.

SECTION 7. *Payments and Gifts from Certain Employers, Members and Vendors.* No officer or managerial employee of SEANC/SEIU 2008 shall knowingly accept any non *de minimis* personal payment or gift from any business or professional firm that does business or seeks to do business with SEANC/SEIU 2008 or any of its districts, other than regular

pay and benefits for work performed. With respect to an item that cannot be returned, such as holiday perishables, it shall be considered compliance with this Section to discard such an item or place it in a common area for the office staff to enjoy. Further, this Section does not cover participation in events hosted by public officials involving discussion of public policy matters.

(b) No officer or managerial employee of SEANC/SEIU 2008 shall knowingly accept any personal payment or gift from any member, absent a personal relationship independent of the relationship between the Union and the member, other than a gift of minimal financial value. This provision does not apply to contributions to campaigns for SEANC/SEIU 2008 office.

SECTION 8. *Conversion of Association Funds or Property.* No officer or managerial employee of SEANC/SEIU 2008 shall convert or divert any funds or other property belonging to SEANC/SEIU 2008 to such individual's personal use or advantage.

SECTION 9. *Applicability to Third Parties.* The principles of this Code and Policy apply to those investments and activities of third parties that amount to a subterfuge to conceal the financial interests of SEANC/SEIU 2008 officers or managerial employees.

SECTION 10. *Certain Loans Prohibited.* SEANC/SEIU 2008 shall not make loans to any officer or employee, or to any of their family members, except that the executive director may approve salary advances to any SEANC employee not to exceed \$2,000 in total indebtedness on the part of such employee.

PART C: BENEFIT FUNDS AND RELATED ORGANIZATIONS

SECTION 11. *Prohibited Conduct and Transactions.* No SEANC/SEIU 2008 officer or managerial employee who serves in a fiduciary position with respect to, or who otherwise exercises responsibilities or influence in the administration of, a retirement, health or welfare benefit fund or plan, or other organization related to SEANC/SEIU 2008, shall:

(a) have any substantial financial interest in, or any compromising personal ties to, any investment manager, insurance carrier, broker, consultant or other firm doing or seeking to do business with the fund or plan; or

(b) accept any personal payment or gift from any business or professional firm that does business or seeks to do business with, the fund, plan or organization other than contractual payment for work performed; or

(c) cause funds of SEANC/SEIU 2008 and the related organization to be commingled; or

(d) cause obligations of SEANC/SEIU 2008 to be paid for by the related organization, or obligations of the related organization to be paid for by SEANC/SEIU 2008, unless approved by the organization making the payment.

(e) For purposes of these rules, (i) a benefit "fund" or "plan" means a fund or plan sponsored by SEANC/SEIU 2008, or in which SEANC/SEIU 2008 participates; and (ii) an organization "related to" SEANC/SEIU 2008 means an organization with a governing board at least 25% of whose membership consists of SEANC/SEIU 2008 officers or employees, or at least 50% of whose funding is provided by SEANC/SEIU 2008.

(f) This provision does not cover authorized contributions from and by SEANC/SEIU 2008 to a related organization.

SECTION 12. *Compensation from Benefit Funds.* No officer or managerial employee of SEANC/SEIU 2008 shall receive compensation of any kind from a fund established for the provision of health, welfare, or retirement benefits for serving as an employee representative or labor-designated trustee on such employee benefit fund or plan, except for reimbursement of reasonable expenses properly and actually incurred and provided uniformly to such representatives or trustees. It is not a violation of this provision for an officer or managerial employee who is not a full-time employee of the SEANC/SEIU 2008 or of an affiliate to be a lawfully paid employee of a retirement, health or welfare fund, provided such employment is consistent with applicable legal restrictions, and fully disclosed through appropriate available reports.

SECTION 13. *Duty to Safeguard SEANC/SEIU2008's Status.* SEANC/SEIU 2008 officers and managerial employees will assist SEANC/SEIU 2008 in safeguarding its separate legal status with respect to related organizations.

