

ARRL Board Member Statement on Authority, Responsibility, and Expectations

[Insert Publication Date]

It is important that ARRL Board Officers, Directors, and Vice Directors, referred to as Board Members in this document, do their utmost to represent the interests of ARRL members. Doing this requires a primary emphasis on the fiduciary responsibilities that Board Members have to the ARRL to support its mission, *do no harm* to the organization, and to care for its long-term health and performance.

The ARRL Board represents the highest level of corporate governance of the ARRL. The Board Member's authority and responsibility are defined in the following governing documents (collectively, the "Governing Documents"): Connecticut Revised Nonstock Corporation Act, ARRL Articles of Association*, ARRL By-Laws*, ARRL Rules & Regulations*, ARRL Standing Orders*, and ARRL Director Workbook*. In addition, Board Members are subject to considerations of best corporate practice.

This document, herein referred to as the *Board Member Statement*, is organized to present Board Members with a convenient and comprehensive summary and description of their respective responsibilities and authority as well as expectations placed upon them by Governing Documents. This Statement includes the ARRL Conflict of Interest Policy and description of the process for investigating alleged violations of fiduciary responsibility.

This Board Member Statement does not replace the obligation of each Board Member to fully review the "Governing Documents" themselves.

Upon declaration of intent to run for a Director or Vice Director position, potential candidates will be required to read and to certify that they have read and understand the Board Member Statement and abide by the provisions it contains. Upon receipt of their declaration of intent to run for a Director or Vice Director position, the candidate will be given information to download the Statement for printing or be sent a paper copy of the Statement at their option. Certification by signature at the end of the Board Member Statement must be delivered in writing or by electronically signed document, to the ARRL Board Secretary. Failure to so certify will result in a determination of ineligibility and denial of their nominating petitions by the ARRL Board Ethics and Elections Committee (hereafter referred to as "E&E") consistent with Article 12 of the ARRL Articles of Association.

Every Board Member will be required to annually recertify that they have read and understand the Board Member Statement and will abide by the provisions it contains. Such certification will take place at or before the January Board meeting. Certification by signature at the end of the Board Member Statement must be delivered in writing or by electronically signed document, to the ARRL Board Secretary. Except as otherwise approved by the Ethics and Elections Committee, the failure of a Board Member to sign the Board Member Statement before, at, or within 5 days after the annual meeting or within 5 days of a request for recertification from E&E will render that Board Member ineligible to serve

* All ARRL Governing Documents are publicly available on the ARRL Website:
<https://www.arrl.org/general-information>

or continue to serve consistent with Article 12 of the ARRL Articles of Association. In no case shall the E&E extend the time for recertification for more than 30 days unless so authorized by simple majority vote of the ARRL Board.

If a violation of any ethical, fiduciary, or legal duty by a Board Member is alleged, an investigation as described in the "Investigations of Violations of Board Member Fiduciary Duties and Other Duties and Recommendations of Remediation" section below may ensue. If a preliminary investigation by E&E indicates that a violation may have occurred, an independent neutral Third Party selected by the ARRL will be engaged to investigate the allegation. If the Third Party finds that a violation has occurred, the Third Party will so advise E&E and present a suggested remediation. After considering the Third Party remediation, E&E may choose to identify and propose an alternative remedial action. E&E will present the Third Party's findings and recommend remediations to the ARRL Board. The ARRL Board may accept the E&E or Third Party recommended remediation or impose a different remedial action as it finds appropriate. In severe cases, this could be a recommendation that the Board Member is ineligible to serve or continue to serve on the Board. A 2/3 majority vote of the whole Board is required to affirm such a recommendation.

This Board Member Statement is incorporated by reference into the ARRL By-Laws. As such, amendments to the Board Member Statement require the same process and rigor required of amendments to the By-Laws themselves.

Duties of a Board Member Overview

Fiduciary Duties:

As Directors of a non-stock, non-profit corporation operating within the framework of the Connecticut Revised Nonstock Corporation Act (hereafter referred to as "the Act"):

Section 33-1104 of the Act specifies the expectations of a member of a Board of Directors:

"Sec. 33-1104. General standards for directors. (a) A director shall discharge his duties as a director, including his duties as a member of a committee: (1) In good faith; (2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (3) in a manner he reasonably believes to be in the best interests of the corporation."

