



## POLICIES AND PROCEDURES

### **Policy 1: BEMA Policies**

In order to facilitate the operation of BEMA and to meet the changing needs of its membership, the BEMA Board may approve specific policies. However, no policy may be established that contradicts the Bylaws of the Association.

The Chairman of the Board or the President & Chief Executive Officer shall maintain an ongoing record of all policies.

*Revised and adopted November 3, 2003*

### **Policy 2: Association Mailing Address, Telephone and Fax Numbers, Web Site and E- Mail Address**

#### Legal Address

100 West Tenth Street  
Wilmington, DE

#### Headquarters & Business Office

BEMA, the Baking Industry Suppliers Association  
10740 Nall Ave., Suite 230  
Overland Park, KS 66211  
(913) 338-1300 (telephone)  
(913) 338-1327 (fax)  
[www.bema.org](http://www.bema.org) (Web site)  
[info@bema.org](mailto:info@bema.org) (email)

Kerwin L. Brown, CAE, President & Chief Executive Officer  
[kbrown@bema.org](mailto:kbrown@bema.org)

*Revised and adopted November 3, 2005, revised June 24, 2011*

### **Policy 3: Use of Association Name**

Use of the BEMA name and materials, including the membership list, exhibitor list, attendee and publications, without written permission of the Chairman of the Board or the President and Chief Executive Officer is prohibited.

The name should be referred to on documents in its entirety as listed below.

BEMA, Bakery Equipment Manufacturers & Allieds Association

*Revised and adopted November 3, 2003, revised June 2021.*

## **Policy 4: Mission Statement**

BEMA connects, educates, and provides resources for its members and the industries they serve.  
*Revised and adopted February 24, 2017*

## **Policy 5: Membership Requirements (see Bylaws)**

### Member

There shall be two types of Members in the Association: Regular and Honorary.

Requirements for Regular Members – Regular Membership in BEMA shall be open to any person, firm, partnership, company or corporation, who is engaged in the business of manufacturing, marketing or selling products and/or services to the baking or related food industries. This includes, but is not limited to:

- ◆ Equipment
- ◆ Ingredients
- ◆ Packaging
- ◆ Maintenance and Sanitation
- ◆ Services and Supplies
- ◆ Transportation and Distribution

### Procedures for Admittance of Regular Members

- ◆ If it is unclear if a membership application meets the requirements listed below it shall be forwarded to the Membership Committee. All new applications will be reported to the Board of Directors.

### Members Shall:

- ◆ Engage in the business of manufacturing, marketing and selling products and/or services to the baking and/or food related industries,
- ◆ Agree to fulfill the mission and purposes of the Association,
- ◆ Have a reputation for integrity and sound character,
- ◆ Meet such other requirement as may be established by the Board of Directors.

### Additional Memberships:

- ◆ Autonomous divisions of subsidiary companies otherwise eligible for membership may apply separately even though such membership might result in more than one membership being granted to a corporation and its wholly owned or autonomous divisions.
- ◆ If members are merged, acquired or otherwise consolidated with another member, and continue to operate under separate business names and retain their public identities through advertising and marketing, they must hold separate memberships.

*Revised and adopted November 3, 2003, June 2021*

## **Policy 6: Member Dues**

The annual dues shall be determined by majority vote of the Board.

- ◆ The annual dues of the Association are reviewed and approved by the Board of Directors annually.
- ◆ Dues shall be determined by a majority vote of the Board.
- ◆ Dues notice is sent on or about November 1<sup>st</sup>, December 1<sup>st</sup>, January 1<sup>st</sup> and a final notice by certified mail (or by express carrier with return receipt) on or about February 1<sup>st</sup> indicating the membership is subject to cancellation if dues are not paid by the end of February.

*Revised and adopted November 3, 2005; Amended and approved November 16, 2017*

## **Policy 7: Compensation Expenses**

Neither officers nor directors shall receive any stated compensation for their services as officers or directors. However,

- ◆ The Board of Directors may, by resolution, authorize reimbursement of expenses incurred in the performance of their duties.
- ◆ Directors requesting compensation should do so in writing to the Chairman of the Board or the President and Chief Executive Officer for presentation to the Board. If approved, the director shall submit an expense report with receipt backup to the BEMA office for reimbursement. The expense claim form may be obtained from the BEMA office.

*Revised and adopted November 3, 2003*

## **Policy 8: Association General Membership Meetings**

2021 Recommendation: General Membership meetings will be held twice a year, either in-person or virtually.

*Revised and adopted November 3, 2003; Revised and approved November 16, 2017, June 2021*

## **Policy 9: Association Meeting Activities**

*This policy was deleted June 2021.*

## **Policy 10: Board Payment for Luncheon Tickets at Winter Summit**

*This policy was deleted November 3, 2005.*

## **Policy 11: Site Selection for Annual Convention**

- ◆ The 2<sup>nd</sup> Vice Chairman and staff shall conduct site visits of prospective meeting sites. Their recommendation shall be presented to the Board for approval.

*Adopted November 3, 2003, June 2021*

## **Policy 12: Annual Convention Registration**

- ◆ Membership dues must be paid in full in order to attend Convention.
- ◆ Pre-registration fees, if applicable, will be honored if payment is postmarked or sent electronically by date designated on form.

*Adopted November 3, 2003; Revised and approved November 16, 2017*

## **Policy 13: Association Meetings Guest Policy**

*This policy was deleted June 2021.*

## **Policy 14: Association Meeting Refund Policy**

*This policy was deleted June 2021.*

## **Policy 15: Membership Recruitment Dues Credit**

*This policy was deleted June 2021.*

## **Policy 16: Board of Directors**

The Board of Directors is discussed in Article VI of the Bylaws. It specifies the general powers, composition, term of office, successive terms, election, resignation or removal, vacancies, meetings, notice of meetings, quorum, transaction of business and compensation.

*Revised and adopted November 3, 2003*

## **Policy 17: Committee Reports to the Board**

Timely and accurate communication between the Board of Directors and its standing and special committees of the Association is critical.

