

USAT Board of Directors
Teleconference Call
December 5, 2011

In attendance:

Bob Wendling
Eric Averill
Steven Sexton
Candy Cheatham
Brian Harrington
Kevin Smeltzer
Celeste Callahan
John Lines
Victor Plata
Vince O'Brien
Chuck Baker
Dave Kuendig
Melissa Merson – ex-officio

Staff:

Rob Urbach, CEO

Bob Wendling called the meeting to order at 6.00 pm MDT.

Office Update

Rob Urbach gave an office update to include: Hyvee and mutual opportunities, sponsorships, healthcare plan options, fee increases, Active, paratriathlon funding and fund raising efforts.

Board asked for specific information on sponsorships and contract review, paratriathlon and WCS event.

Action item: Rob Urbach will send the board a sponsorship agreement.

Action item: Vince O'Brien will review a resolution (passed on 12/08) for possible changes. The resolution pertains to the Marketing Committee and the review of contracts.

Treasurer Report

Steve Sexton stated that he will be discussing the Region Budgets later on the call.

Paratriathlon Committee

Eric Averill stated that Mike Lenhart was recently selected as the chair of the Paratriathlon Committee. The group is coordinating learning programs for each region. Several committee members will be attending the RD Symposium in January and plan to connect with race directors on paratriathlon events.

Championship Strategic Planning Taskforce

Steve Sexton stated that the taskforce has met twice since November and most recently with Bob Wendling and Rob Urbach to create a strategic plan. The plan is to prepare a document that evaluates the weaknesses of Regional and National Championships and possible ways to overcome the identified weaknesses.

Board asked if the taskforce was going to come back to the board on appointing a standing committee that will review bid for National Championships.

Action item: Steve Sexton will consider and propose a resolution to include the pros and cons.

Board Term Limits

Bob Wendling stated that the Board needs to review the recommendation from the attorney on board term limits. In part, the recommendation is to conclude term limits before the next election cycle.

The Board conceded that the following three board members in question will be under the follow terms:

Brian Harrington terms out at the end of 2013

Bob Wendling terms out at the end of 2015

Vince O'Brien will be up for re-election at the end of 2013 and can serve for one term.

USAT and International Federation Board Service

Board discussed the bylaw change to Article VII, **Board of Directors** and the proper procedure. The board agreed that this will require a membership vote either in the general election or in a special election.

Steve Sexton moved, seconded by Celeste Callahan present to the membership a bylaw amendment that will allow the ITU Executive BOD member from the US voting rights on the USA Triathlon Board.

Record of Votes:

Eric Averill – not present at the time of vote

Steve Sexton – yes

Candy Cheatham – no

Brian Harrington – no

Kevin Smeltzer – no

Dave Kuendig – yes

Victor Plata – yes

John Lines – passed

Chuck Baker – no

Celeste Callahan – yes

Vince O'Brien – no

John Lines – yes (passed during the initial vote, then voted)

Bob Wendling – no (voted to break tie)

Motion Failed

Unfinished Business

Youth Age Dates

Kevin Smeltzer provided information on youth age dates in the November, Henderson BOD meeting. Kevin asked the AGC to put this in resolution form for Board vote. After the AGC met via conference call with Kevin Smeltzer and Rob Urbach present, the committee did not come up with a resolution.

Brian Harrington suggested that the AGC be reminded that the Board will be meeting in January and can review a resolution at that time. Kevin said he will inform the AGC of this.

Region Budget

Kevin Smeltzer spoke about region funding and asked the board to vote on the 2012 region budget.

Steve Sexton sent the Board a proposal to alter the way the regions are funded. The proposal is two parts:

Endorse the 2012 budget but in concert with the proposal that amends the Regional Operations Manual (ROM), which will change the funding structure for 2013.

Board discussed the specific section of the ROM that is asking to be changed.

Steve Sexton motioned, seconded by John Lines to strike from the ROM the language that refers to minimum allocation to the regions.

