

# RRAR Code of Conduct

The members of the Board of Directors (BOD) of the Reelfoot Regional Association of REALTORS® acknowledge and accept the scope and extent of our duties as Directors. The BOD sets the tone and direction of an organization. Effective Board leadership and governance helps to ensure that a nonprofit can operate to its fullest capacity. Creating an effective Board is a continual process that includes recruitment, engagement and development. It is our responsibility to carry out our duties in a businesslike manner that is within the scope of our authority, as set forth by our by-laws and governing policies. Board members must represent, with un-conflicted loyalty, the interests of the membership. This accountability supersedes the personal interests of any Board Member/Director. The BOD will agree to support the vision, mission and strategic plan/governance of RRAR. As a director, we recognize that day to day operations are led by RRAR's association executive, and that the Board-Staff relationship is a collaborative one, and the appropriate involvement of the Board is both critical and expected. As Directors, we must act within the bounds of the authority we are trusted with, and with the clear understanding of our duty to make informed decisions on behalf of the members and staff.

Board Members will:

- Act in the best interests of, and fulfill their obligations to the Reelfoot Regional Association of REALTORS® members and to the Association;
- Act honestly, fairly, ethically and with integrity;
- Conduct themselves in a professional, courteous and respectful manner;
- Recognize that every Director is voting independently based on the information provided and should be able to do so without repercussion or interference from other Board members;
- Allow every Director to express their opinions openly and without interruption;
- Be ready to receive new information or open debate that may or may not change how they cast their vote;
- Carry a positive message to the members on decisions made by the Board regardless of how a Director voted;
- Not disparage the organization in ways that would be harmful to its mission and success;
- Bring any complaints or concerns regarding employees of the Association to the immediate attention of the association executive;
- Comply with all applicable laws, rules and regulations of the Association, AAR and NAR;
- Act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated;

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- As a member of the Board, behave in a manner that will enhance and maintain the reputation of the Reelfoot Regional Association of REALTORS® at all events and public appearances;
- Maintain confidentiality of all information and discussions until such time as it is decided that a “public” statement will be made or position taken or when authorized or legally required to disclose such information;
- Not use confidential information acquired in the course of their service as Directors for their personal advantage;
- Disclose potential conflicts of interest that they may have regarding any matters that may come before the Board and abstain from discussion and voting on any matter in which the Director has, or may have, a conflict of interest pursuant to the Conflict of Interest Policy adopted by the Board and any future modifications which may be adopted by the Board in the future; and
- Make available to, and share with, fellow Directors information as may be appropriate to ensure proper conduct and sound operation of the Reelfoot Regional Association of REALTORS® and its Board of Directors.

Board members will annually sign a confirmation that they have read and will comply with the Reelfoot Regional Association of REALTORS® Code of Conduct.

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_

# RRAR Conflict of Interest Policy

The following is the Conflict of Interest Policy of the Reelfoot Regional Association of REALTORS®, Inc. henceforth referred to as the "Association." The purpose of this policy is to protect the Association's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Association, or might result in a possible excess benefit transaction. This policy is intended to supplement, not replace, any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

## Policy 1 – Conflict of Interest

### Definitions

- a. Interested Person: Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
- b. Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment or family:
  1. An ownership or investment interest in any entity with which the Association has a transaction or arrangement,
  2. A compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement, or
  3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Association is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not substantial.

A financial interest is not necessarily a conflict of interest. Under Section B, b, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

### Procedures

- a. Duty to Disclose: In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.
- b. Determining Whether a Conflict of Interest Exists: After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.
- c. Procedures for Addressing the Conflict of Interest:
  1. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and subsequent vote on, the transaction or arrangement involving the possible conflict of interest.
  2. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  3. After exercising due diligence, the governing board or committee shall determine whether the Association can obtain with reasonable efforts a more advantageous

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transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors or committee members whether the transaction or arrangement is in the Association's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

d. Violations of the Conflict of Interest Policy:

1. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

(C) Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

(D) Compensation

a. A voting member of the governing board who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

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## (E) Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and

## (F) Periodic Reviews

To ensure the Association operates in a manner consistent with its purposes, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Association's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further its purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

## (G) Use of Outside Experts

When conducting periodic reviews as provided for in Section F, the Association may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

## **Policy 2 – Nepotism**

The Association strictly prohibits nepotism. No Association director, member or employee shall hire, advocate the hiring of, or cause to be hired or employed in any capacity, any blood or marital relative.