All Committee Chairs, representatives, and/or designees are required to make a verbal and/or written report on their respective committees to the Board of Directors at its regularly scheduled meetings and may be required to report at any meeting of the Board of Directors upon any other matter requiring action or consideration.

The purpose of the report is to:

- ◆ Inform the Board of Directors of significant committee action.
- ◆ Request the Board's assistance in resolving issues the committee is unable to resolve.
- ◆ Present motions for adoption by the Board of Directors.
- ◆ Committee meeting minutes can be accessed through MemberSuite.

*Adopted November 3, 2003, June 2021*

## **Policy 18: Executive Committee**

The Executive Committee is discussed in Article VIII, Section 1, of the Bylaws. It specifies the committee's composition.

The Executive Committee shall have general supervision over the Association and make recommendations to the Board of Directors from time to time, as deemed advisable. It shall have the authority to act on behalf of the Board of Directors, when the board is unable to meet.

*Revised and adopted November 3, 2003*

## **Policy 19: Nominating Committee**

The Nominating Committee is discussed in Article VIII, Section 2, of the Bylaws. It specifies the committee's composition.

The Nominating Committee shall be responsible for nominating the slate of officers and Board members at the General Membership meeting held at Convention. Additionally, in the event of resignations from the Board of Directors, the committee is responsible for recommending a replacement for approval by the Board.

- ◆ The Chairman of the committee shall present the recommended slate of officers at the Convention General Membership meeting.
- ◆ Nominations may be submitted using the digital form located on the BEMA website.

*Revised and adopted November 3, 2003, June 2021*

## **Policy 20: Membership Committee**

The Membership Committee is discussed in Article VIII, Section 3, of the Bylaws. It specifies the committee's composition.

The Committee shall be responsible for:

- ◆ Formulating and recommending membership policy.
- ◆ Identifying programs for membership expansion and retention.
- ◆ Conducting research and statistics activities which benefit the membership.

### Composition

- ◆ The committee shall consist of three (3) or more Board members. Each Board member shall be appointed for a one (1) year term by the Chairman of the Board in consultation with the Committee Chairman.
- ◆ The Chairman of the Board shall make the appointments no later than one month after his/her term of office starts.

*Revised and adopted November 3, 2003, June 2021*

## **Policy 21: BEMA - IBIE Committee**

The BEMA - IBIE Committee is discussed in Article VIII, Section 4, of the Bylaws. It specifies the committee's composition.

The BEMA IBIE Committee serves as the Association's representative on the BEMA/American Bakers Association International Baking Industry Exposition Committee. It is charged with all duties and responsibilities thereof in serving the best interest of BEMA, our Association, its members and the entire baking and food industries.

*Adopted November 3, 2003*

## **Policy 22: Other Standing Committees**

Article VIII, Section 5, of the Bylaws indicates that the Chairman of the Board, subject to the approval of the Board of Directors, may create additional standing committees. The responsibilities of newly created standing committees shall be identified at the time of their creation.

Currently, the Board of Directors has created the following standing committees:

- ◆ Conventions & Programs Committee
- ◆ Finance Committee
- ◆ Membership Committee
- ◆ Past Chairmen Committee
- ◆ Association Outreach & Engagement Committee

*Adopted November 3, 2003, Revised June 24, 2011; Amended and approved November 16, 2017, June 2021*

## **Policy 23: Composition and Terms of Office on Standing Committees**

Unless otherwise specified,

- ◆ Each member will be appointed to a one (1) year term by the Chairman of the Board, in consultation with the Committee Chair and President & CEO.
- ◆ The appointments shall be made no later than one month after the June Board of Directors meeting.

*Adopted November 3, 2003, Jun 2021*

## **Policy 24: Committee Chairs**

Unless otherwise specified, the Chairman of the Board shall appoint the standing committee chairs.

- ◆ The committee chairs shall serve one (1) year terms.
- ◆ The Chairman of the Board shall make the appointments no later than one month after the start of his/her term of office.
- ◆ The Chairman of the Board shall consult with the President & CEO on the selection of committee chairs.

*Revised and adopted November 3, 2003, June 2021*

## **Policy 25: Education Committee**

This policy was combined with Policy 31, June 24, 2011.

*Revised and adopted November 3, 2003, June 24, 2011*

## **Policy 26: Finance Committee**

The Finance Committee shall be responsible for approving the annual budget to be presented to the Board of Directors for final approval.

The Finance Committee shall be composed of the 2<sup>nd</sup> Vice Chairman (Chair), Chairman, 1st Vice Chairman, 3<sup>rd</sup> Vice Chairman, Immediate past Chairman of the Board, and 2 at-large members appointed by the 2<sup>nd</sup> Vice Chairman. Each member shall serve for a term of one year.

*Revised and adopted March 10, 2001, June 2021*

## **Policy 27: International Committee**

This policy removed June 2021.

## **Policy 28: Market Research Committee**

The committee was deleted from record because it no longer exists.

*Revised and adopted November 3, 2003; Revised and approved November 16, 2017*

## **Policy 29: Past Chairmen Committee**

The Past Chairmen/Presidents Committee shall be responsible for utilization of their association longevity, industry expertise and historical knowledge to review, monitor, guide and recommend to the Board of Directors on issues they deem of importance to the Association and its membership, as well as responsible for modification of and amendments to the Bylaws, strategic planning and code of ethics for the association.

The committee is composed of the BEMA presidents serving the Association before the year 2001 and Chairmen of the Board of Directors after the year 2000.

*Revised and adopted November 3, 2003; Amended and approved Title change November 16, 2017*

## **Policy 30: Marketing Committee**

This policy removed June 2021.

## **Policy 31: Scholarship and Professional Development Committee**

This policy removed June 2021.

## **Policy 32: Scholarship Criteria**

Online scholarship applications can be submitted prior to the course, program, seminar or workshop being completed. Reimbursements will only occur after proof of payment have been provided.

The following criteria apply to BEMA scholarships.