Record of Votes:

Eric Averill – not present
Steve Sexton – yes
Candy Cheatham – no
Brian Harrington – no
Kevin Smeltzer – no
Dave Kuendig – yes
Victor Plata – no
John Lines – yes
Chuck Baker – not present
Celeste Callahan – yes
Vince O'Brien – no

Motion failed

Kevin Smeltzer motioned, seconded by John Lines to accept the 2012 Region budget as presented.

Record of Votes:

Eric Averill – not present
Steve Sexton – yes
Candy Cheatham – yes
Brian Harrington – yes
Kevin Smeltzer – yes
Dave Kuendig – yes
Victor Plata – yes
John Lines – yes
Chuck Baker – not present
Celeste Callahan – yes
Vince O'Brien – yes

Motion passed

Ethics

Bob Wendling presented the Ethics documents (Appendix A).

Please note: The resolution to reform the composition of the Ethics Committee was approved on the October 3, 2011 Board call. This is being presented again with a friendly amendment.

John Lines moved, seconded by Brian Harrington to accept the Ethics documents.

Victor Plata proposed a friendly amendment to change the language of the resolution that reforms the composition of the USA Triathlon Ethics Committee. Specifically the change is to change language to:

- at least one individual who has particular knowledge in the area of ethics and ethical conduct;

From previous language:

- at least one individual who has particular expertise in the area of ethics and ethical conduct;

John Lines and Brian Harrington accept the Victor's friendly amendment.

Please note: Resolution (Appendix A) reflects the amendment.

Motion passed – no abstentions

Proposed 2012 Board Meetings

John Lines moved, Dave Kuendig seconded to accept the following 2012 Board meeting schedule.

January 15-16	Colorado Springs – In Person
February 6	Call 8/7/6/5 PM
March 5	Call 8/7/6/5 PM
April 2	Call 8/7/6/5 PM
May 13	San Diego – In Person
June 4	Call 8/7/6/5 PM
July 2	Call 8/7/6/5 PM
August 19-20	Burlington – In Person
September 10	Call 8/7/6/5 PM
October 1	Call 8/7/6/5 PM
November 3-4	Dallas – In Person
December 3	Call 8/7/6/5 PM

Record of Votes:

Eric Averill – not present

Steve Sexton – no

Candy Cheatham – yes

Brian Harrington – yes

Kevin Smeltzer – yes

Dave Kuendig – yes

Victor Plata – yes

John Lines – yes

Chuck Baker – not present

Celeste Callahan – yes

Vince O'Brien – yes

Motion passed

Celeste Callahan moved, seconded by John Lines to adjourn meeting at 7:30 MDT

Appendix A

Resolution for Board Action

Oct 3, 2011

Subject: The purpose of this resolution is to reform the composition of the USA Triathlon Ethics Committee to make it a more independent fact finding body.

Background: The USAT Ethics Committee was created with the adoption of the USAT Code of Ethics on May 9, 2009. The mission of the Ethics Committee is to review reported potential violations of the Code of Ethics and, if appropriate, recommend actions for resolution to the Board of Directors. The Committee resolves conflict of interest issues, and reviews annual conflict of interest statements. Board members are required to report ethical violations to the Committee.

The Ethics Committee may recommend termination of USAT membership and expulsion from governance, committees, councils, commissions or other positions. Fundamental fairness dictates that it should be impartial fact finding body. In addition, where the Ethics Committee makes a recommendation to terminate membership for an athlete or official, it must be a “*disinterested and impartial body of fact finders*” per the *USOC Due Process Checklist*. The committee is currently chartered with the following member composition:

...the USAT Executive Director/CEO, the President of the Board of Directors, at least one other Board member, one independent member with expertise in the field of ethics, and any others as determined by the Board of Directors. (USAT Code of Ethics)

Generally, Board members are personally involved in many aspects of USAT, as is the CEO. With the CEO and Board members making up four of the five Committee members it increases the probability that a person affected by an alleged ethical violation will sit in judgment of the charge. The CEO could also be placed in a judgment position over Board members, who are technically overseers of the CEO.

