

## **Art21's Policy for Reporting and Addressing Wrongful Conduct**

**Adopted: December 10, 2018**

**Revision History:** None – initial issuance

### **I. Introduction and Purpose**

Art21 expects its directors, officers, employees, and volunteers who provide substantial services to Art21 (collectively, “Art21 Stakeholders”) to observe high standards of business and personal ethics, practice honesty and integrity, and comply with all applicable laws and regulations in fulfilling their Art21 responsibilities.

This policy (the “Policy”) sets forth procedures for reporting and addressing Wrongful Conduct, as defined in Section II below, including procedures for preserving the confidentiality of reported information. The Policy is designed, among other things, to comply and facilitate compliance with Section 715-b of the New York Not-For-Profit Corporation Law (“NPC”).

### **II. Wrongful Conduct**

“Wrongful Conduct” as referred to in this Policy includes conduct that is illegal, fraudulent or in material violation of any adopted Art21 policy, such as a violation of applicable state and federal law, or the use of Art21 property, resources, or authority for personal gain or other purpose inconsistent with Art21 policy or Art21’s interests.

Wrongful Conduct is not intended to be construed narrowly, but rather encompasses any impropriety that may have a material adverse consequence for Art21’s legal standing, operations, or reputation.

### **III. Reporting Wrongful Conduct**

It is the responsibility of all Art21 Stakeholders to report actual or suspected Wrongful Conduct in accordance with this Policy.

An Art21 employee generally should report actual or suspected Wrongful Conduct in the first instance to the employee’s immediate supervisor, who typically is in the best position to address an area of concern. However, if the employee is not comfortable speaking with a supervisor or is not satisfied with the supervisor’s response, or the supervisor is a subject of the reported matter, the employee should escalate the matter within the organization as needed.

An Art21 supervisor or manager who receives or is making a report of actual or suspected Wrongful Conduct should provide the report to the Executive Director or the chairperson of the Board of Trustees, unless the person who would receive the report is a subject of the report. If the reporting individual is not comfortable speaking with or not satisfied with response of the Executive Director or the chairperson of the Board of

Trustees, the issue may be reported to any member of the Board of Trustees who is not the subject of the reported matter.

The Executive Director, chairperson of the Board of Trustees, any member of the Board of Trustees, and any other Art21 Stakeholder to whom a report of Wrongful Conduct is made is required as soon as practicable to provide the report (or confirm that the report is being provided) to the Policy Administrator, as defined and identified in Section VII below.

An Art21 Stakeholder who has a concern as to whether a matter may constitute Wrongful Conduct should discuss that concern with one of the persons in the organization referred to the preceding paragraph, to ensure that the concern can be addressed properly.

Art21 also encourages vendors or other external parties that interact with Art21 representatives to report actual or suspected Wrongful Conduct to the Executive Director, chairperson of the Board of Trustees, or any appropriate Art21 Stakeholder, so that the matter may be addressed in accordance with this Policy.

#### **IV. No Retaliation**

No Art21 Stakeholder or external party who in good faith reports any actual or suspected Wrongful Conduct shall suffer intimidation, harassment, discrimination or other retaliation or, in the case of employees, adverse employment consequence. Any Art21 director, officer, or employee who retaliates against anyone who has reported Wrongful Conduct in good faith is subject to discipline up to and including termination of employment or removal from the Board, as applicable. This Policy is intended to encourage and enable employees and others to raise instances of actual or suspected Wrongful Conduct in good faith in accordance with the procedures described in this Policy.<sup>1</sup>

#### **V. Confidentiality**

Reports of Wrongful Conduct or suspected Wrongful Conduct may be submitted on a confidential basis or may be submitted anonymously. Art21 representatives who receive or are involved in investigating reports of actual or suspected Wrongful Conduct will keep the reports and the identity of the reporting person confidential to the extent possible, consistent with the need to conduct an adequate investigation.

#### **VI. Administration of the Policy; Handling of Reports**

An Art21 employee, officer or director shall be designated to administer the Policy (the "Policy Administrator").

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<sup>1</sup> Any report of Wrongful Conduct that is not made in good faith, and that proves to be unsubstantiated and to have been made maliciously or with knowledge of its falsity will be viewed as a serious offense subject to disciplinary action.

Upon receiving a report of actual or suspected Wrongful Conduct from the Executive Director, chairperson of the Board of Trustees, any other Art21 Stakeholder, or otherwise, the Policy Administrator shall, with such promptness as appropriate and practicable 1) notify the sender and acknowledge receipt of the report, unless such report was submitted anonymously; 2) investigate and, if warranted by the investigation, recommend, appropriate corrective or other appropriate action; and 3) apprise, and provide the report of actual or suspected Wrongful Conduct and the results of any investigation of it to the full Board (or an authorized committee thereof), which shall then determine and cause to be implemented the recommended corrective or other appropriate action.

Notwithstanding any other provision of this Section or of this Policy, 1) Board members who are employees may not participate in any Board or committee deliberations or voting relating to administration of the Policy and 2) the person who is the subject of a report of actual or suspected Wrongful Conduct may not be present at or participate in any Board or committee deliberations or vote on the matter relating to such report, provided that nothing in this subparagraph shall prohibit the Board or committee from requesting that the person who is a subject of the report present information as background or answer questions at a Board or committee meeting prior to the commencement of deliberations or voting relating thereto.

The Art21 Board at this time has designated the Board's Executive Committee as the recipient of reports of actual or suspected Wrongful Conduct and the results of any investigation of them, and as the body that determines and causes to be implemented corrective or other appropriate action. Currently, Jess Fardella is the Policy Administrator.

The Executive Committee shall inform the full Board of all such matters with reasonable promptness. The Executive Committee also may refer deliberations and determination of corrective or other appropriate action to the full Board.

## **VII. Distribution of the Policy**

This Policy shall be distributed to all Art21 Stakeholders by posting the Policy in a conspicuous and accessible location on the Art21 website.

## **VIII. Miscellaneous**

Nothing in this Policy shall be interpreted to relieve Art21 from any additional requirements in relation to internal compliance, retaliation, or document retention required by any other law or rule.