Subject	Criteria
Application	Applicants must complete the BEMA Scholarship Online Application.
Application	BEMA staff secures employer's main member contact's approval of application.
Application	Applicants must submit information from the sponsoring organization that summarizes the course, program, seminar, or workshop they wish to take.
Award Amount	Approved applications would be funded up to 100% of the program costs. Companies shall be reimbursed no more than \$7,000 for its employee scholarship awardees in a year; individuals shall be awarded no more than \$3,000 (at 100%). Limits are not necessarily guaranteed amounts. The total sum of all awards should not exceed the calendar year budget without Board approval. Awards will be on a first come first serve basis, as approved.
Candidates	Scholarships are open to individuals currently employed by an active BEMA member in good standing or a baker customer and/or baking related customer.
Candidates	Scholarships are awarded for any industry related educational courses, programs, seminars or workshops. This includes professional and personal development at BEMA's discretion.
Timing of Payments	Scholarships will be distributed throughout the year, as approved. If during the year, scholarship applications are greater than board approved budget, Scholarship Committee Chair will ask board for increased funds or determine payout which may include sitting lower company maximums.
Programs	Candidates enrolled in degree programs at colleges and universities shall not be excluded for scholarships. Degreed program should relate or be applicable to member company's needs and at the discretion of BEMA. Group training is acceptable and encouraged. Any program subsidized by BEMA does not qualify.
Reimbursement	Applicants must submit a paid invoice or receipt for the course, program, seminar, or workshop.

Scholarship awards are at the discretion of BEMA or its Board of Directors. BEMA reserves the right to modify these terms at any time.

*Revised and approved November 7, 2001, September 9, 2003 and October 6, 2003, June 2009; Revised June 27, 2017. Approved November 16, 2017, June 2021*

**Policy 33: Chairman of the Board**



The Chairman of the Board is discussed in Article VII, Section 2, of the Bylaws. In addition to the responsibilities identified in the Bylaws, the Chairman of the Board shall:

- ◆ Chair at all General Membership meetings.
- ◆ Have overall operating responsibility and provide direction to the Association.
- ◆ Appoint Committee Chairs.
- ◆ Provide communications and suggestions as deemed necessary to the Association members, Board and Executive Committee to encourage and advance the welfare and increase the usefulness of the Association.
- ◆ Attend Board of Directors and Executive Committee meetings.
- ◆ Be responsible for the implementation of the programs and policies of the Board of Directors.
- ◆ Be authorized to sign on all Association accounts.

*Revised and adopted June 20, 2003, June 2021*

### **Policy 34: First Vice Chairman – Communication & Committees**

The First Vice Chairman – Communication & Committees is discussed in Article VII, Section 3, of the Bylaws. In addition to the responsibilities identified in the Bylaws, First Vice Chairman shall:

- ◆ Provide oversight of the Board Assessment process.
- ◆ Provide oversight on communication and committee activity.
- ◆ Serve on the Executive Committee.
- ◆ Attend Board of Directors and Executive Committee meetings.
- ◆ During the absence or disability of the Chairman of the Board, serve and exercise all functions of the Chairman.

*Revised and adopted June 20, 2003; Amended and adopted November 16, 2017, June 2021*

### **Policy 35: Second Vice Chairman – Finance**

The Second Vice Chairman – Finance is discussed in Article VII, Section 4, of the Bylaws. In addition to the responsibilities identified in the Bylaws, Second Vice Chairman shall:

- ◆ Provide oversight on all financial matters related to the Association.
- ◆ Serve on the Executive Committee.
- ◆ Attend Board of Directors and Executive Committee meetings.
- ◆ Be authorized to sign on all Association accounts.
- ◆ Sign all Association checks over \$10,000.
- ◆ Report on the financial condition of the Association to the Board of Directors and to the membership at the Annual Meeting.
- ◆ Approve the President & CEO expenses.
- ◆ During the absence or disability of the First Vice Chairman -- Communication & Committees, serve and exercise this person's duties and responsibilities.
- ◆ Attend closing meeting with the auditors to receive the management report. This meeting will be held in closed session with the Finance Committee without BEMA staff present.

*Revised and adopted November 3, 2003, Revised November 5, 2013; Amended and approved November 16, 2017*

### **Policy 36: Third Vice Chairman – Policy & Long Range Planning**

The Third Vice Chairman – Policy & Long Range Planning is discussed in Article VII, Section 5, of the Bylaws. In addition to the responsibilities identified in the Bylaws, Third Vice Chairman shall:

- ◆ Oversee the development and implementation of Association strategic plans.
- ◆ Serve on the Executive Committee.

- ◆ Attend Board of Directors and Executive Committee meetings.
- ◆ During the absence or disability of the Second Vice Chairman – Treasurer, serve and exercise this person’s duties and responsibilities.
- ◆ Provide oversight of the CEO Succession Plan.

*Revised and adopted November 3, 2003; Amended and approved November 16, 2017, June 2021*

### **Policy 37: Immediate Past Chairman of the Board**

The Immediate Past Chairman shall be responsible to:

- ◆ Advise the Chairman and Board of Directors.
- ◆ Serve on the Executive Committee.
- ◆ Attend Board of Directors and Executive Committee meetings, as a voting member.
- ◆ Attend Committee or special meetings, as designated by the Chairman of the Board.
- ◆ Serve as Nominating Committee Chairman.
- ◆ Serve as Compensation Committee Chairman.

*Revised and adopted November 3, 2003; Revised and adopted November 16, 2017, June 2021*

### **Policy 38: President & Chief Executive Officer**

The President & CEO is discussed in Article VII, Section 6, of the Bylaws. In addition to the responsibilities identified in the Bylaws, President & CEO shall be responsible for:

President & Chief Executive Officer: Reporting to the Board of Directors, this position serves as the chief executive of the Association. With the administrative discretion and authority consistent with leading an international non-profit trade association, the President & CEO is responsible for ensuring that all Association business is conducted in accordance with Association bylaws, policies, and procedures as set forth by the Board of Directors. In addition, the President & CEO is responsible for developing and maintaining effective internal and external relationships with staff, membership, volunteer leaders, other stakeholder organizations, and the federal government to advance the Association’s principal goals and strategic objectives.