Creating a more independent fact finding body by appointing mostly non-Board members who meet the definition of “independent” will increase the impartiality of the Ethics Committee.

Financial Impact: None.

Relevant & Affected By-Laws and Procedures: USA Triathlon Code of Ethics and USAT Committee Guide (committee composition), USAT Bylaws Art. VIII Sec. 3(a):

The President...shall be an ex officio, non-voting member of all standing and other committees.

and Art. X Sec.3:

The Executive Director shall be a non-voting member of...all standing and special committees.

Whereas, the Ethics Committee should be an impartial fact finding body.

Whereas, reforming the Ethics Committee membership by appointing mostly non-Board members who meet the definition of “independent” will increase the impartiality of the Ethics Committee.

Now therefore let it be resolved that amendments to the Bylaws be made, and composition of the Ethics Committee be reformed to conform with the following member composition:

The Ethics Committee shall consist of five members and shall specifically exclude the President and Executive Director (CEO) from any membership including ex officio. One member may be a Director from the Board of Directors. Four other members shall satisfy the standards of independence for “independent directors” as is set forth in the USAT Bylaws and shall include:

- ~~at least one individual who has particular expertise in the area of ethics and ethical conduct;~~

- at least one individual who has particular knowledge in the area of ethics and ethical conduct;
- at least one athlete, as defined by the USOC, eligible to serve on grievance committees; and
- two other individuals.

Submitted by:
Victor Plata
USAT Board of Directors

USAT Board of Directors and Volunteer Code of Ethics

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I. Introduction

As the national governing body of the sport of triathlon, USA Triathlon desires and is expected to conduct its business employing the highest ethical standards. This document is intended to clarify the principles and procedures for defining, preventing, disclosing and remediating violations of ethics. This includes, but is not limited to potential, real or perceived conflicts of interest by colleagues of USAT.

II. Purpose of the Code

Our Code of Conduct (the "Code") provides a set of expectations, a set of rules, and general guidance, and applies to all USA Triathlon directors, officers, regional council members, committee members, volunteers, agents, and representatives of USA Triathlon member organizations when dealing with USA Triathlon (collectively "colleagues" or "USAT colleagues"). The Code's aim is to help ensure that we all carry out our daily activities within appropriate ethical and legal standards. These obligations apply to our relationships with athletes, member organizations and organizations to which we belong, third-party payers, subcontractors, independent contractors, vendors, consultants, governments, the public, and one another. The Code is a critical component of our overall Ethics and Compliance Program and is designed to ensure we meet our ethical standards and comply with applicable laws and regulations.

The Code is intended to be comprehensive and easily understood but it is not intended to be exhaustive or complete. In some instances, the Code deals fully with the subject covered. In many cases, however, the subject addressed has either so much complexity or some unique and unanticipated characteristics that additional guidance is needed. To obtain additional guidance, you may use the resources referenced throughout the Code or listed at the end. The standards set forth in the Code are mandatory and must be followed.

Our Code operates in tandem with the policies and procedures of our organization, our staff and with all applicable U.S. and foreign laws and regulations. Where differences exist because of local customs, norms, laws and regulations, we ask our colleagues to use the highest standard of behavior or the most restrictive requirement that applies.

III. Responsible Care

All USA Triathlon operations must be conducted in a manner that protects the health and safety of our colleagues and all people in the communities where they operate, and that follows all applicable rules and laws.

IV. Leadership Responsibilities

All USA Triathlon colleagues are obligated to follow this Code. However, all persons in the organization with leadership roles must exercise that responsibility in a manner that is kind, sensitive, thoughtful, and respectful. We expect each leader to create an environment where all team members feel free to raise any concerns and/or new ideas regarding USA Triathlon's Code of Ethics. We also expect that leaders will ensure those on their team have sufficient information to comply with laws, regulations, and policies, as well as the resources to resolve ethical issues. They must help to create a culture within the Federation that promotes the highest standards of ethics and compliance. This culture must encourage everyone in the organization to share concerns with appropriate personnel when they arise. We must never sacrifice ethical and compliant behavior in the pursuit of other organizational objectives.

