

**SEABROOK ISLAND PROPERTY OWNERS ASSOCIATION
BOARD OF DIRECTORS CODE OF CONDUCT**

Approved by Board of Directors 05/15/2023

WHEREAS, the Board of Directors (“Board”) of Seabrook Property Owners Association (“SIPOA”) has the authority to make decisions on behalf of the Seabrook Island community; and

WHEREAS, the Board has the responsibility to make decisions for the benefit of the SIPOA community as a whole and to use best efforts to ensure that SIPOA members maintain confidence and respect for the Board as an institution of governance; and

WHEREAS, in exercise of such authority and responsibility, each Board Member has responsibility and accountability pertaining to fiduciary duties and ethical obligations, including but not limited to the following:

- *Fiscal*. Managing prudently SIPOA’s financial needs, resources, and assets; and
- *Loyalty*. Placing the interest of SIPOA as a whole above personal and/or other interests; and
- *Care*. Exercising the skill, diligence and decision making that a reasonable person would exercise under similar circumstances; and
- *Ethical Conduct*. Maintaining a high standard of ethical conduct in the performance as a SIPOA Board Member; and
- *Conflicts of Interest*. Avoiding conflicts that have the potential to improperly influence a Board Member’s decisions on matters before the SIPOA Board, including but not limited to conflicts arising from personal interests, business relationships, outside interests, and/or relationships with other entities or organizations.

NOW THEREFORE, BE IT RESOLVED THAT the Board hereby adopts the following rules of conduct and standards of behavior that are applicable to all Board Members from and after the date of adoption as noted below (the "Code of Conduct"):

1. The recitals to this resolution are incorporated in this Code of Conduct.
2. This Code of Conduct is in addition to, and is not intended to replace, the fiduciary duties of Board Members prescribed by the South Carolina Nonprofit Corporation Act.
3. Board Members shall act in the best collective interest of SIPOA as a whole regardless of personal interest(s) and real or potential conflicting interests of any formal or informal subgroups of Property Owners with which the Board Member may be affiliated in any other capacity.
4. Board Members shall use sound judgment as a basis for decision-making, taking into consideration all available accurate and truthful information, circumstances and resources.
5. Board Members shall disclose all personal, professional and/or official interests or relationships with any company, individual, or subgroup of Property Owners, who may be seeking any affiliation or business

relationship with SIPOA, at or prior to the time that any action that may be affected by such relationship is considered by the SIPOA Board.

6. Board Members shall not serve on the Seabrook Island Club Board of Governors, the Town of Seabrook Island Town Council or its Commissions, or any Seabrook Island property regime/association Board. Board Members must disclose participation in any activity from which a real or perceived conflict of interest may arise as described in this Code of Conduct. The disclosure must occur at or prior to the time that any action may be affected by such a conflict of interest.
7. After the Board takes an action on a matter before the Board, Board Members shall not take a public position that is contrary to, critical of, or that disparages such Board decision, even if the Board Member disagrees with such decision, while such Board Member remains on the SIPOA Board. Nothing in the foregoing is intended to restrict a current Board Member's ability to express an opinion in the course of his or her candidacy for elected office.
8. Board Members shall not use or publicly support the use by others of any means of public advocacy of a position for or against a matter that is currently before the Board, or a duly authorized Board Committee, for action, unless such advocacy occurs in the setting of an officially set Board meeting or other Board authorized forum at which debate may occur.
9. Board Members shall support open, fair, and public Board elections, and shall take no action by any means to subvert or improperly influence the outcomes of the nomination and/or election procedures as contemplated by SIPOA's Bylaws.
10. Board Members shall not knowingly misrepresent facts to any members of the community regarding a matter that is before the Board, for any purpose, including but not limited to the purposes of advancing a personal interest or influencing any members of the community to advance a Board Member's personal interest.
11. Board Members shall not reveal to any non-Board Member, Property Owner or third-party any privileged, confidential, or non-public information derived from service on the SIPOA Board.
12. Board Members shall conduct themselves at all official SIPOA meetings, including but not limited to Board meetings, annual meetings of the Property Owners and Board Committee meetings, in a manner consistent with Roberts Rules of Order.
13. Board Members shall treat all Board Members, Property Owners, SIPOA officers, SIPOA employees, SIPOA contractors and SIPOA guests courteously and in a manner consistent with the best interests of SIPOA, and shall not personally attack or disparage such individuals, verbally or otherwise.
14. Board Members shall not defame any other Board Members, Property Owners, SIPOA officers, SIPOA employees, SIPOA contractors or SIPOA guests: any and all such defamatory actions shall be deemed to be outside the scope of the Board Member's authority.
15. Board Members shall not in any way ridicule, harass, threaten, or otherwise attempt to intimidate any Board Members, Property Owners, SIPOA officers, SIPOA employees, SIPOA contractors or SIPOA guests: any and all such actions shall be deemed to be outside the scope of the Board Member's authority.
16. Individual Board Members (except Committee Chairs who have been delegated authority to take such action) may not interfere with or direct the activities of SIPOA employees, SIPOA contractors or SIPOA