This statute is interpreted as requiring a Board Member to exercise fiduciary responsibility including *doing no harm* to the organization and working for the benefit of the organization.

Directors have three overarching duties.

- Duty of Care – Directors must take care of the ARRL by ensuring prudent and effective use of all assets, including facility, people, and goodwill.¹ The Act specifies the expectations of a member of a Board of Directors.
- Duty of Loyalty – Directors must ensure that ARRL activities are advancing its mission. They must recognize and disclose conflicts of interest. In furtherance of this duty of loyalty, directors must make decisions that are in the best interests of the ARRL and not

¹ National Council of Nonprofits

in the best interest of a board member or any other individual or entity.² Directors have a fiduciary duty to maintain confidentiality to ensure candid deliberations and effective strategic and tactical planning.³

- Duty of Obedience – Directors must ensure that the ARRL obeys applicable laws and regulations, follows its own governing documents (such as By-Laws, Articles of Association, and Standing Orders), and that it adheres to its stated corporate purposes and mission.⁴

Additional Duties:

Beyond Fiduciary Duties, Board Members, by common practice and expectation, also provide guidance and support to the ARRL including:

- Contributing to the corporate culture, strategic focus, effectiveness, and financial sustainability
- Acting as ambassadors and advocates furthering the goals and mission of the ARRL
- Ensuring that interactions among Board Members and between Board Members and staff are respectful and professional. Actions that constitute harassment (sexual or otherwise) are violations of the standard of conduct expected of Board Members and will not be tolerated.

ARRL Conflict of Interest Policy

(a) Purposes

The purposes of this Conflict of Interest Policy are threefold: (1) to preserve the confidentiality of business, financial, strategic, or other information, data or plans not intended for public dissemination which, if disclosed, could in the view of the Board harm the ARRL; (2) to protect the integrity of the decision-making process of the Board so that the deliberations, contributions and decisions of the Board are made in the sole interest of the ARRL and its members collectively; and (3) to ensure that no one will be eligible for, or hold, a Board position including a Board Officer, Director, or Vice Director whose business connections are of such nature that his or her influence in the affairs of the ARRL could be used for his or her private benefit or materially conflict with the activities or affairs of the ARRL. The Board shall effectuate the following policies in order to further these three purposes and to fulfill the fiduciary obligations that Board Members have to the ARRL. This policy is intended to supplement but not supersede any applicable laws governing conflicts of interest in Connecticut nonprofit and charitable corporations.

(b) Conflicts of Interest

- 1) A conflict of interest arises when a Board Member has a business, personal, professional, financial, or familial interest, affiliation or relationship that could materially conflict with the obligation of the Board Member to the ARRL.

² National Council of Nonprofits

³ Harvard Law School Forum on Corporate Governance

⁴ National Council of Nonprofits

- 2) A financial conflict of interest of a Board Member exists if the Board Member (or his or her parents, spouse or partner, children, siblings, or the spouses of children or siblings) has, directly or indirectly, through material equity ownership or voting control, a management position, employment, investment or contract, an interest in or other arrangement with any entity whose business or operation (i) competes with the business or programs of ARRL, or (ii) may be materially affected (positively or negatively) by a decision or action of the Board or by any program, policy, strategy or activity of the League. For purposes of this By-Law, a material ownership or investment interest shall include an equity or voting interest of five percent (5%) or more of the value of the entity.
- 3) A finding that a conflict of interest exists does not indicate that any unethical or improper action on the part of a Board Member has been taken. Acknowledgement of conflicts through voluntary disclosure, and mitigation of the effects of conflicts, through some level of recusal, avoids the appearance of impropriety that otherwise might undermine confidence in the Board's policies.

(c) Duty to Disclose

- 1) A Board Member and any candidate for election as a Board Member shall promptly disclose to the E&E the existence of any potential or actual conflict of interest without delay at the time that the conflict arises during the tenure of the Board Member or during the candidacy of the Candidate for election. Candidates for election as a Director or Vice Director shall disclose to the E&E any potential or actual conflict of interest that exists at the time of the submission of their nominating petition.
- 2) When requested by the E&E and not less frequently than once a year, each Board Member shall promptly submit a statement to that Committee identifying all business, personal, professional, financial, familial and other affiliations of the Board Member or his or her family members (i.e. parents, spouse or partner, children, siblings, or the spouses of children or siblings) that could reasonably be considered to be a conflict of interest as defined above, whether or not the Board Member believes that a conflict exists.
- 3) The failure of a Board Member to voluntarily and timely disclose facts that may result in a finding of a potential or actual conflict of interest, whether or not the disclosure is requested by the E&E, will be considered a breach of the Board Member's fiduciary obligation to the League and the Board of Directors will determine an appropriate sanction therefor, even if no harm to the League results from the nondisclosure.
- 4) After disclosure of an actual or potential conflict of interest by a Board Member or Vice Director or candidate for election as a Director, the disinterested members of the E&E shall determine whether a conflict of interest exists. A finding of an actual or potential