A. OPEN COMMUNICATIONS

Open and honest communication is one of the cornerstones of a productive business environment. At USA Triathlon we put a premium on communication that encourages new ideas and participation at all levels of the organization. Every USAT colleague is encouraged to contribute. We can all suggest changes and refinements to our business practices that could result in better work product, reduced costs or enhanced service to our constituents. Effective communication is a product of listening as well as talking. USAT colleagues are encouraged to listen first, and then ask questions, discuss options and make informed decisions that incorporate appropriate input from all applicable organizational units. We must all work diligently to create an environment where asking questions and challenging the status quo is encouraged and rewarded.

B. LEGAL AND REGULATORY COMPLIANCE

USA Triathlon may provide varied services in many states. In all cases, these services must be provided within appropriate federal, state, and local laws and regulations. Such laws, regulations, and conditions of participation vary widely. We have developed policies and procedures to address many legal and regulatory requirements. However, it is impractical to develop policies and procedures that encompass the full body of applicable law and regulation. Obviously, those laws and regulations not covered in organization policies and procedures must be followed. Anyone aware of violations or suspected violations of laws or regulations, or organization policies and procedures must report them immediately to the Executive Director or President.

C. CONFLICT OF INTEREST

1. Purpose

The purpose of the conflict of interest policy is to protect USA Triathlon's interest when it is considering a transaction or arrangement that might benefit the private interest of a USAT colleague. 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.

2. Definitions

- a. Interested Person: Any director, council member, member of a committee, or other colleague who has a direct or indirect financial interest, as defined below, is an interested person.
- b. Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
- (1) An ownership or investment interest in any entity with which USA Triathlon has a transaction or arrangement,
 - (2) A compensation arrangement with USA Triathlon or with any entity or individual with which USA Triathlon has a transaction or arrangement, or
 - (3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which USA Triathlon is negotiating a transaction or arrangement.

Compensation includes direct and indirect payment as well as gifts or favors in excess of limitations established in Section F "Receiving Business Courtesies".

A financial interest is not necessarily a conflict of interest.

- c. Colleagues: All USA Triathlon directors, officers, regional council members, committee members, volunteers, agents, and representatives of USA Triathlon member organizations when dealing with USA Triathlon.

3. Procedures for Identifying and Addressing Conflicts of Interest

The following procedures shall be followed when a potential conflict of interest arises regarding any colleague.

- a. Upon learning that USA Triathlon, any USA Triathlon Region, any USA Triathlon Committee, or any subordinate entity of USA Triathlon is proposing to enter or has entered into a contractual arrangement or agreement that may be a potential conflict of interest, any colleague shall promptly notify the Ethics Committee of the existence of the potential conflict, and the Executive Director shall disclose immediately the potential conflict to those vested with considering and making any decision on the arrangement or agreement. In addition, any Regional Council Chair shall disclose immediately the potential conflict to those vested with considering and making any decision on any arrangement or agreement that takes place with that Regions funds. Additionally, any chair of a USA Triathlon Committee authorized to enter into contractual arrangements shall disclose immediately the potential conflict to those vested with considering and making any decision on any arrangement or agreement that takes place with that committee's funds.

The colleague must disclose:

- (1) The existence and nature of the colleague's potential conflict of interest and
- (2) All facts known to him or her regarding the subject matter of the transaction or situation that an ordinarily prudent person would reasonably believe to be material to a judgment about

whether to continue with the transaction or how to deal with the situation.

b. The USA Triathlon Ethics Committee will examine the potential conflict of interest, whether it violates the By-laws of USA Triathlon (Article XVIII) and, depending on the nature of the conflict of interest, vote on either:

- (1) To continue the transaction at issue or,
- (2) To address the situation at issue: Colleagues subject to a conflict of interest determination shall be given the opportunity to present their interpretation of the facts, but shall not be permitted to be present or to participate in the deliberations or vote of the Board of Directors with respect to such conflict of interest. Recusal of the colleague shall require such colleague to physically remove them-selves from a meeting, conference call, e-mail, listserv, or any other electric communications, or
- (3) To refer the matter to the Board of Directors with or without an opinion of whether the transaction or situation rises to a conflict of interest.