### (A) Definitions

- a. Nepotism: The hiring and/or showing of favoritism toward relatives.
- b. Employed in Any Capacity: Any financially compensated post or work of any type.
- c. Relative: Any person who is related within the fourth degree, either by consanguinity or by affinity. Specifically, this shall mean an individual who is related as father, mother, son, daughter, brother, sister, uncle, aunt, first cousin, nephew, niece, husband, wife, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, step-father, step-mother, step-son, step-daughter, step-brother, step-sister, half-brother or half-sister and include persons related by adoption or birth.

### (B) Procedure

- a. Any director, member or employee who believes that this policy has been violated in any manner shall notify the Chief Staff Executive and the Board of Directors. Upon notification, the situation shall be entered under new business at the next meeting of the Board of Directors.
- b. If the policy has been violated, the person hired in violation of the policy shall be terminated immediately. If the hiring person or the proposed hiring of a person would violate this policy, then a two-thirds vote of the Board of Directors will decide whether such person may be employed.

This policy shall not apply retroactively and shall take effect upon approval of the Board of Directors.



# RRAR Antitrust Policy

## Introduction

The Reelfoot Regional Association of REALTORS® is a not-for-profit organization. The Association is not organized for the purpose of, and may not play any role in, the competitive decisions of its members, nor in any way restrict competition among members or potential members. Rather it serves as a forum for a free and open discussion of diverse opinions without in any way attempting to encourage or sanction any particular business practice.

The Association provides a forum for exchange of ideas in a variety of settings including its annual meeting, educational programs, committee meetings, and Board meetings. The Board of Directors recognizes the possibility that the Association and its activities could be viewed by some as an opportunity for anti-competitive conduct. Therefore, this statement supports the policy of competition served by the antitrust laws and to communicate the Association's uncompromising policy to comply strictly in all respects with those laws.

While recognizing the importance of the principle of competition served by the antitrust laws, the Association also recognizes the severity of the potential penalties that might be imposed on not only the Association but its members as well in the event that certain conduct is found to violate the antitrust laws. Should the Association or its members be involved in any violation of federal/state antitrust laws, such violation can involve both civil and criminal penalties that may include imprisonment for up to 3 years as well as fines up to \$350,000 for individuals and up to \$10,000,000 for the Association plus attorney fees. In addition, damage claims awarded to private parties in a civil suit are tripled for antitrust violations. Given the severity of such penalties, the Board intends to take all necessary and proper measures to ensure that violations of the antitrust laws do not occur.

## Policy

To ensure that the Association and its members comply with antitrust laws, the following principles will be observed:

- The Association or any committee, section, chapter, or activity of the Association shall not be used for the purpose of bringing about or attempting to bring about any understanding or agreement, written or oral, formal or informal, expressed or implied, among two or more members or other competitors with regard to prices or terms and conditions of contracts for services or products. Therefore, discussions and exchanges of information about such topics will not be permitted at Association meetings or other activities.
- There will be no discussions discouraging or withholding patronage or services from, or encouraging exclusive dealing with any supplier or purchaser or group of suppliers or purchasers of products or services, any actual or potential competitor or group of actual potential competitors, or any private or governmental entity.
- There will be no discussions about allocating or dividing geographic or service markets or customers.

# RRAR Antitrust Policy

- There will be no discussions about restricting, limiting, prohibiting, or sanctioning advertising or solicitation that is not false, misleading, deceptive, or directly competitive with Association products or services.
- There will be no discussions about discouraging entry into or competition in any segment of the marketplace.
- There will be no discussions about whether the practices of any member, actual or potential competitor, or other person are unethical or anti-competitive, unless the discussions or complaints follow the prescribed due process provisions of the Association's bylaws.
- Certain activities of the Association and its members are deemed protected from antitrust laws under the First Amendment right to petition government. The antitrust exemption for these activities, referred to as the Noerr-Pennington Doctrine, protects ethical and proper actions or discussions by members designed to influence: 1) legislation at the national, state, or local level; 2) regulatory or policy-making activities (as opposed to commercial activities) of a governmental body; or 3) decisions of judicial bodies. However, the exemption does not protect actions designed to cover-up anticompetitive conduct.
- Speakers at committees, educational meetings, or other business meetings of the Association shall be informed that they must comply with the Association's antitrust policy in the preparation and the presentation of their remarks. Meetings will follow a written agenda approved in advance by the Association or its legal counsel.
- Meetings will follow a written agenda. Minutes will be prepared after the meeting to provide a concise summary of important matters discussed and actions taken or conclusions reached.



