



BYLAWS

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Article 1. Name and Principal Office

Section 1.1. Name. The name of this corporation is California State University Employees Union, Inc. (hereinafter referred to as the "Corporation" or CSUEU).

Section 1.2. Principal Office. The principal office for the transaction of the activities, affairs and business of the Corporation shall be located at 1108 "O" Street, 5th Floor, Sacramento, California 95814.

Section 1.3. Other Offices. The Corporation may from time to time establish branch or subordinate offices at any place or places where it is qualified to conduct its activities.

Article 2. Purposes

Section 2.1. Purposes of the Corporation. The principal purpose of the Corporation is to further the interests of its members in connection with their service to the people of the State of California. It shall have all the purposes of the California State Employees' Association (CSEA), of which its active members are also members, and the additional purposes set forth in this article. Without limiting the generality of the foregoing, the specific purposes of the Corporation include the following:

- (a) To encourage the development and maintenance of high standards of professionalism in university employment;
- (b) To promote the welfare of its members in connection with their employment, which may include, representation before the Legislature, in courts and in negotiations over wages, hours and terms and conditions of employment.
- (c) To foster acquaintanceship, cooperation, efficiency and harmony among its members, and to serve as a forum for communications among them about matters within the scope of the Corporation's purposes.
- (d) To represent the interests of its members within CSEA.

Section 2.2. Authority of Charter. This corporation has been chartered by authority of California State Employees Association (CSEA), a California non-profit mutual benefit corporation. If such charter is surrendered to, taken away, or revoked by CSEA, this corporation shall thereupon dissolve. If this corporation is dissolved for such reason or for any other reason or cause whatsoever, all of its assets, after compliance with the applicable provisions of Chapters 15, 16, and 17 of the California Non-Profit Mutual Benefit Corporation Law, shall be

distributed to CSEA. The foregoing provisions may not be amended without the written consent of CSEA.

Section 2.3. Limitations. Neither the Corporation nor any of its officers, agents, employees or any other person under its control shall take any action prohibited by these bylaws or the bylaws of CSEA.

Article 3. Members

Section 3.1. Classes of Membership. The Corporation shall have two mutually exclusive classes of membership: active and associate. No person may hold membership in more than one class.

Section 3.2. Qualifications for Membership. Any individual dedicated to the purposes of this Corporation and qualified for membership in one of the following classes may be admitted to membership in such class on compliance with the procedures set forth in this article and in Article 4. The qualifications for the respective classes of membership shall be as follows:

(1) Active Members.

(a) Rank and File Employees of the California State University (CSU), not designated as supervisory, managerial, or confidential, shall be eligible for membership in the CSUEU. Membership in good standing shall continue during appeals of involuntary termination.

(b) Auxiliary Employees, including but not limited to Foundation Employees and Associated Student Employees, and Student Employees not designated as supervisory, managerial, or confidential, shall be eligible for membership in the CSUEU. Membership in good standing shall continue during appeals of involuntary termination.

(c) Employees of the University of California

(d) Employees of Hastings College of the Law

(2) Associate Members.

(a) Are on leave of absence from state service who elect not to be active members; or

(b) Were members while in state service, have separated from state service, and who are recommended by a chapter for membership; or

- (c) Temporarily laid off from state service, but were members prior to such layoff.

Section 3.3. Members in Good Standing. Those members who have paid the required dues and fees in accordance with these Bylaws, who have not lost their eligibility for membership, who are not under suspension and have not been expelled shall be deemed members in good standing.

Section 3.4. Rights of Members. All members of the Corporation shall have the right to attend and speak at membership meetings of their respective Chapters. The other rights of the members shall be as follows:

- (1) Active Members.

Active members in good standing shall be entitled to all the rights and privileges of membership, including, without limitation, the right to vote, the right to hold office if elected, and the right to participate on a non-discriminatory basis with all other active members in all member benefits.

- (2) Associate Members.

Associate members shall be entitled to participate in member benefits if and to the extent such benefits can be provided without interfering with the Corporation's ability to serve the active members. Associate members do not have the right to hold office or vote.

Section 3.5. Term of Membership. Membership shall commence when a member is admitted in accordance with these Bylaws. Membership shall continue until the member resigns, is expelled, dies or becomes ineligible for membership.

Section 3.6. Dues. Membership dues shall be set by and through the Corporation. Other fees may be set by the Board of Directors as they deem appropriate.

Section 3.7. Payment of Dues. All dues for active members shall be payable by payroll deduction while the State of California cooperates with the terms of a Memorandum of Understanding. The Board of Directors may establish alternative methods of dues collection.

Section 3.8. Transfer of Membership. Membership is personal to the member. It is not assignable or transferable under any circumstances. Any purported assignment or transfer of any rights of membership shall be null and void and of no effect.

Section 3.9. Member Discipline.