c. Conflict of interest transactions or situations referred to the Board of Directors for determination shall be resolved by majority vote of the Board. A majority of all the members on the board remaining after any members are recused under paragraph B.2. above, constitutes a quorum for purposes of such a vote, and a majority of all the members present after any members are recused under paragraph B.2., above, constitutes a majority for purposes of such a vote.

d. Resolution of potential conflict of interest transactions or situations, whether by the Ethics Committee or the Board of Directors shall be accomplished by the evaluation of objective, bylaw mandated criteria:

- (1) Participation in the evaluation or approval of any contractual arrangement involving USA Triathlon if such individual would financially benefit coming, not-becoming or remaining a party to the arrangement.
- (2) If the ability to act in the best interests of USA Triathlon will be or reasonably may be affected by such individual's own financial, business, property, or personal interest
- (3) Violation of applicable law

e. When a conflict exists, resolution of the matter may include:

- (1) Approving or disapproving any transaction or situation at issue, or
- (2) Requiring the colleague to remove himself or herself from positions in which the conflict of interest exists until there is no longer a conflict; or
- (3) Requiring the colleague to discontinue, reduce, or modify his or her participation in the board, committees, or task forces where the conflict exists.

f. Evaluations of potential conflicts of interest involving members of the Board of Directors shall be decided upon by majority vote of the Board of Directors remaining after recusal of the interested

person(s). Evaluations of potential conflicts of interest involving other colleagues of USA Triathlon shall generally be conducted by the Ethics Committee, with the option to refer to the Board stated in b. (3), above.

g. In addition to the procedures described above, colleagues have an obligation to address any perceived conflict of interest of other colleagues if they are aware of such conflicts regarding matters pertaining to USA Triathlon.

4. 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 regarding 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 whether a conflict of interest actually 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 regarding the proceedings.

D. RELATIONSHIPS WITH VENDORS AND SUPPLIERS

At USA Triathlon, supplier and vendor relationships are managed in a fair, equitable and ethical manner consistent with our Code and all applicable laws and regulations and good business practices.

All USAT colleagues must respect the terms of supplier contracts and licensing agreements and maintain open, honest dialogue consistent with good business practices. USAT Colleagues must also safe-guard all information received from a vendor or supplier, including pricing, technology and proprietary design information, and not disclose it to anyone outside of USA Triathlon without written permission from USAT's Executive Director.

E. USE OF ORGANIZATION RESOURCES

Organizational resources include such things as company time, materials, supplies, equipment, information, electronic mail and computer systems purchased by USAT. As a rule, the personal use of any USA Triathlon asset without prior approval is prohibited. The use of USA Triathlon resources for personal financial gain is strictly forbidden.

F. BUSINESS COURTESIES - GIFTS & ENTERTAINMENT

GENERAL

This section of the Code should not be considered in any way as an encouragement to make, solicit, or receive any type of entertainment or gift. This section of

the Code applies to the giving and receiving of gifts by or to colleagues and their spouses and immediate family members.

This section of the Code, while generally complete, does not and is not intended to address every possible pattern of conduct. In cases where a colleague has a question or concern about application of this section of the Code to the giving or receiving of a gift, the colleague should discuss that concern or question with a Regional Council Representative, the Executive Director, or President.

RECEIVING BUSINESS COURTESIES

There will be times when a current or potential business associate may extend an invitation to attend a non-business, social event to further develop a business relationship. USAT colleagues may accept such invitations, provided: (1) the cost associated with such an event is reasonable and appropriate and not exceed \$250; and (2) such events are infrequent.

USAT colleagues may accept gift certificates within the limits set forth in this policy, but may not accept cash or financial instruments (e.g., checks, stocks). Under no circumstances may a USAT colleague solicit a gift.

