



Reliable Enterprises Board of Directors Code of Ethics

Article I.

A director has a duty of good faith, a duty of care and a duty of loyalty to Reliable Enterprises. This means that:

A. A director owes allegiance to Reliable Enterprises (over their own interests) and must act in the best interest of the corporation while acting in his or her official capacity.

B. A director should be diligent to ensure that Reliable Enterprises interests is pursued during the meetings of the board of directors.

C. A director may not use the position for personal profit, gain, or other personal advantage for themselves over Reliable Enterprises, or over other board members, employees, or consumers of Reliable Enterprises.

D. A director can be held personally liable for fraud or breach of fiduciary duty for the board member's conduct in completing Reliable Enterprises affairs.

E. A director who does not have a conflict or interest or a breach of fiduciary duty, and who acts in good faith in carefully considering and researching the options, and acts for the best interests of Reliable Enterprises, will not be held liable for his or her actions as a board member to Reliable Enterprises. To carry out this duty, these are some guiding rules to follow:

1. A director should not discuss personal business during a meeting of the board of directors nor advance his or her personal interests while in official capacity at the expense of Reliable Enterprises.

2. A director should not make personal attacks on other directors or staff while performing official duties. Disagreements should be directed to the issue, not the person who raises the opposing point.

3. A director can not and must not accept commissions or rebates that belong to Reliable Enterprises for his or her personal gain.

Article II.

A director has a duty to use care, skill, and diligence when carrying out official acts. This means that:

A. A director is required to act honestly and in good faith, in a manner reasonably believed to be in the best interests of Reliable Enterprises, and with the care that a prudent person in a similar position would use under similar circumstances.

B. A director should seek the advice of experts when making decisions on behalf of Reliable Enterprises in areas of competence in which the director has not been trained.

C. A director must serve the interests of the entire Reliable Enterprises organization impartially and without bias.

D. A director must advocate that Reliable Enterprises comply with applicable laws, contracts, and agreements to which Reliable Enterprises is bound.

E. To carry out this duty, here are some guiding rules to follow:

1. A director is expected to make a diligent effort to become familiar with developmental disabilities, and the Federal Head Start program.

2. A director is expected to obtain a working knowledge of policies and rules that pertain to working with developmentally disabled adults and Federal Grant programs.

3. A director is entitled to rely upon information and reports presented by management or other employees whom the director reasonably believes to be reliable and competent.

F. A director is entitled to rely upon legal opinions, financial statements, and information relating to matters that the director reasonably believes to be the expertise of the person preparing the information.

Article III.

A director has the ability to act within the boundaries of his or her authority.

A. The authority of a board of directors is defined in the Articles of Incorporation and bylaws of Reliable Enterprises.

B. A director's authority is limited to those acts that are transacted during the duly called meeting of the board of directors with a quorum present.

C. A director may not act in an official capacity except in the context of a meeting of the board of directors unless specifically empowered to act by a majority of directors present and voting in the affirmative at a duly called meeting.

D. A director serving in an official capacity may not violate government laws that affect the operation of Reliable Enterprises.

E. A director serving in an official capacity may not violate Reliable Enterprises Articles and bylaws.

F. To carry out this duty, here are some guidelines to follow:

1. The Article of Incorporation received from the state defines the business operations that Reliable Enterprises can conduct. Its bylaws describe how the board of directors for Reliable Enterprises is operated.

2. The board of directors is obligated to comply with the bylaws of Reliable Enterprises.

Article IV.

A. A director has a duty to disclose every personal conflict of interest to the board of directors.

B. A director is required to make a prompt and full disclosure of any material interest, either direct or indirect, he or she may have in a transaction to which Reliable Enterprises is a party.

C. A director shall not vote on or participate in discussions or deliberations on a topic when a conflict is deemed to exist other than to present information and to respond to questions presented.

D. A director shall be assured that the minutes properly record his or her abstention on votes on matters for which a conflict may exist.

E. To carry out this duty, here are some guiding rules to follow:

1. A director who has disclosed a conflict should request that the disclosure be recorded in the official minutes of the meeting.

Article V.

A. A director may not divulge or profit from the confidential information learned from performing official Reliable Enterprises duties.

B. A director may not divulge or otherwise use for personal gain any personal information learned during the performance of official duties as a director.

C. A director must hold confidential all matter involving Reliable Enterprises unless there has been general disclosure of that information.

D. A director shall not have access to personal files and financial records of consumers without the consent of that consumer. The reference to consumers is referring to clients with disabilities rather than customers purchasing services from Reliable Enterprises.

E. To carry out this duty, here are some guiding rules to follow:

- 1.** A director must use special care to protect consumer information and prevent this information from being read by unauthorized persons.
- 2.** A director must not reveal confidential bidding information.
- 3.** A director may not use information learned about a consumer or employee at an official meeting as a topic of conversation with other employees or consumers.
- 4.** A director does not have the authority to peruse files that contain private information about employees and consumers.
- 5.** A director has a duty to protect the confidentiality of information learned during an applicant screening process.

Article VI.

A. A director has a duty to participate in the operations of Reliable Enterprises as authorized in the bylaws or by the full board of directors.

B. A directors primary obligation is to participate in the governance and policy making process of Reliable Enterprises and not in its operations.

C. A director should not interfere with the operations of Reliable Enterprises except during an official meeting of the board of directors.

D. To carry out this duty, here are some guiding rules to follow:

- 1.** An individual director is not empowered to provide day-to-day working directions to staff unless clearly authorized to do so during a meeting of the entire board of directors.
- 2.** An individual director does not have the authority to waive compliance with the policies of the board of directors.

Article VII.

A. A Director should not accept: Gifts, Gratuities, Money, Personal Fundraising, Personal Property, Witnessing of Documents, and Entertainment from any individual or entity that:

- 1.** Does or is seeking to do business with, or is a competitor of Reliable Enterprises; or
- 2.** Has received, is receiving, or is seeking to receive a loan or grant, or to secure other financial commitments from Reliable Enterprises;
- 3.** Is a charitable organization;

Under circumstances where it might be inferred that such action was intended to influence or possibly would influence a board member in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value that are not related to any particular transaction or activity of Reliable Enterprises.

Disciplinary Action

In the event that one or more of the above referenced articles appears to have been violated, the following disciplinary policy will be used to correct the situation.

It is the policy of Reliable Enterprises that all board members are expected to comply with the Company's standards of behavior and performance and that any noncompliance with these standards must be corrected.

1. Under normal circumstances, Reliable Enterprises endorses a policy of progressive discipline in which it attempts to provide board members with notice of deficiencies and an opportunity to improve. The board does, however, retain the right to administer discipline in any manner it sees fit and in no way restricts the board's right to bypass the disciplinary procedures suggested.
2. The normal application of progressive discipline should be:
 - a. If a board member is not meeting Reliable Enterprises standards of behavior, the Board should take the following action:
 - (i) Meet with the board member to discuss the matter;
 - (ii) Inform the board member of the nature of the problem and the action necessary to correct it; and
 - (iii) Prepare a memorandum for inclusion in the board meeting minutes.
 - b. If there is a second occurrence, the board should hold another meeting with the board member and take the following action:
 - (i) Issue a written reprimand to the board member;
 - (ii) Warn the board member that a third incident will result in vote to remove the board member from the board.