(1) Grounds. A member may be disciplined up to and including suspension or expulsion from membership in this Corporation, or fined for one or more of the following causes:

- (a) Failure to pay dues, fees or assessments within 120 days after the due date thereof.
- (b) Occurrence of any event that makes the member ineligible for membership.
- (c) The good faith determination by the Board of Directors, or a committee or hearing officer authorized by the Board to make such a determination, that the member has failed in a material and serious degree to observe the rules of conduct of the Corporation, or has engaged in conduct materially and seriously prejudicial to the purposes or interests of the Corporation.
- (d) Failure to fulfill the duties and responsibilities of elected office.
- (e) Failure to repay travel advances within timelines established by the Board of Directors.
- (f) Failure to return to CSUEU all books, papers, electronic files (including user names and passwords) and other CSUEU property that are in their possession or control at the close of their term or service to CSUEU. (BD 76/10/2)

(2) Procedure. Members of the Corporation shall be disciplined in accordance with policies and procedures established by the Corporation and applicable laws.

Section 3.10. Open Meetings. Except as set forth in this Section 3.10, all meetings of the Executive Officers, the Board of Directors and all committees at which the business of the Corporation is acted upon shall be open to all members in good standing of the Corporation, and all meetings of each Chapter and of its officers and committees shall be open to all members of such Chapter. A meeting may not be closed except for reasons in accordance with established policies and procedures and subject to applicable laws.

Article 4. Chapters

Section 4.1. Definition. A Chapter is defined as an autonomous organization of persons with a community of interest qualified for membership in the Corporation,

which holds an un-revoked charter signed by the President and the Vice President for Finance by authority of the Board of Directors in accordance with established policies and procedures, and subject to applicable laws.

Section 4.2. Purposes. The purposes of a Chapter shall be to promote cooperation among the members, to provide a forum for meetings of members and participation in the affairs of the Corporation, to recruit and organize members, and to carry out the purposes of the Corporation at a local level.

Section 4.3. Eligibility for Charter. Persons who are eligible to or hold active membership in CSUEU may petition the Board of Directors for the issuance of a charter declaring in their petition the community of interests to be served, their acceptance of the CSEA Bylaws and Policy File, the Corporation Bylaws and Policy File, and their desire to function as a lawful unit of the Corporation.

Section 4.4. Chapter Bylaws and Activities. Each Chapter shall adopt and follow a bylaws in accordance with established policies and procedures and subject to applicable law.

Article 5. Corporate Governance

Section 5.1. Corporate Officers. The principal officers of the Corporation shall be President, Vice President for Organizing, Vice President for Finance, and Vice President for Representation. (BD 111/10/4cc)

A. President. Subject to the overall control of the Board of Directors, the President shall be the chief executive officer of the Corporation, and shall supervise, direct and manage the Corporation's activities, affairs and other officers. (BD 32/09/2)

The President's duties include: (BD 32/09/2)

- (1) Calls and presides over all meetings of Board of Directors and the executive officer committee and is an ex officio member of all other committees; (BD 32/09/2)
- (2) Appoints all committees with the exception of the Executive Committee, Finance Committee, Representation Committee, Representation Appeals Committee, and Statewide Organizing Committee (Committee appointments and removals are subject to the concurrence of the Board of Directors); (BD 32/09/2) (BD 96/10/3)
- (3) Coordinates the CSUEU Board Programs; (BD 32/09/2)

(4) Represents the CSUEU in relations with other organizations;
(BD 32/09/2)

(5) Represents the CSUEU within the Association; and (BD 32/09/2)

(6) Serves on the CSEA Board of Directors and Board Executive
Committee. (BD 32/09/2)

B. Vice President for Organizing. The Vice-President for Organizing is the second officer of the Corporation and shall have the primary responsibility to develop and implement all organizing and recruitment activities of the Corporation. (BD 32/09/2)

The Vice President's duties include: (BD 32/09/2)

(1) Acts for, and in the place of, the President at the latter's request or during his/her absence or disability; (BD 32/09/2)

(2) Assists the President in all of his/her duties; (BD 32/09/2)

(3) Serves on the CSEA Board of Directors; (BD 32/09/2)

(4) Keeps (or cause to be kept), at the Corporation's principal office or at a place determined by Board resolution, a record of the Corporation's members, showing each member's name, address, Chapter and class of membership and any changes thereto; (BD 32/09/2)

(5) Keeps (or cause to be kept) a record of the territory, officers, Delegates, Alternates, bylaws, meeting place and other significant information about each Chapter; (BD 32/09/2)

(6) Gives (or causes to be given) notice of all Board, Board Committees, and other committee meetings, as required by these Bylaws;
(BD 32/09/2) (BD 57/11/21)

(7) Appoints the election committee, provides (or causes to be provided) election notices and ballots, and ensures voting rights and quorum requirements are met. Take (or causes to be taken) such other actions as these Bylaws may require in connection with all nominations and elections for the Corporation; and (BD 32/09/2) (BD 57/11/21)

(8) Chairs and appoints the Statewide Organizing Committee (Committee appointments and removals are subject to the concurrence of the Board of Directors). (BD 32/09/2) (BD 96/10/3)

The Vice-President for Organizing shall have such other duties as may from time to time be prescribed by the Board of Directors. (BD 32/09/2)

C. Vice-President for Finance. The Vice President for Finance is the chief financial officer of the CSUEU, and the third executive officer of the Corporation. (BD 32/09/2)