EXTENDING BUSINESS COURTESIES

There may be times when a colleague wishes to extend to a current or potential business associate an invitation to attend a social event (e.g., reception, meal, sporting event, or theatrical event) to further or develop a business relationship. The purpose of the entertainment must never be to induce any favorable business action. During these events, topics of a business nature must be discussed and the host must be present. The cost associated with such an event must be reasonable and appropriate. As a rule, this means the cost will not exceed \$250.00 per person. Moreover, such business entertainment regarding any particular individual must be infrequent, which, as a rule, means not more than four times per year. All such business entertainment must comport with the code of conduct or code of ethics of the recipient's organization, and it must be covered by the appropriate USA Triathlon budget.

The organization will under no circumstances permit or authorize participation in any business entertainment that might be considered lavish.

G. USA TRIATHLON INFORMATION

BOOKS, RECORDS AND COMMUNICATIONS

Each USAT colleague is responsible for the integrity and accuracy of organization documents, communications and financial records. These records serve as a basis for managing our activities and are important in meeting our obligations to vendors, sponsors, government regulators, creditors, the Board, and our athletes.

All financial information must reflect actual transactions and conform to accounting principles generally accepted in the United States of America. USA Triathlon maintains a system of internal controls to assure appropriate authorization, recording and accountability of USA Triathlon's assets. When colleagues are asked to respond to requests by internal auditors, legal staff, independent accountants, the Board, and outside counsel, they must be complete and truthful. Colleagues must include all relevant information, even if the request does not specifically ask that that be done.

It is a violation of the Code to alter or falsify information on any record or document, to intentionally make a false or exaggerated claim to anyone, or to mislead anyone about what we do. Organization documents and records are retained according to the law, and our own record retention policies. No one may remove or destroy records before the specified date without first obtaining permission as out-lined in USA Triathlon's records management policy.

INTELLECTUAL PROPERTY

USA Triathlon vigorously protects our own intellectual property rights as well as rights of others. Intellectual property rights include patents, copyrights, trademarks, and trade secrets. Property rights also include mailing lists, membership data and software programs created by us or other companies that are copyrighted, are trade secrets, or are otherwise restricted.

COMPUTER NETWORKS AND INFORMATION

Use of USA Triathlon information networks and resources is both a necessity and a privilege. USAT Colleagues with access to our networks are responsible for using the highest standards of organization-al and social behavior in all of their usage and communications. Colleagues who use USA Triathlon's networks from remote locations (e.g., home or other non-USA Triathlon locations) are subject to the same standards of use as are colleagues who use USA Triathlon networks on USA Triathlon premises.

USA Triathlon computer networks are for legitimate USA Triathlon-related business purposes only. Limited personal use may be acceptable if such use is authorized by the President and does not interfere with the performance of the colleague's normal responsibilities. USA Triathlon reserves the right to periodically monitor, access and disclose the contents of USA Triathlon computer systems and net-works and to block access to non-work-related Internet sites.

FINANCIAL REPORTING AND RECORDS

We have established and maintain a high standard of accuracy and completeness in documenting, maintaining, and reporting financial information. This information serves as a basis for managing our activities and is important in meeting our obligations to our colleagues and stakeholders. It is also necessary for compliance with tax and financial reporting requirements. All financial information must reflect actual transactions and conform to generally accepted accounting principles. All funds or assets must be properly recorded in the books and records of USA Triathlon. USA Triathlon maintains a system of internal controls to provide reasonable assurances that all transactions are executed according to appropriate authorization and are recorded in a proper manner to maintain accountability of the organization's assets. We diligently seek to comply with all applicable auditing, accounting and financial disclosure laws.

H. CONTACT WITH OUTSIDE ATTORNEYS

If an attorney contacts you for any reason regarding USA Triathlon, you should refer him or her to the Executive Director and/or Legal Counsel. You should never answer questions or supply documents to attorneys outside of USA Triathlon.

V. Resolution of Ethical Issues

1. Familiarity With Ethics Code

Colleagues have an obligation to be familiar with this Ethics Code. Lack of awareness or misunderstanding of an ethical standard is not itself a defense to a charge of unethical conduct.

