



POLICY ON RESPONSIBILITIES AND CONDUCT OF MEMBERS OF THE BOARD OF DIRECTORS

APPROVED BY THE SOA BOARD OF DIRECTORS, FEBRUARY 2010

PREAMBLE

Being elected to serve on the SOA Board of Directors is a high honor and privilege, but one that carries with it a serious responsibility to serve the interests of the SOA and its members. It is the desire of the SOA that all Board members should conduct themselves and perform their duties in an exemplary fashion, commensurate with the position of leadership that has been bestowed upon them by the membership.

Board members must always abide by the legal duties of care, loyalty and obedience pertaining to their role as Directors of the SOA. As fiduciaries of SOA resources and guardians of its mission, each Board member has basic responsibilities that derive from these legal duties:

- To support the mission and purpose of the SOA, as reflected in its Articles of Incorporation, and to abide by its Bylaws and policies;
- To be diligent in preparation for, attendance at, and participation in Board meetings and related activities on behalf of the SOA;
- To ensure that the financial and business affairs of the SOA are, to the best of the Board member's awareness, managed in a responsible manner;
- To act always in good faith and in the best interests of the SOA, above any personal interest; and
- To maintain the confidentiality of sensitive or proprietary information obtained as a result of Board service.

Board members must also recognize that the Board acts only as a collective entity. Success depends on the contributions of all Board members and their ability to work well together.

With the goal of embedding these core principles into the culture of the Board, this Policy establishes standards of conduct expected of each Board member.

STANDARDS OF CONDUCT

- 1. INDIVIDUAL CONDUCT:** To properly serve the SOA and its members, each Board member must at all times act with dignity and integrity, both inside and outside of Board meetings, reflecting the SOA's high standards for ethical behavior and professionalism.

 - a. Each Board member sets the tone for SOA members and volunteers by acting as a leader and serving as an example of dedication, integrity and professional conduct.
 - b. A Board member should take no action that could discredit the reputation or credibility of the SOA.
- 2. FINANCIAL RESPONSIBILITY:** Each Board member serves as a fiduciary of the SOA's resources and is accountable to the members for prudent management of the SOA's financial and business affairs.

 - a. A Board member should read and understand the SOA's financial reports, committee reports and other documents pertaining to the operations of the SOA.
 - b. A Board member should actively engage in decisions relating to the allocation of resources and monitoring of financial performance.
- 3. CONFLICT OF INTEREST:** Each Board member must act in good faith and in the best interests of the SOA, above any personal interest or the interests of any particular constituency. Each Board member is subject to, must be familiar with, and must follow the SOA's Conflict of Interest Policy (Appendix B of the Policy Manual). It is not a conflict of interest for Board members to be advocates for their areas of practice or geography. Board members should, however, be open to the views and needs of all areas of practice and geography, and should act and vote based on the overall good of the Society, without partisanship.
- 4. BOARD COMMITMENTS:** Each Board member must devote the time and resources reasonably necessary to fulfilling his/her commitments to Board activities.

 - a. A Board member should demonstrate due diligence in preparation for and attendance at Board meetings and other activities on behalf of the SOA.
 - b. A Board member should, to the best of his/her ability, be informed about the needs and opinions of the SOA membership, and should ask any questions necessary to be fully informed about the issues being addressed by the Board, before making decisions.
 - c. A Board member should give open and fair consideration to diverse and opposing viewpoints.
 - d. A Board member should exercise independent judgment, and should not hesitate to express dissenting opinions in an appropriate manner during Board deliberations.

STANDARDS OF CONDUCT

- 5. RELATIONS AMONG BOARD MEMBERS:** Each Board member must foster an environment of respect, cooperation and collegiality. A Board member must not unduly disrupt the Board from operating in an efficient and effective manner.
- A Board member should treat other Board members with courtesy and allow other members of the Board to express their views.
 - A Board member should respect the differing opinions of others. Board members may disagree on issues, but disagreements should be directed at the issue; personal *ad hominem* attacks are not acceptable.
 - A Board member should never undermine, sabotage or falsely impugn another Board member. This is not intended to preclude a Board member, acting in good faith, from reporting a suspected violation of this Policy under the compliance provisions described herein, or from separately filing a disciplinary complaint with the ABCD (or other appropriate disciplinary body) regarding an alleged violation by another Board member of the SOA's (or other applicable) Code of Professional Conduct.
- 6. CONFIDENTIALITY:** Transparency in governance and having input from SOA membership are both important considerations for the Board. Board members must, however, balance those considerations against their legal and fiduciary obligations to maintain the confidentiality of sensitive or proprietary information obtained as a result of Board service. In addition, maintaining the confidentiality of the Board's deliberations (especially those held in executive session) is essential to having full and frank discussions necessary for effective decision-making. Therefore, subject to Standards 7 and 8 of this Code of Conduct and the exceptions noted below, a Board member may solicit input from SOA members on matters being considered by the Board, and may informally share with SOA members the actions taken and the issues considered by the Board in reaching its decisions. However:
- A Board member may not disclose any matters addressed in executive session to anyone not entitled to participate therein.
 - A Board member may not disclose confidential or proprietary information obtained as a result of Board service to anyone outside the Board or authorized SOA staff.
 - A Board member may not, in disclosing anything about the Board's deliberations, discuss or disclose the votes of the Board or of individual Board members (including his/her own) unless the Board has made these votes public, or negatively characterize the positions of the Board or the points of view taken by any members of the Board.
 - A Board member may not disclose anything about Board actions or deliberations if the Board has determined to defer announcement of that action or to control the dissemination of that information.