# RRAR Antitrust Policy

At informal discussions at the site of any Association meeting, all participants are expected to observe the same standards of personal conduct as are required of the Association in its compliance.

It is recommended that Association Board members read, date and retain a copy of this statement for their personal files.

**ADOPTED:** \_\_\_\_\_

_____	_____
_____	_____
_____	_____
_____	_____





# CONFIDENTIALITY AGREEMENT

## Reelfoot Regional Association of REALTORS®, Inc. Board of Directors

This Confidentiality Agreement is entered into between all members of the Board of Directors on \_\_\_\_\_.

The parties hereto will engage in discussions and, in some cases, make policy decisions concerning the financial position of the Association, members' accounts, members' files, future plans of the Association, Professional Standards Hearings Findings, and other confidential and sensitive formation. In order to make prudent decisions that serve the best interest of the Association, and to intelligently consider all options in making these recommendations, the parties must discuss and evaluate confidential, sensitive, and proprietary information. ("Confidential Information").

Each member of Board of Directors agrees to the following:

1. "Confidential Information" as used herein, shall mean all information, documentation, concepts, data membership lists, bank records, financial records, findings from Professional Standards hearings, marketing analysis, financial projections products, services, processes, software, trade secrets and devices disclosed or made available by any of the parties hereto to any of the other parties, including without limitation, the existence of discussions concerning the possibility of additional mergers, consolidation, sales of assets, etc..
2. The parties acknowledge and agree that the Confidential Information is proprietary and may include information that disclosure of or unauthorized use of this information may cause irreparable harm to member or the Association.
3. **Once an issue has been discussed and a final decision has been made by a majority of the Officers and Directors, all members of the Board of Directors agree to abide by and support the decision.**
4. The only persons with whom the parties hereto may share the Confidential Information are other Officers and Directors of the Association Board of Directors, Chief Executive Officer, Association Accountant, and CPA's and Attorneys for the Association.
5. No rights or licenses, express or implied, are hereby granted to the parties hereto by any of the other parties under any patents, copyrights, or trade secrets as a result of or related to this Agreement.



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## Reelfoot Regional Association of REALTORS®, Inc. Board of Directors

6. The restrictions and obligations of this Agreement shall survive any termination, cancellation, or expiration of this Agreement, and shall continue to bind the parties hereto and their successors and assigns.
  
7. This Agreement may be executed in any number of counterparts, all of which together shall be an original.

We the undersigned members of the Board of Directors of the Reelfoot Regional Association of REALTORS® Inc., agree to be bound by the confidentiality terms of the foregoing Confidentiality Agreement.

\_\_\_\_\_  
President

\_\_\_\_\_  
Director

\_\_\_\_\_  
President-elect

\_\_\_\_\_  
Director

\_\_\_\_\_  
Secretary/Treasurer

\_\_\_\_\_  
Director

\_\_\_\_\_  
Immediate Past President

\_\_\_\_\_  
MLS Director

# RRAR Harassment Policy

Harassment is illegal conduct and is contrary to the policy of the association.

## Definitions:

As used in association policy, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment.

## Policy 1 – Complaint Procedure

Any employee who believes that he/she had suffered harassment by any other member of the association must bring the problem to the attention of the President or Association Executive. The complaint does not have to be in writing, however, it is helpful if details of dates, times, places and witnesses, if any, to the harassment alleged can be provided.

All complaints will be investigated promptly and with the strictest confidentiality by an investigatory team comprised of the President, President-Elect, and one (1) member of the Board of Directors selected by the highest ranking officer not named in the complaint after consultation with legal counsel for the association. If the complaint involves the President, President-Elect and/or Vice President, they shall be replaced on the investigatory team by the immediate Past President or alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

Both the complainant and the accused will be provided a full opportunity to present their cases. Witness's interview will be provided only such information as is necessary to elicit from them their observations and other relevant information.

