



## **AMERICAN WAGYU ASSOCIATION BOARD GOVERNANCE AND CONDUCT POLICY**

Adopted January 23<sup>rd</sup> 2013

The American Wagyu Association, "AWA", Board of Directors, "Board", has adopted the following policy for the governance and conduct of the Board and members of the Board of AWA, "Directors". This policy is focused on ensuring an environment exists for the Directors to conduct affairs of the AWA in a reputable and fair manner, with a goal of supporting the AWA mission.

### **A. BOARD RESPONSIBILITIES**

The general duties for the Board are to enforce the AWA's governing documents, oversee the management of the AWA's financial resources, and to fulfill the mission of the AWA, primarily ensuring the integrity of the Wagyu breed. To fulfill that responsibility, the Board shall:

- Review, maintain and obtain member approval of appropriate bylaws that promote and protect the interests of the AWA
- Recognize its primary role and work is long range and strategic
- Keep full and accurate records of its meetings and committees, and communicate decisions to the full membership, while keeping Board deliberations confidential
- Ensure all of the AWA's Directors are actively involved in the work of the Board and its committees
- Engage proactively with the Executive Director and the elected President of the AWA to cultivate and maintain good relations with the AWA membership and parties related to the AWA
- Be accountable for the oversight of the AWA's financial management and financial reports
- Create a conflict-of-interest policy that is reviewed with and signed by each individual Director



## **B. DIRECTOR RESPONSIBILITIES**

The general duties for each individual Director are to:

- Actively support and promote the AWA's mission and policy positions
- Stay informed of AWA operations and issues by regularly attending, and reviewing in advance materials prepared for, Board meetings
- Focus on long range and strategic issues
- Recognize that authority is vested in the Board as a whole, not as individual Directors
- Accept and support Board decisions. Once a decision has been made, the Board speaks with one voice
- Keep all Board discussions and deliberations confidential
- Make reasonable inquiry before responding to member inquiries
- Guard against conflicts of interest, personal and business related

Some of these responsibilities are covered in additional detail below.

## **C. AWA BOARD OF DIRECTORS CODE OF CONDUCT**

### **1. Focus on long range and strategic issues**

Directors shall not become directly involved in management of specific issues unless directed to do so by the Executive Director or President.

- a. The President shall serve as liaison between the Board and the AWA management and provide direction on day to day matters.
- b. Except for the President, Directors may not give direction to the Executive Director, employees, or vendors.

### **2. Authority is vested in the Board as a whole**

A Director who learns of an issue of importance to the AWA has the obligation to bring it to the Executive Director or President and must refrain from responding to the situation individually. Directors are encouraged to discuss AWA matters with members and stay informed of the membership needs and concerns as a valuable aspect of contributing to the governance of the association.



### **3. Accept and support Board decisions**

Once a decision has been made the Board speaks with one voice and Directors shall act in accordance with Board decisions. Although they may disagree with the opinions of others on the Board, they should respect their fellow Directors and support the Board position. Accordingly, Directors must focus on issues and refrain from personalizing the topics, conducting themselves with courtesy toward each other and toward the employees, vendors and members of the AWA.

### **4. Keep Board deliberations confidential**

Directors are responsible for maintaining confidentiality of Board discussions and deliberations and of the AWA's confidential information. Directors shall not use confidential information for the benefit of themselves or their business. Except when disclosure is duly authorized or legally mandated, no Director may disclose confidential information. Confidential information includes, but is not limited to:

- Discussions and deliberations of Directors that occur during Board meetings and between Directors outside of Board meetings when discussing Board activities
- Any information related to members of the AWA, including individual member activities with the AWA and AWA staff
- Any information provided to the Board or to the AWA under an agreement of confidentiality
- Legal disputes in which the association is involved or has been notified confidentially. Directors may not discuss such matters with persons not on the Board without the prior approval of the AWA's legal counsel. Failure to follow these restrictions could constitute a breach of the attorney-client privilege and a loss of confidentiality for the disclosed information.

### **5. Directors' interaction with member inquiries**

To ensure efficient management operations, avoid conflicting instructions from the Board to the AWA's management and avoid potential liability, Directors shall observe the following guidelines:



- a. If Directors are contacted by members with complaints, the members shall be instructed to contact the Executive Director, the President or the Board as a whole.
- b. No Director may threaten or retaliate against a member who brings information in good faith to the Board regarding any matter.

**D. ACKNOWLEDGMENT**

I acknowledge that I have received and read AWA's board governance and conduct policy and have had the opportunity to ask questions about such policy. I understand my obligations as a Director under this policy and will act in accordance with my obligations.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_



**CONFLICT OF INTEREST POLICY**  
**BOARD OF DIRECTORS OF THE AMERICAN WAGYU ASSOCIATION**

A conflict of Interest occurs when members of the Board of Directors (the “Directors”) of the American Wagyu Association (“AWA” or “Association”) make decisions that materially benefit themselves, their business, or related parties, at the expense of the Association or in a preferential manner not afforded to all members of the Association. Benefits include money, privileges, special benefits, gifts or other items of value. Accordingly, to avoid all Conflicts of Interest, no Director may:

- Solicit or receive any compensation from the Association for serving as a Director
- Make promises to vendors unless with prior approval from the Board of Directors (the “Board”)
- Solicit or receive, any gift, gratuity, favor, entertainment, loan, or any other thing of value for themselves, business related to them, or their relatives from a person or company who has or is seeking a business or financial relationship with the Association
- Seek preferential treatment for themselves, businesses or related parties. This includes making business inquiries open to all Association members on a fair and equitable basis that are sent to the Association or to individual Directors in an official Director capacity.
- Use Association property, services, equipment or business for the gain or benefit of themselves, business related to them, or their relatives, except as is provided for all members of the Association.

**WHEN CONFLICTS ARISE**

Situations may arise that are not expressly covered by this policy or where the proper course of action is unclear. Directors should immediately raise such situations with the Board or Board President. If appropriate, the Board will seek guidance from the association’s legal counsel.



1. Disclosure & Recusal. Directors must immediately disclose the existence of any conflict of interest, whether their own or others. Directors must withdraw from participation in decisions in that in which they have a unique have a material interest. This does not apply to AWA matters that affect the membership at large.

2. Violations of Policy. Directors who violate the Association's conflict of interest policy are deemed to be acting outside the course and scope of their authority. Anyone in violation of this policy may be subject to immediate disciplinary action, including, but not limited to:

- censure,
- removal from committees,
- removal as an officer of the Board,
- request for resignation from the Board,
- recall by the membership, and
- legal proceedings.

Prior to taking any of the actions described above, the Board shall rely on the Ethics Committee to investigate the violation. The Ethics Committee will consist of the current President and the three prior Presidents. If the investigation involves the President, the 1<sup>st</sup> Vice President shall serve in lieu of the President on the Ethics Committee. The Ethics Committee shall review the evidence of violation, endeavor to meet with the Director believed to be in violation, confer with the Association's legal counsel, and present its findings and recommendations to the full Board for appropriate action. The Board shall endeavor to meet with the Director in executive session prior to imposing disciplinary action against that person.

#### **D. ACKNOWLEDGMENT**

I acknowledge that I have received and read the Association's conflict of interest policy and have had the opportunity to ask questions about the policy. I understand my obligations as a Director under such policy and will act in accordance with my obligations.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_