### **Policy 39: Financial/Operating Fund**

*Adopted November 3, 2003, Amended by deletion February 25<sup>th</sup>, 2017*

### **Policy: 40: Investment Policy Statement**

#### **I. Purpose**

*The purpose of this Investment Policy Statement (IPS) is to establish a clear understanding between BEMA’s investment management firm and BEMA as to the investment goals and objectives and management policies applicable to BEMA’s two investment portfolios (Long-Term Reserves and Opportunity Fund). This Investment Policy Statement will:*

- ❑ *Establish reasonable expectations, objectives and guidelines in the investment of the Portfolio’s asset.*
- ❑ *Create the framework for a well-diversified asset mix that can be expected to generate acceptable returns at a level of risk suitable to BEMA, including:*
  - *Describing an appropriate risk posture for the investment of the BEMA’s Portfolios;*
  - *Specifying the target asset allocation policy;*

- *Establish investment guidelines regarding the selection of permissible securities and diversification of assets.*
- *Define the responsibilities of both BEMA and BEMA's investment management firm.*
- *Encourage effective communication between BEMA's investment management firm and BEMA.*

**II. Delegation**

The Board has given BEMA's Finance Committee the authority to monitor and administer the funds within the parameters of this Investment Policy. The Finance Committee is responsible for regular reports regarding the use and investment of these funds to the Board. In carrying out its responsibilities, the Finance Committee will act in accordance with this Investment Policy, BEMA's Policies and Procedures Manual, and all applicable laws and regulations.

**III. Investment Objectives**

The investment objectives for BEMA's assets will be accomplished by utilizing two accounts – LONG-TERM RESERVES and the OPPORTUNITY FUND. The accounts individual objectives are listed below.

**LONG-TERM RESERVES:**

The primary goal of this account is to seek to achieve above-average growth over time by investing primarily in a diversified mix of equity/alternatives, fixed income, and money market securities. Periodic withdrawals for special cash flow needs will come from this account and will be communicated to BEMA's investment management firm by BEMA. Additionally, this account can be used to replenish the Opportunity Fund account at the discretion of the Finance Committee.

Manager(s) may purchase high-yield fixed income, securities related to asset classes such as small, mid and large cap equities, along with American Depositary Receipts and Exchange-Traded Funds listed on major exchanges. In addition, manager(s) may purchase any security permitted in the OPPORTUNITY FUND account. It is expected that the portfolio will include some exposure to international and small/mid cap companies. The fixed income portion likely will include some exposure to high yield securities. Selection of this long term objective indicates a willingness to assume more risk in seeking to achieve above average returns.

ASSET ALLOCATION PARAMETERS – *The risk profile for this account will be Growth.*

Investment Acct's	Asset Class		
	<i>Equities/Alternatives</i>	Fixed-Income	Cash and Cash Equivalents
LONG-TERM RESERVES	50% - 80%	20% - 50%	0% - 10%

**OPPORTUNITY FUND:**

The primary goal of this account is to provide funding to invest in projects, activities, or programs deemed of importance to the BEMA Board of Directors but are not in BEMA's annual operating budget and may be difficult to fund from other sources. It should optimize yield on BEMA's short term assets while maintaining adequate liquidity without taking excessive principal risk. The initial balance of this account will be \$90,000 as of February 15, 2017. (Formally the Charles Schwab Operating Fund)

Funding: Dollars can be added to the Opportunity Fund if the IBIE proceeds are greater than the prior year estimated amount. (i.e. In November of 2016, the estimate for 2016 proceeds is

\$2,050,000. If actual revenue is in excess of this amount, the Finance Committee may recommend adding an amount ranging from 0% - 100% of these additional funds into the OPPORTUNITY FUND.) Additionally, annually a portion of year-end net income from operations (if any), ranging from 0% – 100%, can be added to the Opportunity Fund based on the recommendation to the Finance Committee after analyzing reserve levels. If funding from these sources are determined to not be adequate, the Finance Committee may recommend to the Board of Directors additional funds be transferred from the LONG-TERM RESERVES account to the OPPORTUNITY FUND as needed.

Administration: Dollars left at the end of each year will be carried over to the next year. The Board of Directors gives permission to the BEMA Finance Committee to approve, without Board review, requests up to a maximum of \$20,000 annually that meet the spirit of the objective but are not in the current year operating budget. Besides this exception, the Board of Directors will review and approve all requests for funds.

ASSET ALLOCATION PARAMETERS – *The risk profile for this account will be Moderately Conservative.*

Investment Acct's	Asset Class		
	Equities/Alternatives	Fixed-Income	Cash and Cash Equivalents
OPPORTUNITY FUND	0% - 35%	65% -100%	0% - 20%

#### **IV. Permitted Investments**

Asset classes permitted for the LONG-TERM RESERVES account include all asset classes permitted for the OPPORTUNITY FUND account. In addition, the advisor may invest in any unrestricted, publicly traded common stock that is listed on a major exchange or a national, over-the-counter-market, and that is appropriate for the portfolio objectives. *Publicly traded REIT's will also be an allowable investment.*

Asset classes permitted for the OPPORTUNITY FUND account include money market, government securities, corporate bonds, *equity mutual funds and ETF's, commodities/managed futures mutual funds and ETF's*, and high-quality, primarily dividend paying equities listed on the major exchanges. *BEMA's investment management firm will primarily use mutual funds and ETF's for equity, alternatives, and at least a portion of fixed income exposure.*

When using mutual funds or other commingled entities, care should be taken to select securities appropriate to the objectives of the portfolio. In that event, the terms and conditions of the prospectus are deemed to control the entity's internal asset allocation, asset quality, diversification, and other requirements.

#### **V. Exclusions**

The following transactions are specifically excluded from BEMA's accounts:

- Short Sales
- Purchases of letter stock, private placements, or direct payments
- Leveraged transactions
- Purchases of securities not readily marketable
- Commodities transactions – *with the exception of commodities/precious metal/managed futures mutual funds or ETFs*
- Puts, calls, straddles, or other option strategies
- Purchases of real estate, oil and gas properties, or other natural resources related properties with the exception of Real Estate Investment Trusts
- Direct investments in limited partnerships

- Investments in futures, use of margin, or investments in any derivatives not explicitly permitted in this policy statement
- Investments by the investment managers in their own securities, their affiliates, or subsidiaries (excluding money market or other commingled funds as authorized by the Finance Committee)

#### **VI. Performance Objectives**

Benchmark Performance – The appropriate standard benchmarks for the ongoing performance of BEMA funds will be similar to the composition of the asset allocation of the accounts.

