

Lexington Arts and Crafts Society, Inc.

Whistleblower Protection Policy

Adopted by LexArt Board of Directors, March 23, 2019

- 1. Purpose.** The Lexington Arts & Crafts Society (“LexArt”) requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the LexArt, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations. This Whistleblower Protection Policy is intended to encourage and enable employees, members, volunteers and others to raise serious concerns internally so that LexArt can address and correct inappropriate conduct and actions.
- 2. Reporting Responsibility.** It is the responsibility of all board members, officers, employees and volunteers to report concerns about violations of ethical standards or suspected violations of law or regulations that govern LexArt’s operations.
- 3. No Retaliation.** It is contrary to the values of LexArt for anyone to retaliate against any board member, officer, employee, member or volunteer who in good faith reports an ethics violation, or a suspected violation of law, such as a complaint of discrimination, or suspected fraud, or suspected violation of any regulation governing the operations of LexArt. An employee or member who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment or membership.
- 4. How to Report.** A person concerned about a possible ethics violation, or a suspected violation of law, such as a complaint of discrimination, or suspected fraud, or suspected violation of any regulation may report the concerns orally or in writing to the person’s supervisor (if applicable) or to the President or Vice President of the LexArt Board of Directors. All LexArt directors, officers and employees are required to report complaints or concerns about suspected ethical and legal violations in writing to the LexArt’s President, or in the alternative, Vice President, who has the responsibility to investigate all reported complaints. Employees with concerns or complaints may also submit their concerns in writing directly to the President or Vice President.
- 5. Investigation, Corrective Action, and Findings.** The LexArt President or Vice President (the “Investigating Officer”) is responsible for ensuring that all complaints about unethical or illegal conduct are investigated and resolved. All relevant matters, including suspected but unproved matters, will be promptly reviewed and analyzed, with documentation of the receipt, retention, investigation, and treatment of the complaint. Investigations may be conducted by independent persons such as auditors and/or attorneys. Investigators will endeavor to maintain appropriate confidentiality, but confidentiality is not guaranteed. The Investigating Officer will advise the Board of Directors of all complaints and their resolution and will report at least annually to the Board of Directors on compliance activity relating to accounting or alleged financial improprieties. Appropriate corrective action will be taken, if warranted by the investigation. Findings may be communicated to the reporting person and his or her supervisor, if appropriate.

- 6. Accounting and Auditing Matters.** The Investigating Officer must immediately notify the Investments, Finance & Audit Committee of any concerns or complaint regarding corporate accounting practices, internal controls or auditing and work with the committee until the matter is resolved.
- 7. Acting in Good Faith.** Anyone filing a written complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. This protection from retaliation is not intended to prohibit supervisors from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.
- 8. Confidentiality and Anonymity.** Violations or suspected violations may be submitted on a confidential basis by the reporting person. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. To facilitate reporting of suspected violations where the reporting person wishes to remain anonymous, violations or suspected violations may also be submitted anonymously. Anyone reporting anonymously should, however, understand that anonymity may in some circumstances limit LexArt's ability to investigate.