SECTION 14. *Related Organization Code of Ethics.* SEANC/SEIU 2008 will condition contributions to a related organization on that organization's adoption and submission to SEANC/SEIU 2008 of a code of ethics.

PART D: FAMILY AND PERSONAL RELATIONSHIPS

SECTION 15. *Purpose of Rules Governing Family and Personal Relationships.* SEANC/SEIU 2008 does not prohibit the employment of qualified relatives of current officers or employees, or of individuals with whom an employee is having a romantic or intimate personal relationship ("personal relationship"). SEANC/SEIU 2008 also does not prohibit the retention of qualified vendors that employ relatives of current SEANC/SEIU 2008 officers or employees, or individuals with whom an employee is having a personal relationship, or of qualified vendors in which such officers, employees or individuals have a financial interest. However, the existence of such relationships can lead to problems, including favoritism or the appearance of favoritism toward relatives or those who are involved in a personal relationship. Giving these individuals special treatment - or creating the impression that they receive special treatment - is inconsistent with our principles and our duty to responsibly conduct the business of SEANC/SEIU 2008. The provisions of this Part are designed to ensure that family or personal relationships do not influence professional interactions between the employees involved, with other employees, or with vendors or potential vendors.

SECTION 16. *Definitions.* For purposes of this Part:

(a) "Relative" means parent, spouse, spousal equivalent or dependent child of that relationship, grandparent, grandchild, brother, sister, first or second cousin, corresponding in-law, "step" relation, foster parent, foster child, or any member of the employee's household. Domestic partner relatives are covered to the same extent as spousal relatives.

(b) "Personal Relationship" means an ongoing romantic or intimate personal relationship than can include, but is not limited to, dating, living together in an intimate way, or being a significant other. This definition applies to heterosexual, gay and lesbian relationships.

(c) "Employee" includes SEANC/SEIU 2008 officers.

SECTION 17. *Prohibited Conduct.* The following general principles will apply:

(a) Applications for employment by relatives and those who have a personal relationship with an employee of SEANC/SEIU 2008 or an SEANC/SEIU 2008 vendor will be evaluated based on the same qualification standards used to assess other applicants.

(b) Officers, managers and supervisors will not make hiring decisions about their relatives or a person with whom they have a personal relationship, or attempt to influence hiring decisions made by others.

(c) A supervisory employee will not supervise a relative or a person with whom he or she has a personal relationship. Unless there are particular operational difficulties, relatives or employees who have a personal relationship generally are permitted to work in the same department, provided no direct reporting or supervisor-to-subordinate relationship exists.

(d) No employee, including officers, managers and supervisors, will make work-related decisions, or provide input into work-related decisions made by others, involving his or her relative or employee with whom he or she has a personal relationship, even if he or she does not directly supervise that person. This includes, but is not limited to, decisions about hiring, wages, hours, benefits, assignments, evaluations, training, discipline, promotions, and transfers.

(e) Any exceptions to the provisions of this Section must be approved in writing by the Department/Program Head and the SEANC/SEIU 2008 Executive Director, or in the case of a relative of the Executive Director, the SEANC/SEIU 2008 Executive Committee.

PART E: ADDITIONAL REQUIREMENTS AND PROHIBITIONS

SECTION 18. *Persons Convicted of Felonies.* No person shall serve as an officer or managerial employee of SEANC/SEIU 2008 who has been convicted of any felony involving the infliction of grievous bodily injury or any felony involving abuse or misuse of such person's position or employment in a labor organization or employee benefit plan to seek or obtain an illegal gain at the expense of the members or the beneficiaries of the employee benefit plan, except for the limited exceptions as may be set forth in applicable federal law.

SECTION 19. *Failure to Cooperate with Investigation.* Unreasonable failure by a covered individual to fully cooperate with an investigation into, or a proceeding involving, an alleged violation of this Code and Policy, shall constitute an independent violation of this Code and Policy.

