

CODE OF ETHICS POLICY OF TRAVERSE CITY TRACK CLUB, INC.

a Michigan nonprofit corporation

This Code of Ethics sets forth standards of behavior for Board Members of Traverse City Track Club. It is intended to assist them in fulfilling their duties under the law.

1. Be Informed.

Board Members owe the nonprofit Corporation they serve a duty of care. The duty of care requires them to exercise their authority to make decisions for the Corporation with the prudence that an ordinary person would exercise. To be able to fulfill this fiduciary duty of care, it is necessary that the Board Member be well informed about the organization, its mission, its operations and the transactions in which it proposes to engage.

The Board Member shall require financial reports and information adequate for the Board Member to understand the assets, liabilities, revenues, and expenses of the Corporation. The information should be adequate to allow the Board Member to make informed and prudent decisions about the budget, the operations and balancing the short term and long term needs of the Corporation.

2. Participate.

Each Board Member must regularly attend and participate in the Board meetings. It is not possible to satisfy the duty of care without doing so. In addition, the Board must meet regularly. If the Board is not meeting regularly, it is incumbent upon the Board Members to request such meetings.

3. Use independent judgment.

As a Board Member votes on matters before the board, the Board Member must exercise independent judgment on the matter at hand. The Board Member may seek advice and input from consultants and other Board Members; however, ultimately the Board Member must decide independently based upon their understanding of the situation. A Board Member should not vote yes or no merely because someone else is doing so. A Board Member should not “rubber stamp” the recommendations of others. A Board Member should not vote on something they do not understand.

4. Act in best interests of the Corporation.

A Board Member also has a duty of loyalty to the Corporation, i.e., the Board Member must act in the best interests of the Corporation and not their own personal interest or even the interest of some third party.

5. Disclose conflicts.

Because a Board Member must act in the best interest of the Corporation, it is necessary that the Board Member disclose any facts that may cause the Board Member to be unable or appear to be unable to fully fulfill their duty of loyalty. As circumstances arise, the Board Member should disclose any actual or potential conflict when the Board (or committee) considers a transaction. The Board Members should be certain that the procedure designed to deal with any such transaction is fully implemented each time a conflict arises.

6. Recuse.

After disclosing an actual or potential conflict of interest, the Board Member should leave the room while the matter is discussed and should not vote on the matter. Notwithstanding the fact that some state laws allow the conflicted Board Member to be considered for purposes of ascertaining a quorum, the better practice is to assure that a quorum consisting of unconflicted Board Members is available. The conflicted Board Member should not attempt to influence the decision in any way, but may provide information requested by the Board.

7. Maintain confidences.

A Board Member will frequently receive confidential information about the Corporation. The Board Member is obligated to keep such information confidential. The Board Member should not be discussing such information with non-Board Members unless specifically instructed by the Board to do so. The Board Member should be alert to circumstances where confidentiality obligations may create a conflict. For example, a Board Member employed by a body that funds the Corporation on whose Board the Board Member serves may not share with their employer confidential information about the Corporation.

8. Support the Corporation.

The Board Member should support the Corporation they serve. The support should include public support of the mission of the organization.