Disciplinary action against a member found to have harassed an association employee may include verbal or written warning, probation, suspension or expulsion depending on the gravity of the incident. Prior incidents of similar behavior shall be taken into consideration when determining the appropriate disciplinary action. Such decision shall be made by the investigatory team.

Clear, strong and convincing shall be the standard of proof by which alleged allegations of harassment are determined. Clear, strong and convincing shall be defined as that measure or degree of proof which will produce a firm belief as to the validity of the allegations sought to be established.

It is contrary to the policy of the association for a member to retaliate against any employee who files a charge of harassment. All possible steps will be taken to eliminate the possibility of retaliation resulting from the filing of a complaint.

In the event a complaint of harassment is found to be totally and completely without basis, appropriate disciplinary measures may be taken against the employee who brought the complaint. While this is no way to intend to discourage employees who believe they have been the victim of harassment from bringing a complaint, the association recognizes that a charge of harassment can cause serious damage to the personal reputation and professional career of the accused.

# RRAR Harassment Policy

## Policy 2 – Complaint Investigation and Confidentiality

All complaints will be investigated promptly by the Executive Committee and Association Attorney. The identity of the employee or member making the complaint as well as the identity of the individual accused of harassment will be kept strictly confidential. Information regarding the charge of harassment and the investigation of that charge will not be made known to anyone who is not directly involved either as a party, a witness, or a member of the investigatory team. Witnesses interviewed will be provided only such information as is necessary to elicit from their observations and other relevant information.

During the investigation both the complainant and the accused will be provided a full opportunity to tell their side of the story. Witnesses identified by the complainant or the accused will also be interviewed. Upon completion of the investigation, the investigatory team will prepare a written report of its findings and recommendations for the Board of Directors. Authority for the final Resolution of all charges and the determination of appropriate sanctions rests with the Board of Directors.

## Policy 3 – Discipline

Harassment is a serious offence. It is contrary to Association policy for a member to retaliate against any individual who files a charge of harassment. All possible steps will be taken to eliminate the possibility of retaliation resulting from the filing of a complaint.

In the event a complaint of harassment is found to be totally and completely without basis, appropriate disciplinary measures may be taken against the individual who brought the complaint. While this is in no way intended to discourage and individual who believes they have been the victim of harassment from bringing a complaint, the Association recognizes that a charge of harassment can cause serious damage to the accused's personal reputation and professional career.

# RRAR Whistleblower Protection Policy

If any employee or member reasonably believes that some policy, practice, or activity of the Reelfoot Regional Association of Realtors® Inc. is in violation of law, a written complaint must be filed by that employee or member with the Association Executive or the President. If the employee or member believes in good faith that the Association Executive or President is involved in or aware of such policy, practice or activity, the written complaint may be filed with the General Counsel, President-Elect or Treasurer.

It is the intent of the Reelfoot Regional Association of Realtors® Inc. to adhere to all laws and regulations that apply to the organization and the underlying purpose of this policy is to support the Association's goal of legal compliance. The support of all employees and members is necessary to achieving compliance with various laws and regulations. An employee is protected from retaliation if the employee brings the alleged unlawful activity, policy, or practice to the attention of the Reelfoot Regional Association of Realtors® Inc., and provides the Reelfoot Regional Association of Realtors® Inc. with a reasonable opportunity to investigate and correct the alleged unlawful activity.

The protection described below is only available to employees that comply with this requirement. The Reelfoot Regional Association of Realtors® Inc. will not retaliate against an employee or member who in good faith, has made a protest or raised a complaint against some practice of Reelfoot Regional Association of Realtors® Inc., or of another individual or entity with whom Reelfoot Regional Association of Realtors® Inc. has a business relationship, on the basis of a reasonable belief that the practice is in violation of law, or a clear mandate of public policy.

The Reelfoot Regional Association of Realtors® Inc. will not retaliate against employees or members who disclose or threaten to disclose to a supervisor, law enforcement agency or other governmental agency, any activity, policy, or practice of the Reelfoot Regional Association of Realtors® Inc. that the employee reasonably believes is in violation of a law, or a rule, or regulation mandated pursuant to law or is in violation of a clear mandate or public policy.