Reporting Requirement – Monthly reports and quarterly summaries will be available. Annual review will be made available at BEMA's request.

*Revised and adopted March 3, 2007, Revised @ BOD February 25, 2017*

#### **Policy 41: Meeting Registration Fees**

Registration for all meeting fees shall be recommended by the Convention and Programs committee and shall be approved by the Board of Directors.

*Revised and adopted November 3, 2005*

#### **Policy 42: Membership Directory**

*Revised and adopted March 8, 2003; Amended by deletion and approved November 16, 2017*

#### **Policy 43: Leadership Training Program**

BEMA shall provide continual training on topics such as Board governance, leadership, the industry, etc to be held as part of the Fall Planning and Fall Board meetings.

*Adopted June 22, 1996; Amended and adopted November 16, 2017*

#### **Policy 44: Signature on BEMA Accounts**

The Chairman of the Board, Second Vice Chairman – Finance, First Vice Chairman, and President & Chief Executive Officer shall be included and authorized to sign all BEMA financial accounts.

*Revised and adopted November 3, 2003; Amended and adopted November 16, 2017*

#### **Policy 45: Reimbursement of Speakers Expenses**

Convention: BEMA will provide complimentary registration and up to three nights lodging for baking industry speakers and their guest at the Association's Annual Meeting and reimburse their expenses for meals, transportation (economy or coach airfare) and all Association sponsored activities at the meeting.

*Adopted November 8, 2000, June 2021*

## **Policy 46: Lifetime Achievement Award**

The chairman of the board, the immediate past chairman of the board and the once removed chairman of the board shall serve as will nominate, review candidates and recommend candidates to the board of directors for Lifetime Achievement Awards. The board has adopted the following criteria for their recommendations:

1. A candidate must be an inactive board participant for the past five years,
2. No more than three awards shall be granted in a single year,
3. In the case of posthumous awards, surviving family members involved in BEMA will receive the award on behalf of the deceased member,
4. Nominations would be open to any BEMA member.

*Adopted June 23, 2001*

## **Policy 47: Winter Summit Registration Fees**

This policy was combined with policy number 41 on November 3, 2005.

## **Policy 48: Anti-Fraud Policy**

BEMA Staff and the Board of Directors are responsible for establishing the cultural environment, training employees and volunteers, assessing fraud risks, implementing internal controls and monitoring activities designed to prevent and detect misappropriation of BEMA's assets, intentional material misrepresentation of BEMA's financial or other data or other actions constituting fraud. It is the President and CEO's responsibility to communicate this policy to all board members, employees and volunteers and their responsibility to comply with this policy.

### **Actions Constituting Fraud**

It is BEMA's policy that there is zero tolerance for actions constituting fraud. These actions include but are not limited to:

- Theft of cash, securities, merchandise, equipment, supplies or other assets.
- Unauthorized use of organization employees, property, credit cards, cell phones or other resources.
- Submission of personal or fictitious employee expenses for reimbursement or fictitious or inflated vendor invoices or payroll records for payment.
- Receiving kickbacks or other unauthorized personal benefits from vendors or others.
- Forgery or fraudulent alteration of any check, bank draft, statement, billing, record, form, report, return or other financial document.
- Intentional material misclassification or misrepresentation of revenues, expenses, costs or other data in financial statements, reports, regulatory returns, application or other communications.
- Intentional failure to disclose material related party transactions, noncompliance with lender requirement or donor/grantor restrictions or other required disclosure matters.
- Intentional improper use or disclosure of confidential donor, client/customer, employee or organization proprietary information.
- Any other illegal or unethical activity.

The policy applies to fraud or suspected fraud by board members, employees, volunteers, vendors, contractors, consultants, and others doing business with BEMA.

*Adopted November 15, 2006*

## **Policy 49: Whistle-Blower Policy**

### Reporting Responsibilities and Safeguards

It is the responsibility of every director, employee or volunteer to report, preferably in writing, discovered or suspected unethical or fraudulent activity immediately to the President and CEO and the Chairman of the Board.

No reporting party who in good faith reports such a matter will suffer harassment, retaliation or other adverse consequences. Any director or employee who harasses or retaliates against the party who reported such a matter in good faith is subject to discipline up to and including termination of employment. Additionally, no director, employee or volunteer will be adversely affected because they refuse to carry out a directive which constitutes fraud or is in a violation of state or federal law.

Any allegation that proves to have been made maliciously or knowingly false will be viewed as a serious disciplinary offense.

### Confidentiality

Discovered or suspected matters can be reported anonymously or on a confidential basis. Anonymous allegations will be investigated, but consideration will be given to seriousness of the issues, its credibility and the likelihood of confirming the allegations from other reliable sources. In the case of allegations made on a confidential basis, every effort will be made to keep the identity of the reporting party secret, consistent with the need to conduct an adequate and fair investigation.

Allegations will not be discussed with anyone other than those who have a legitimate need to know. It is important to protect the rights of the persons accused, to avoid damaging their reputations should they be found innocent and to protect the organizations from potential liability.

### Investigation Procedures

The Executive Director, Chairman of the Board or their delegate will investigate all allegations on a timely basis. The investigation may include but is not limited to examining, copying and/or removing all or a portion of the contents of files, desks, cabinets and other facilities of the organization without prior knowledge or consent of any individual who may use or have custody of such items or facilities when it is within the scope of investigation.

The reporting party may not attempt to personally conduct investigations, interviews or interrogations related to the alleged fraudulent activity.

### Resolution Procedures

The results of the investigation will be reported to the Board of Directors. Actions taken against the perpetrator of alleged fraud will be determined by the Board in consultation with legal counsel.