guests: all communications from Board Members regarding the activities of SIPOA employees, SIPOA contractors and/or SIPOA guests must be made to the Executive Director.

17. Board Members shall recuse themselves from consideration of any Board decision, including discussion and voting, where such Board Members have a conflict of interest, or a potential conflict of interest, that may improperly influence such Board Member's decision, including but not limited to conflicts arising from personal interests, business relationships, outside interests, affiliations and/or other relationships with other entities or organizations.

AND BE IT FURTHER RESOLVED THAT the Board hereby adopts the following enforcement procedures regarding the Code of Conduct:

1. Alleged violations of the Code of Conduct shall, upon submission of a written complaint by an observer of the violation to the Executive Director, be brought to the Board for hearing. The Executive Director shall promptly transmit all such written complaints to the Executive Committee, and the Executive Committee shall provide written notice to the alleged violator of the date and time of such hearing along with a copy of the written complaint.
2. A quorum of the Board for any such hearing shall be all of the Directors then holding office, exclusive of the alleged violator.
3. A hearing on a Board Member's first alleged violation of this Code of Conduct shall be held by the Board of Directors in Executive Session. If at least 75% of the Directors then holding office (exclusive of the alleged violator) find the alleged action to be a violation of the Code of Conduct, then the violator shall at the discretion of the Board, either: (i) receive a private reprimand in Executive Session, or (ii) receive a public reprimand in open session. For purposes of clarity, a public reprimand must be authorized through a vote of at least 75% of the Directors then holding office (exclusive of the alleged violator) taken in open session, and the basis for the violating director's public reprimand must be reflected in the Board Minutes.
4. A hearing on a Board Member's subsequent alleged violation of this Code of Conduct shall be held by the Board of Directors, and the Board shall choose, in its discretion, whether such hearing shall be held in Executive Session or open session. If at least 75% of the Directors then holding office (exclusive of the alleged violator) find the alleged action to be a violation of the Code of Conduct, then the violator shall, at the Board's sole discretion, either: (i) receive a private reprimand in Executive Session, (ii) receive a public reprimand in open session, or (iii) be removed from the SIPOA Board by the Board. For purposes of clarity, a public reprimand or removal of the violating director must be authorized through a vote of at least 75% of the Directors then holding office (exclusive of the alleged violator) taken in open session, and the basis for the violating director's public reprimand or removal must be reflected in the Board Minutes.
5. For purposes of clarity, and notwithstanding the approval threshold for director removal contained in S.C. Code Ann. Section 33-31-808(i), any removal of a violator of this Code of Conduct from the SIPOA Board shall require approval of at least 75% of the Directors then holding office (exclusive of the alleged violator).
6. Any reprimand, public or private, shall be delivered by the President of the Board, or the next senior officer present, if the violation is committed by the President.

7. Notwithstanding anything to the contrary herein, any hearing on any alleged violation shall be held in an open session of the Board instead of Executive Session upon the written request of the alleged violator, submitted to the Executive Committee prior to the date of the hearing.
8. All results of action taken on alleged violations of this Code of Conduct, except for private reprimands issued in Executive Session, shall be included in the Board Minutes.

AND BE IT FURTHER RESOLVED THAT:

This Code of Conduct shall apply to current and future Board Members from the date of the adoption of these resolutions forward. Notwithstanding the foregoing, the power of the Board to remove a violating Board Member from the Board is subject to the provisions of S.C. Code Ann. Section 33-31-808(i).