SECTION 20. *Compliance.* Each SEANC/SEIU 2008 officer, district chair and treasurer, and managerial employee shall annually acknowledge that he/she has received a copy of this Code and Policy, that he/she has read and understands the Code and Policy, that he/she has agreed to comply with the Code and Policy. He/she must disclose to the SEANC/SEIU 2008 Ethics Officer/Liaison those interests, transactions, or relationships that give rise to a potential conflict of interest at the time that such potential conflict occurs. The Ethics Officer/Liaison shall also conduct periodic reviews for purposes of monitoring compliance with, and enforcement of, this Code and Policy. Such reviews may consider, among other things, whether partnerships, joint ventures, and arrangements with management organizations conform to this Code and Policy, are properly recorded, reflect reasonable investment or payments for goods and services, further SEANC/SEIU 2008's tax-exempt purposes and do not result in inurement, in impermissible private benefit, or in an excess benefit transaction.

PART F: PROTECTION OF WHISTLEBLOWERS

SECTION 21. *No Retaliation.* SEANC/SEIU 2008 encourages all employees to bring to its attention, as set forth more fully in Part G below, any allegation that this Code and Policy has been violated. Such allegations shall be referred for appropriate action or investigation. If, after the conclusion of an investigation, a violation is found to have occurred, then appropriate disciplinary and/or corrective action shall be taken, as described in Part G. Further, SEANC/SEIU 2008 expressly prohibits retaliation against employees for making good faith complaints, reports or inquiries pursuant to this Code and Policy. Any act of alleged retaliation should be reported immediately and will be promptly investigated. SEANC/SEIU 2008 reserves the right, however, to discipline persons who make bad faith, knowingly false, or harassing complaints, reports or inquiries.

SECTION 22. *Confidentiality.* SEANC/SEIU 2008 will treat all communications under this Part in a confidential manner, except to the extent necessary 1) to conduct a complete and fair investigation, 2) for review of SEANC/SEIU 2008 operations by SEANC/SEIU 2008's independent public accountants, and/or SEANC/SEIU 2008's legal counsel, or 3) as otherwise authorized for release or use by the reporting individual. Notwithstanding the exceptions in this section, SEANC/SEIU 2008 will keep confidential the identity of any person(s) filing a complaint of violation of the Code and Policy, unless disclosure is authorized by the complainant(s) or required for SEANC/SEIU 2008 to carry out its fiduciary or other legal duties.

PART G: ENFORCEMENT

SECTION 23. *Ethics Liaison.* The General Counsel of SEANC/SEIU 2008 will serve as its Ethics Officer and Liaison to the International Union. In that capacity, the General Counsel will serve as SEANC/SEIU 2008's key contact with the International's Ethics

Ombudsperson and as an individual whom members and staff can approach for ethics advice or questions, who will assist in enforcement of the Code and Policy, and who will oversee the delivery of ethics-related training. This individual will receive training from the International Union specific to the role.

SECTION 24. *Complaints - Filing.* Any SEANC/SEIU 2008 member may file a written complaint concerning alleged violations of the Code and Policy. Complaints of alleged violation of the Code and Policy shall be submitted to SEANC/SEIU 2008 Ethics Officer and Liaison. Verbal complaints shall be reduced to writing for further processing. Complaints shall be signed or contain the name of the complainant(s), and shall be kept confidential pursuant to Section 23. SEANC/SEIU 2008 shall provide an address to which written complaints may be submitted and shall post that address on its website.

SECTION 25. *Complaints - Initial Disposition and Referral.* The Ethics Officer/Liaison shall review the complaint to determine whether it alleges a violation of the Code and Policy and, if so, shall refer the complaint to the SEANC/SEIU 2008 Executive Director if the subject of the complaint is a staff member and to the SEANC/SEIU 2008 President if the subject of the complaint is a member, provided that if the Executive Director is the subject of the complaint, the referral shall be to the President, and if the President is the subject of the complaint, the referral shall be made to the Executive Committee. If the complaint received by the Ethics Officer/Liaison does not allege a violation of the Code and Policy, the Ethics Officer/Liaison shall notify the complainant of the status of the complaint following his or her review. The complainant shall have the right to appeal the Ethics Officer's/Liaison's decision within seven (7) calendar days of receiving notification. If the complainant appeals, the Ethics Officer/Liaison shall, within seven (7) calendar days of receiving the notice of appeal, transmit the complaint and a written explanation of why the complaint was determined not to state a violation of the Code and Policy to the next level in this process. If the complainant does not make a timely appeal, the complaint shall not be further processed under this Part.