*Adopted November 15, 2006*

## **Policy 50: Conflict of Interest Policy**

### Reporting Responsibilities and Safeguards

## **Article I - Purpose**

The purpose of the conflict of interest policy is to protect **BEMA's** interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of BEMA or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

## **Article II - Definitions**

### **1. Interested Person**

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

### **2. Financial Interest**

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which BEMA has a transaction or arrangement,
- b. A compensation arrangement with BEMA or with any entity or individual with which BEMA has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which BEMA is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial:

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

## **Article III - Procedures**

### **1. Duty to Disclose**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

### **2. Determining Whether a Conflict of Interest Exists**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

### **3. Procedures for Addressing the Conflict of Interest**

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion



of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board/committee shall determine whether BEMA can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in BEMA's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

#### **4. Violations of the Conflicts of Interest Policy**

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **Article IV - Records of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### **Article V - Compensation**

- a. A voting member of the governing board who receives compensation, directly or indirectly, from BEMA for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from BEMA for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes

compensation matters and who receives compensation, directly or indirectly, from BEMA, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

#### **Article VI - Annual Statements**

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands BEMA is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

#### **Article VII - Periodic Reviews**

To ensure BEMA operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to BEMA written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction. (*Inurement occurs when a transaction or exchange occurs whereby an individual with a personal interest in the exempt organization activities acquires economic gain through the use of funds or assets of that exempt organization. It should be noted that there is nothing wrong with "insiders" transacting with the exempt organization, as long as reasonable compensation at fair market values is exchanged.*)

#### **Article VIII - Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, BEMA may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

*Adopted November 16, 2017*

### **Policy 51: Joint Venture Policy**

This Joint Venture Policy requires that BEMA evaluate its participation in joint venture arrangements under Federal tax law and take steps to safeguard BEMA's exempt status with respect to such arrangements. It applies to any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity as further defined in this policy.

**A. Joint ventures or similar arrangements with taxable entities.** For purposes of this policy, a joint venture or similar arrangement (or a "venture or arrangement") means any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity without regard to: (1) whether BEMA

controls the venture or arrangement; (2) the legal structure of the venture or arrangement; or (3) whether the venture or arrangement is taxed as a partnership or as an association or corporation for federal income tax purposes.

A venture or arrangement is disregarded if it meets both of the following conditions:

- (a) 95% or more of the venture's or arrangement's income for its tax year ending within BEMA's tax year is excluded from unrelated business income taxation [including but not limited to: (i) dividends, interest, and annuities; (ii) royalties; (iii) rent from real property and incidental related personal property except to the extent of debt-financing; and (iv) gains or losses from the sale of property]; and
- (b) the primary purpose of BEMA's contribution to, or investment or participation in, the venture or arrangement is the production of income or appreciation of property.

**B. Safeguards to ensure exempt status protection.** BEMA will: (a) negotiate in its transactions and arrangements with other members of the venture or arrangement such terms and safeguards adequate to ensure that BEMA's exempt status is protected; and (b) take steps to safeguard BEMA's exempt status with respect to the venture or arrangement. Some examples of safeguards include:

- (i) control over the venture or arrangement sufficient to ensure that it furthers the exempt purpose of BEMA;
- (ii) requirements that the venture or arrangement gives priority to exempt purposes over maximizing profits for the other participants;
- (iii) that the venture or arrangement not engage in activities that would jeopardize BEMA's exemption; and
- (iv) that all contracts entered into with BEMA be on terms that are arm's length or more favorable to BEMA.

*Adopted November 16, 2017*

## **Policy 52: Document Retention and Destruction Policy**

This Document Retention and Destruction Policy of (insert the name of the "Organization") identifies the record retention responsibilities of staff, volunteers, members of the Board of Directors, and outsiders for maintaining and documenting the storage and destruction of the Organization's documents and records.

**1. Rules.** The Organization's staff, volunteers, members of the Board of Directors and outsiders (i.e., independent contractors via agreements with them) are required to honor these rules: (a) paper or electronic documents indicated under the terms for retention below will be transferred and maintained by the Human Resources, Legal or Administrative staffs/departments or their equivalents; (b) all other paper documents will be destroyed after three years; (c) all other electronic documents will be deleted from all individual computers, data bases, networks, and back-up storage after one year; and (d) **no paper or electronic documents will be destroyed or deleted if pertinent to any ongoing or anticipated government investigation or proceeding or private litigation.**

### **2. Terms for retention.**

a. Retain permanently:

- *Governance records* – Charter and amendments, Bylaws, other organizational documents, governing board and board committee minutes.
- *Tax records* – Filed state and federal tax returns/reports and supporting records, tax exemption determination letter and related correspondence, files related to tax audits.

- *Intellectual property records* – Copyright and trademark registrations and samples of protected works.
  - *Financial records* – Audited financial statements, attorney contingent liability letters.
- b. Retain for ten years:
- *Pension and benefit records* -- Pension (ERISA) plan participant/beneficiary records, actuarial reports, related correspondence with government agencies, and supporting records.
  - *Government relations records* – State and federal lobbying and political contribution reports and supporting records.
- c. Retain for three years:
- *Employee/employment records* – Employee names, addresses, social security numbers, dates of birth, INS Form I-9, resume/application materials, job descriptions, dates of hire and termination/separation, evaluations, compensation information, promotions, transfers, disciplinary matters, time/payroll records, leave/comp time/FMLA, engagement and discharge correspondence, documentation of basis for independent contractor status (retain for all current employees and independent contractors and for three years after departure of each individual).
  - *Lease, insurance, and contract/license records* – Software license agreements, vendor, hotel, and service agreements, independent contractor agreements, employment agreements, consultant agreements, and all other agreements (retain during the term of the agreement and for three years after the termination, expiration, non-renewal of each agreement).
- d. Retain for one year:
- *All other electronic records, documents and files* – Correspondence files, past budgets, bank statements, publications, employee manuals/policies and procedures, survey information.

3. **Exceptions.** Exceptions to these rules and terms for retention may be granted only by the Organization’s chief staff executive or Chairman of the Board.

*Adopted November 16, 2017*

### **Policy 53: Password Security Policy**

The purpose of this policy is to protect BEMA and its members’ assets, intellectual property and information.