conflict involving a Board Member shall be referred to the Board for determination of an appropriate remedy unless the Committee determines that the conflict is *de minimis* and recusal is unnecessary. The interested Board Member shall recuse himself or herself from any vote upon any proposed matter, transaction, contract, or arrangement in connection with which an actual or potential conflict of interest has been disclosed by that Board Member until such time as the E&E and/or the Board has addressed the actual or potential conflict of interest.

(d) Remediation of conflicts of interest

(1) Recusal

One possible method of resolving conflicts of interest involving Board Members or Vice Directors will be by recusal of that Board Member. Upon a factual finding, as provided in By-Law 46 and through the process described in the section below entitled "Investigations of Violations of Fiduciary Responsibility and Recommendations of Remediation," that a Board Member has an actual conflict of interest and that the conflict is not *de minimis*, the E&E Committee will make a recommendation to the Board as to the level of recusal determined to be appropriate on a case-by-case basis. The Board of Directors will then decide by majority vote which level of recusal (if any) is appropriate in that case. There are three levels of recusal:

- 1) The interested Board Member will be asked to leave the meeting room so that the Board can freely discuss and vote on the issue about which the conflict exists. Once the vote is taken, the recused Board Member may return to the meeting.
- 2) The interested Board Member may be allowed to remain in the room but not participate in the discussions or vote on the issue about which the conflict exists.
- 3) The interested Board Member may be allowed to remain in the room and participate in the discussions but not vote.

(2) Ineligibility

Pursuant to Bylaw 46, E&E may recommend to the full Board that an incumbent Board Member is ineligible to serve or continue to serve if that incumbent Board Member (or his or her parents, spouse or partner, children, siblings, or the spouses of children or siblings) (1) is engaged in an ongoing business or activity that directly, materially and consistently competes with an active program, business interest or activity of the League on a continuing basis, or which engages regularly or periodically in commercial business transactions with the League; and (2) that application of any of the three levels of recusal would be inadequate or insufficient to accomplish the purposes of this Conflict of Interest policy; and (3) that the nature of the conflict of interest is so pervasive and continuous as to render the Board Member ineligible to serve or continue to serve.

Investigations of Violations of Board Member Fiduciary Duties and Other Duties and Recommendations of Remediation

Violation of any ethical, fiduciary, or legal duties, as set forth herein or otherwise imposed by the Governing Documents, by a Board Member may result in a preliminary investigation by the E&E. If a majority of the E&E agree that a violation by a Board Member exists, E&E will present all relevant evidence and the results of the preliminary investigation to an independent neutral Third Party as defined in ARRL By-Law 42. The subject of the investigation may also present relevant evidence to the Third Party. The Third Party will investigate and determine whether any violations occurred and submit its findings to the E&E. If the findings are that no violation occurred, E&E will terminate any action on the matter. If the Third Party finds that a violation has occurred, the Third Party will so advise E&E and present a suggested remediation. After considering the Third Party remediation, E&E may choose to identify and propose an alternative remedial action. E&E will present the Third Party's findings and recommend remediations to the ARRL Board. The ARRL Board may accept the E&E or Third Party recommended remediation or impose a different remedial action as it finds appropriate.

Findings of a violation by the independent Third Party shall be based on a preponderance of evidence. Remediation shall be based upon taking appropriate action to protect the interests of the ARRL and its members.

ARRL Board Member Statement on Authority, Responsibility, and Expectations
2024-11-22

By my signature, I hereby certify that I have read, understand, and will comply with the ARRL Board Member Statement on Authority, Responsibility, and Expectations. I further attest that I have no conflict of interest as defined in the ARRL Conflict of Interest Policy and will notify the Ethics and Elections Committee if conditions for a potential conflict of interest occur.

Name _____

Signature _____

Date _____