STANDARDS OF CONDUCT

- 7. PUBLIC STATEMENTS:** A Board member may not act in an official capacity or speak publicly on behalf of the SOA unless empowered to do so under the Bylaws or as specifically empowered by the Board.
- A Board member who, by virtue of Board assignments or duties, is asked to or is expected to communicate about Board matters through an official SOA communication channel or forum (such as *The Actuary*, *SOA News Today*, or a Section newsletter) is authorized to speak for the Board in that capacity and for that purpose.
 - Except where so empowered or authorized, a Board member speaking publicly to SOA membership or in any other public forum must ensure that his/her statements are clearly identified as personal opinions and that he/she is not speaking on behalf of the SOA in any official capacity or expressing the views or positions of the SOA.
- 8. SUPPORT OF BOARD DECISIONS:** A Board member must accept and publicly support Board decisions.
- A Board member is encouraged to be an ambassador of the SOA and, subject to Standard 6 (Confidentiality) of this Code of Conduct, to promote the activities and actions of the Board with the SOA membership and publicly. In doing so, a Board member must stay faithful to the intent of the Board as expressed in its official statements, and should not reinterpret or re-characterize the Board's actions to reflect his/her own view.
 - While having the right and responsibility to exercise independent judgment and to express dissenting opinions during Board deliberations, a Board member also has the obligation outside the Boardroom to respect and support decisions of the majority, even when the Board member dissented from the majority view.
 - A Board member who does not support a Board decision may express his/her opposition within the Board in an appropriate manner.
 - A Board member must not take actions publicly or with respect to the SOA membership that have the purpose of undermining the decisions or actions of the Board.
 - A Board member who intends to publicly oppose a Board action should resign his/her position on the Board before doing so.
- 9. RELATIONS WITH STAFF:** A Board member must appreciate the strategic role of the Board and respect the Executive Director's and SOA staff's responsibility to manage the SOA's day-to-day activities.
- A Board Member should refrain from intruding on administrative issues that are the responsibility of management, except to monitor results and prohibit actions that conflict with Board policy.
 - A Board member should treat employees of the organization courteously and professionally, recognizing that the SOA has an obligation to provide its employees a workplace free from discrimination and harassment.

COMPLIANCE WITH THIS POLICY

1. Board members are expected to use good faith efforts to comply with this Policy. A Board member who is unsure about the interpretation of a particular Standard of Conduct should consult with the President of the SOA or a member of the Leadership Team. If a Board member is unable to carry out the material responsibilities of his/her position or to conduct him/herself in a manner consistent with the Policy, the Board member should consider voluntarily resigning his/her position on the Board
2. A Board member or members who wish to bring a complaint under this Policy must do so in writing, addressed to the President of the SOA or a member of the Leadership Team. The Leadership Team (excluding any member who is personally involved in the complaint) will then, with the advice of the General Counsel and any investigatory panel it may appoint, determine a course of action for handling the complaint, including:
 - a. Determine that the complaint does not warrant further action. If a Board member who reported the complaint is not satisfied with that decision, he/she may submit the written complaint to the Board for further consideration.
 - b. Mediate between the Board member(s) who reported the complaint and the alleged violator(s), with an outcome agreeable to all parties.
 - c. Refer the complaint to a discipline committee in accordance with Article XIII of the Bylaws.
3. Any complaint made under this Policy, any and all proceedings of the Leadership Team, the Board, investigatory panel, discipline committee or appellate tribunal involved in investigating and resolving it, and any outcome of such proceedings – other than a public reprimand, suspension, expulsion or other outcome that necessarily involves disclosure – shall be considered confidential.
4. Notwithstanding paragraph 3 above, if the Leadership Team and/or any party or persons involved with or aware of the matter determine that the alleged conduct is additionally a potential violation of the SOA's Code of Professional Conduct (or other applicable professional code), they may refer the matter to the ABCD (or other appropriate disciplinary body).¹
5. If a discipline committee determines that a Board member has violated this Policy, corrective measures may be required of the offending Board member and/or discipline may be imposed as provided in Article XIII. Corrective measures or discipline should be appropriate to the facts and circumstances of the violation and, subject to the Bylaws and applicable law, may include the following:
 - a. Admonishment or reprimand, whether privately by the Board or publicly by the SOA.
 - b. Requirement for remedial action to be taken.
 - c. Removal from certain Board-related assignments and/or loss of certain Board duties or privileges.
 - d. Actions initiated to seek removal from the Board or as an officer.
6. If the offending Board member does not cooperate with the decision of the discipline committee and/or the appellate tribunal, the Board may take such further action as it deems appropriate. Repeated or willful violations of this Policy, or a Board member's disregard for or refusal to comply with remedial actions specified by the discipline committee or the Board, may be regarded as a violation of Precept 1 or Precept 12 of the SOA's Code of Professional Conduct or comparable provisions of other applicable codes of professional conduct.

FOOTNOTE

¹ This Policy is issued pursuant to Article V, Section 1 of the SOA Bylaws, and is intended to establish rules and policies for the conduct of the Board's business. It is not intended to supersede, interfere with, or establish prerequisites for disciplinary complaints arising under the SOA's Code of Professional Conduct or other applicable professional codes.