- All BEMA accounts (Computer Users) will require a password.
- All staff will logoff or turn their computers off nightly.
- Visitors will never be given direct access to the company network – instead they should be directed to use the guest logon account.
- At the separation of an employee from BEMA, their account will be disabled and remote access will be blocked at the time of separation.
- Remote access to the company e-mail system and company network file system will be granted to all staff.
- BEMA will maintain a log of remote login activity.
- Password complexity – all passwords must be at least six characters in length and not contain the username or last name.
- Password privacy – all passwords should be kept private and not shared with anyone other than BEMA Staff.

*Adopted November 16, 2017*

### **Policy 54: Compensation Committee Policy**

#### Committee Purpose:

The Compensation Committee shall consist of the Immediate Past Chairman, current Chairman and First Vice Chairman to carry out its responsibilities relating to the compensation of the Association's Chief Executive Office. The Committee has the general responsibility for oversight of the Association's executive performance evaluation process, compensation philosophy, and conducting the annual evaluation with the CEO. The deliberations and actions of the Committee shall be reported to the Board on an annual basis. The performance period spans from July to June of the following year and the evaluation review is held during the Fall Planning Meeting.

#### CEO Evaluation and Compensation

The Committee shall review and approve cooperate goals and objectives relevant to the ECO compensation, lead the entire Board in an annual evaluation of the CEO's performance considering those goals and objectives, to determine the CEO's compensation based on this evaluation. In determining its recommendation of the incentive component of CEO compensation, the Committee will consider Association's performance, the value of similar incentive awards to CEO's at comparable companies, and the awards given to the ECO in the past years.

*Adopted November 16, 2017*

### **Policy 55: CEO Succession Plan Policy**

#### **SECTION ONE: CEO SUCCESSION PLAN POLICY STATEMENT**

A change in executive leadership is inevitable for all organizations and can be a very challenging time. Therefore, it is the policy of the Bakery Equipment Manufacturers & Allied (BEMA) to be prepared for an eventual permanent change in leadership – either planned or unplanned – to insure the stability and accountability of the organization until such time as new permanent leadership is identified. The Board of Directors shall be responsible for implementing this policy and its related procedures.

It is also the policy of the board to assess the permanent leadership needs of the organization to help ensure the selection of a qualified and capable leader who is a good fit for the organization's mission, vision, values, goals, and objectives; who has the necessary skills and qualifications needed to lead the organization.

To ensure that the organization's operations are not interrupted while the Board of Directors assesses the leadership needs and recruits a permanent Chief Executive Officer (CEO), the Board Chair shall assemble the Executive Transition Committee within fifteen (15) business days. This Committee, led by the 3<sup>rd</sup> Vice Chairman shall be comprised of at least two members of the Executive Committee and two members from the Board of Directors. It shall be the responsibility of this committee to implement the following Succession Plan and appoint interim executive leadership. The interim executive leadership shall ensure that the organization continues to operate without disruption and that all organizational commitments previously made are adequately executed.

#### **MONITORING THE SUCCESSION PLAN PROCESS**

This succession plan will guide BEMA through a leadership transition, when or if, it was to ever need it. Led by the 3<sup>rd</sup> Vice Chairman, shall convene the Executive Committee of the Board of Directors to review the unplanned leave and planned leave process information contained in the CEO Succession Plan with the CEO/President annually during the month of May.

## PROCEDURES FOR SUCCESSION PLAN (Methods and Strategy)

### Procedures for Unplanned Leave (Short-Term)

Appointing an Interim CEO/President: Circumstances that trigger the appointment of an Interim CEO/President if a CEO is out for illness or personal reasons for a defined period of time. A defined period of time is indicated as 120 days or less.

1. The Executive Transition Team is assembled within 24-48 hours to implement the procedures for Unplanned Leave of the CEO/President
2. For a temporary change in executive leadership, the **Vice President, Education and Operations** shall temporarily be in charge of the daily operations and essential duties of CEO/President.
3. It is expected that the position will be filled by an internal staff person or persons for a defined period of time.
4. Upon appointment, the Interim CEO/President shall have authority for decision making and independent action, as did the regular CEO/President.
5. The Executive Committee of the Board of Directors shall review annually the unplanned leave process with the CEO/President to review who on staff might be most appropriate and what individuals and/or positions might provide management during a short-term transition or unexpected leave.
6. The Compensation Committee shall review salary compensation and provide recommendation for temporary salary adjustment or bonus for increased responsibilities during the transition period.
7. Written memo and email to BEMA staff from the Board Chairman explaining events and anticipated actions. Memo will include:
  - a. Announcement of CEO temporary replacement and circumstances
  - b. Appointment of Interim CEO or person temporarily responsible until an Interim CEO is appointed or named
  - c. Person to whom employees should refer questions
  - d. Person designated to interface with media, members and industry leaders
  - e. Indicate possible return of CEO
8. The Executive Committee and Board Chair shall take on more of an active oversight role with the organization during the short-term period. **During the transition:**
  - a. The Executive Committee will act as the external spokesperson for the organization.
  - b. The Chair of the Finance Committee shall review the budget and year to date financials to determine if any changes should be made during the period of the unplanned absence of the CEO.
  - c. The Board Chair shall hold a teleconference with the Board of Directors and staff announcing the interim CEO plan, providing an outline of the Board's role and interim timeline and action steps.
  - d. The Board Chair shall act as the supervisor for the interim CEO/President.
  - e. The Board Chair should expect to have weekly teleconference meetings (or face to face if possible) with the interim CEO/President.
  - f. The Executive Committee will meet bimonthly with the Interim CEO/President during the transition period.

In an event that the absence lasts longer than 120 days, the Executive Transition Committee must determine if the Emergency CEO Succession Plan procedures shall be put into action.