SECTION 26. *Handling of Complaints.* Complaints of alleged violations of the Code and Policy that are referred to the Executive Director shall be investigated by the Executive Director or his or her designee and, where appropriate, may form the basis of employee discipline. Complaints of alleged violations of the Code and Policy that are referred to the SEANC/SEIU 2008 President shall be investigated by the President or his or her designee and, where appropriate, referred to the Executive Committee, in Executive Session, for its referral to the Board of Governors for appropriate action up to and including termination of membership pursuant to Article III, Section 5.3 of the SEANC/SEIU 2008 Bylaws. If referral is made to the Executive Committee, that body shall appoint one or more persons to investigate and, where appropriate, refer the investigation report to the Board of Governors for appropriate action up to and including removal from office and/or termination of membership pursuant to Article III, Section 5.3 of the SEANC/SEIU 2008 Bylaws. The process used by the Board of Governors for dealing alleged Code and Policy violations shall be the same process as that stated in Section 26, below. If it is determined either by the President or the Executive Committee that there has been no violation of the Code and Policy, the Executive Committee shall so notify the complainant. The complainant shall have the right to appeal that determination within seven (7) calendar days of receiving

notification. If the complainant appeals, the Executive Committee shall, within seven (7) calendar days of receiving the appeal notice, transmit the complaint, together with a written explanation of why it determined Code and Policy were not violated, to the Board of Governors. If the complainant does not make a timely appeal, the complaint shall not be further processed under this Part. Upon request, the Ethics Officer/Liaison shall advise any person involved in the complaint handling process concerning matters related to the investigation and processing of complaints and charges alleging violation of the Code and Policy.

SECTION 27. Board of Governor Procedures for Discipline. The process for termination of SEANCSEIU 2008 membership or removal from office pursuant to the SEANC/SEIU 2008 Bylaws for a violation of this Code and Policy shall be as follows:

- a. The charged member or officer shall be given a hearing before the Board of Governors at which he or she is permitted to explain and defend the action requested.
- b. Charges and specifications shall be given in writing to the charged member or officer at least seven (7) calendar days in advance of the hearing on the charges.
- c. Termination of membership and removal from office shall require a finding of just cause by a two-thirds vote of the Board of Governors after which written notice shall be given to all parties involved.
- d. If the Board of Governors determines the conduct of the member or officer violates the standards of the SEANC/SEIU 2008 Code of Ethical Practices and Conflict of Interest Policy but does not arise to the level of requiring termination of membership or removal from office, the Board of Governors may impose a lesser corrective action including, but not limited to, an oral or written warning or reprimand, or a probationary period.

SECTION 28. Ethics Officer/Liaison - Review and Advice. The SEANC/SEIU 2008 Executive Director, President, Executive Committee or Board of Governor's may refer matters concerning the Code and Policy to the Ethics Officer/Liaison for review and/or advice.

SECTION 29. Review of Claims by Ethics Officer. If the Ethics Officer/Liaison concludes, after review of the allegations in a complaint, that the claim or claims of Code and Policy violations are frivolous or without merit, or that further investigation is not necessary, he or she shall advise all relevant parties of his or her findings.

SECTION 30 Ethics Program Annual Report. The Ethics Officer/Liaison will issue an Ethics Program Annual Report summarizing Code and Policy enforcement actions, training,

compliance, and related activities and statistics concerning the SEANC/SEIU 2008 ethics program, and may make recommendations for such revisions to the program as he or she believes would enhance the program's effectiveness.

SECTION 31. *Duty to Read and Apply Code and Policy.* A copy of the Code and Policy shall be provided to each officer, district chair and treasurer, and employee of SEANC/SEIU 2008. It is the duty and obligation of every person covered by the Code and Policy to read and abide by its provisions.