2. Confronting Ethical Issues

When a colleague is uncertain whether a particular situation or course of action would violate the Ethics Code, the colleague ordinarily should consult with other colleagues knowledgeable about ethical issues, with the Ethics Committees, or with other appropriate authorities in order to choose a proper response.

3. Conflicts Between Ethics And Organizational Demands

If the demands of an organization with which colleagues are affiliated conflict with this Ethics Code, colleagues should clarify the nature of the conflict, make known their commitment to the Ethics Code, and to the extent feasible, seek to resolve the conflict in a way that permits the fullest adherence to the Ethics Code.

4. Informal Resolution Of Ethical Violations

When colleagues identify a potential ethical violation by another colleague, they should attempt to resolve the issue by bringing it to the attention of that individual if an informal resolution appears appropriate.

5. Reporting Ethical Violations

If an apparent ethical violation is not appropriate for informal resolution or is not resolved properly in that fashion, colleagues should take further action appropriate to the situation, including referral to the Ethics Committee.

6. Cooperation With Ethics Committee

Colleagues should cooperate in ethics investigations, proceedings, and resulting requirements of USAT. Failure to cooperate is itself an ethics violation.

7. Improper Complaints

Colleagues must not file or encourage the filing of ethics complaints that are frivolous and are intended to harm the respondent rather than to protect the public.

Any colleague that violates or condones the violation of the Code of Ethics is subject to disciplinary measures as required by the USAT Bylaws, which may include termination of membership and expulsion from governance, committees, councils, commissions or other positions.

VI. Whistleblower Policy

A "whistleblower" as defined by this policy is any USAT Colleague who reports an activity to one or more of the parties specified in this policy that they considers to be illegal, dishonest, unethical or in conflict with the interests of USA Triathlon. Examples of illegal or dishonest activities are:

- Violations of federal, state or local laws,
- Billing for services not preformed or for goods not delivered,
- Other fraudulent financial reporting or,
- Undisclosed ethical or conflict of interest activity.

If a colleague has knowledge of or a concern regarding such activity, he or she should contact the Ethics Committee, which is responsible for investigation and coordinating adjudication. The colleague must exercise sound judgment to avoid baseless allegation. A colleague who intentionally files a false report of wrongdoing will be subject to sanctions up to and including termination.

"Whistleblower" protections provide confidentiality and prevent retaliation. Insofar as possible, the confidentiality of the whistleblower will be maintained. However, to conduct a thorough investigation, to comply with the law and to provide accused individuals their legal rights of defense, disclosure of identity may be required. USA Triathlon will not retaliate against a whistleblower. This includes, but is not limited to, protection from retaliation in the form of any adverse

action. Any "whistleblower" who believes he or she is being retaliated against must contact the Ethics Committee immediately. The right of the "whistleblower" to protection against retaliation does not include immunity for any personal wrong doing that is alleged and investigated. USAT colleagues with any questions regarding this policy should contact the Ethics Committee.

VII. USA Triathlon Ethics Committee

A. Composition of the Ethics Committee-

The Ethics Committee shall consist of five members and shall specifically exclude the President and Executive Director (CEO) from any membership including ex officio. One member may be a Director from the Board of Directors. Four other members shall satisfy the standards of independence for "independent directors" as is set forth in the USAT Bylaws and shall include:

- 1 At least one individual who has particular expertise in the area of ethics and ethical conduct;
- 2 At least one athlete, as defined by the USOC, eligible to serve on grievance committees; and
- 3 Two other individuals.

B. Duties of the Ethics Committee

The Ethics Committee shall:

1. Review reported potential violations of the Code of Ethics and, if appropriate, recommend actions to the Board.
2. Resolve conflict of interest issues for colleagues other than members of the Board of Directors, or prepare recommendations for Board resolution of such conflict issues.
3. Prepare recommendations to the Board of Directors for resolution of conflicts of interest issues involving members of the Board.
4. Review conflict of interest statements of candidates for elected or appointed USA Triathlon colleague positions, and prepare recommendations for Board of Director action to remove any candidate for consideration who's ability to act in the best interests of USA Triathlon will be or reasonably may be affected by such candidate's own financial, business, property, or personal interest.