### Procedures for Unplanned Departure: Emergency CEO Succession Plan

Circumstances that trigger implementation of the Emergency Succession Plan:

- Death of CEO
- CEO becomes permanently incapacitated

- CEO's employment is terminated

In the event of one of these circumstances, BEMA's Emergency CEO Succession Plan will be implemented and shall appoint the ***Vice President, Education and Operations*** to temporarily assume leadership of the organization as the interim CEO/President until a CEO/President is hired. The process will follow the timeline detailed below:

#### ***First 24-48 Hours***

1. The Executive Transition team is assembled and places an emergency conference call is held with the Executive Committee as soon as possible – confirm ***Vice President, Education and Operations*** as the Interim CEO/President, create a timeline for action plan and assign responsibilities, notify Board of Directors of situation and that emergency session is occurring.
2. Consult with HR to advise on personnel issues regarding disability insurance or other benefits due to family.
3. If appropriate, contact BEMA's legal representative regarding questions or concerns about any potential legal issues
4. Generate written memo and email to BEMA staff from the Board Chairman explaining events and anticipated actions. Memo will include
  - a. Announcement of CEO departure
  - b. Circumstances of Departure (if appropriate to share)
  - c. Appointment of Interim CEO or person responsible temporarily responsible until an Interim CEO is appointed or named
  - d. Person to whom employees should refer questions
  - e. Person designated to interface with media, members
  - f. Process for hiring new CEO
  - g. When and how additional information will be provided
  - h. Availability of counseling or support services (if necessary)

After the first 48 hours, procedures will be implemented for a Planned Departure. But, the appointed Interim CEO/President shall have authority for decision making and independent action, as did the regular CEO. The Interim CEO/President shall be offered a temporary salary increase to be negotiated for the interim period. The Interim candidate, if interested in acquiring the position, maybe appointed for one year of service by the full Board of Directors. After the completion of 365 days, the Executive Committee can determine and pursue a full candidate search to fulfill the position.

#### ***Procedures for Planned Departure***

Circumstances that trigger the implementation of this Succession Plan:

- *CEO announces retirement or resignation*

In the event of one of these instances, the CEO Succession Plan will be implemented. The process is detailed below. The timeline for the process will be determined by the CEO's intended departure date, and therefore will be developed by the Executive Transition Committee according to the identified date.

#### **Search Process**

The Board of Directors has outlined a search process. Led by the 3<sup>rd</sup> Vice Chairman shall review and update the document annually during the Convention Board Meeting held in June. The search process is based upon the Executive Committee taking an active role in the search and making the final decision as a group of the whole.

## **Review & Revision of Job Description & Qualifications**

Step One: Review Existing Job Description: With the leadership of the Vice President, Education and Operations, the full Board of Directors review the existing job description and qualifications. In partnership, they will outline what skills, experience, background, expertise, management and characteristics they are seeking in the next CEO/President. The Chair of the Compensation Committee will also need to convene the Compensation Committee to establish a salary range and benefit package for the position. As part of the process the Board will:

- Interview key industry leaders to determine their recommendations and comments. Industry leaders include national and international leaders and former past chairmen.
- Interview and seek staff input either as a group or in individual meetings to determine what would work best.

### ***Important categories for reviewing potential qualifications are the following:***

- Management (human resources, financial and program)
- Marketing and Public Relations
- Industry specific knowledge
- Strategic Thinking
- Communication skills (verbal and written)
- Leadership skills

The Vice President, Education and Operations works directly with the Board Chairman to prepare a revised and updated job description and a description of the ideal candidate for the use by the Executive Transition Committee. The job description should include salary range and benefit package description. Interview questions will be developed by the Vice President, Education and Operations and approved by the Executive Transition Committee.

## **Screening Committee**

The Executive Transition Committee will serve as the screening committee and manage the search process and recommend three finalists for consideration by the full Board of Directors.

The Screening Committee will:

- Consider adding an external service provider to the committee;
- Discuss the feasibility of using a recruitment firm or consultant to help with the process;
- Establish a budget and timeline for the process
- Work with the Vice President, Education and Operations to create a marketing plan for advertising the position
- Work with the Vice President, Education and Operations to:
  - Complete a background check on each finalist;
  - Set-up a mailbox to receive all resumes and applications
  - Establish a process to screen and review all submitted resumes
  - Develop ranking criteria and selection processes to interview candidates

The Executive Transition Team will keep the Board informed on the progress, candidates and the interview process. The Board Chair shall keep the staff informed of the process so that there is regular communication and updates to them.

## **Selection Process**

The final three candidates shall be recommended by the Executive Transition Committee to the full Board of Directors. The board will use the approved interview questions and interview protocol developed by the Vice President, Education and Operations and the Executive Transition Committee.



The Finance Committee will need to decide whether they are paying out of town candidates expenses and what will be reimbursed.

The Board Chairman is authorized to make the offer to the selected candidate. Communication to the other candidates will be performed by the 3<sup>rd</sup> Vice Chairman. Working alongside the Vice President, Education and Operations, the staff and Board of Directors will develop a communication plan to announce the selection and appointment of the new CEO/President. A press release should be prepared and submitted to local press and distributed as a special bulletin in the organization's newsletter.

### **Supervision**

The Compensation Committee should establish a clear set of six month and annual performance objectives for the individual in written form that should be approved by the full Board of Directors. Using an onboarding and orientation process, developed by departing CEO and Chairman of the Board, will design the first day, the first week, the first month and the first six months of expectations and activities for the new CEO/President. The new CEO/President should be evaluated based on these performance objectives which will act as a guide for the person in the position and the board.

### **Role and Expectations of the Departing CEO**

*(applies in the situation of CEO resignation or retirement)*

The role of departing CEO includes:

1. Provide input to the Executive Transition Committee on appropriate skill sets, experiences, qualities, personality and priorities for the position;
2. Offer names of potential candidates;
3. Continue to perform duties of the CEO/President until the new CEO/President assumes the position.

If possible, the departing CEO/President shall be retained for four to eight weeks in a compensated consulting role to assist, advise and mentor the newly appointed CEO/President. This includes sharing the transition memo, reviewing the strategic plan and all key strategic initiatives, introductions to key industry leaders and assisting in other partnership activities to ensure a successful transition. The departing CEO shall not be involved in management of the organization and will maintain a part-time office schedule.

### **Policy 56: Insurance Coverage Review**

Insurance, like any other financial asset should be monitored and reviewed to make sure it is performing according to the current goals and objectives of the Association. Annually, the Board of Directors shall review all insurance policies of the Association.

*Adopted November 16, 2017*