VIII. USAT Bylaws Article XVIII - Conflict of Interest

Section 1. Except as permitted by and in compliance with one or more provisions of California Nonprofit Corporation Law including one or more of Sections 5233 through 5236, no member of the Board of Directors, officer, or member of any committee of USA Triathlon, and no employee, consultant, agent or representative of USA Triathlon shall participate in the evaluation or approval of any contractual arrangement involving USA Triathlon if such individual would financially benefit, directly or indirectly, from USA Triathlon becoming or remaining a party to the arrangement. No member of the Board of Directors, officer or member of any committee of USA Triathlon, employee, consultant, agent or representative of USA Triathlon, shall be elected to or appointed to any office or position representing USA Triathlon if the Board of Directors determines that such individual's ability to act in the best interests of USA Triathlon will be or reasonably may be affected by such individual's own financial, business, property, or personal interest. No member shall enter into an agreement with USA Triathlon which would violate applicable law.

Section 2. Upon learning that USA Triathlon is proposing to enter or has entered into a contractual arrangement or agreement which is referred to in Section 1,

and is not in compliance with one or more provisions of the California Nonprofit Corporation Law including one or more of Sections 5233 through 5236, each individual named in Section 1 shall promptly notify the President and the Executive Director in writing of the existence of the potential conflict, and the Executive Director shall disclose immediately the potential conflict to those vested with considering and making any decision on the arrangement or agreement which is referred to in Section 1. In the event of an election or appointment which the Board of Directors determines violates the terms of Section 1, and is not in compliance with one or more provisions of the California Nonprofit Corporation Law including one or more of Sections 5233 through 5236, the individual shall resign from or decline the office or appointment. Nothing herein shall, however, permit removal of a Director from the office of Director except by those persons so authorized as elsewhere in these Bylaws.

Section 3. In the event this Article is violated, USA Triathlon shall have the right to recover from the individual in question his/her direct or indirect financial benefit and to void the arrangement.

Section 4. Each year at the first regular meeting of the Board of Directors after each election of directors, each director shall file with USA Triathlon office a disclosure of all activities in which such director or the director's spouse or children held a direct or indirect financial interest, or from which they received compensation during the preceding twelve (12) months, that were directly or indirectly involved with the sports of triathlon or its component sports, or were doing business with USA Triathlon. Such list shall be made available to the public upon request.

Ethics Policy Receipt and Conflict of Interest Disclosure Statement

I acknowledge receipt and understanding of USA Triathlon's Code of Ethics, and I pledge compliance with the spirit and the letter of the requirements contained therein.

To the best of my knowledge or belief, I have no actual or potential conflicts of interests, except as stated below. (List any current or potential contractual arrangement involving USA Triathlon from which you would financially benefit, directly or indirectly, from USA Triathlon becoming, not-becoming or remaining a party to the arrangement. In addition, list any financial, business, property or personal interest that will or reasonably may affect your ability to act in the best interests of USA Triathlon. Attach additional pages if necessary)

In addition to the above listed actual or potential conflicts of interest, members of the Board of Directors and candidates for election to the Board of Directors must list all activities in which they or their spouse or children held a direct or indirect financial interest, or from which they received compensation during the preceding twelve (12) months, that were directly or indirectly involved with the sports of triathlon or its component sports. Attach additional pages if necessary:

Print Name _____
Signature _____ Date _____
USAT Governance Position(s) _____

National USAT Board members and national volunteers, return to:
Sharon Carns
USA Triathlon
1365 Garden of the Gods Rd. Suite 250
Colorado Springs, CO 80907
719/597-2121 Fax
719/597-9090 Phone, ext. 100
sharon@usatriathlon.org

Ethics Committee Chair Initials _____

Regional USAT Council members and regional volunteers, return to:
Regional Coordinator
Regional Council Chair Initials _____ Regional Committee Staff Liaison Initials