The Vice President's duties include: (BD 32/09/2)

- (1) Replaces the Vice President for Organizing in the event of a temporary or permanent vacancy; (BD 32/09/2)
- (2) Serves on CSEA's Board of Directors and Fiscal Committee; (BD 32/09/2)
- (3) Chairs and appoints the Corporation's Finance Committee (Committee appointments and removals are subject to the concurrence of the Board of Directors); (BD 32/09/2) (BD 96/10/3)
- (4) Develops, with the Finance Committee, the fiscal training for chapter officers and specialized training for Chapter Treasurers; (BD 32/09/2)
- (5) Monitors and makes recommendations on the CSUEU standing committee and chapter budgets to the President; (BD 32/09/2)
- (6) Keeps and maintains (or causes to be kept and maintained) adequate and correct books and accounts of the Corporation's properties and transactions; (BD 32/09/2)
- (7) Directs the preparation of such financial statements and reports as are required by law, the Bylaws, the President or the Board of Directors. With reasonable notice, the Corporation's account books shall be open to inspection by any Director; (BD 32/09/2)
- (8) Deposits (or causes to be deposited) all money and other valuables in the name and to the credit of the Corporation with such depositories as the Board of Directors may designate, shall disburse the Corporation's funds as the Board of Directors may order; (BD 32/09/2)
- (9) Oversees the collection of all amounts owed to the Corporation and the payment of the Corporation's obligations; (BD 32/09/2)

- (10) Keeps (or causes to be kept) at the Corporation's principal office a copy of the Articles of Incorporation and the original of these Bylaws, as amended to date. The Vice President for Finance shall also keep the seal of the Corporation in safe custody at the principal office of the Corporation; and (BD 32/09/2)
- (11) Bond: If the Board requires, the Vice-President for Finance shall be bonded, in the amount and with the surety or sureties specified by the Board of Directors, for faithful performance of the duties of the office and for restoration to the Corporation of all its books, papers, vouchers, money, and other property of every kind in the possession or under the control of the Vice-President for Finance on his or her death, resignation, retirement, or removal from office. (BD 32/09/2)

D. Vice President for Representation. The Vice-President for Representation is the fourth executive officer of the Corporation and is responsible for the coordination, training, development, and operations of the Corporation's representation program. (BD 32/09/2)

The Vice President's duties include: (BD 32/09/2)

- (1) Replaces the Vice President for Finance in the event of a temporary or permanent vacancy; (BD 32/09/2)
- (2) Chairs the Bargaining Committee and Coordinates the work of the Bargaining Unit Councils; (BD 32/09/2)
- (3) Appoints stewards to the Representation Committee (Committee appointments and removals are subject to the concurrence of the Board of Directors); (BD 32/09/2) (BD 96/10/3)
- (4) Serves as the officer assigned to the Classification Committee; (BD 32/09/2)
- (5) Attends CSEA Board of Directors meetings as requested by the CSUEU President; (BD 32/09/2)
- (6) Maintains (or causes to be maintained) steward certification records and grievance and appeals tracking; (BD 32/09/2)
- (7) Develops and maintains the Corporation's representation training policy and the training program for hearing officer panels members; (BD 32/09/2)

(8) Coordinates activities of Chief Stewards; and (BD 32/09/2)

(9) Coordinates meet and confers. (BD 32/09/2)

E. CSEA Board of Directors. In the event that the number of CSUEU seats on the CSEA board changes and notwithstanding the duties listed above, the President shall serve on the CSEA Board of Directors and CSEA Board Executive Committee. Any additional seat(s) shall be filled among and by the CSUEU Executive officers. If the Executive Committee is unable to select additional seat(s) by a simple majority vote, the President shall appoint the members(s) to the CSEA Board with concurrence of the CSUEU Board of Directors. (BD__/12/__)

Section 5.2. Executive Officer Committee. Members of the Executive Officer Committee shall be the President, the Vice-President for Organizing, the Vice-President for Finance, and the Vice-President for Representation. (BD 111/10/4cc)

Section 5.3. Board of Directors. There is hereby established a Board of Directors of the Corporation consisting of the Executive Officers, Chapter Presidents, and Bargaining Unit 2, 5, 7 and 9 Chairs and Vice Chairs. (BD 36/15/13) (BD 10/16/2)

A. Duties:

All CSUEU Board Directors are responsible for performing the following duties in connection with their roles as Directors: (BD 9/16/2)

- (1) Attend all CSUEU Board meetings;
- (2) Represent the Director's chapter or bargaining unit at the Board meetings including presenting items to the Board at the request of their constituency;
- (3) Provide two-way communication between the Director's constituency and the Board of Directors;
- (4) Uphold the CSUEU Bylaws, Policy File and SEIU Code of Ethics and Conflict of Interest Policy (Appendix A); (BD 9/16/2)
- (5) Respond to member comments or questions regarding Board motions;
- (6) Other duties that may be assigned by the President.

B. Alternates: (BD 36/15/13)

- (1) Alternates for Chapter Presidents shall be in the following order: Chapter Vice Presidents, Chapter Treasurer, Chapter Secretary, Chapter Organizing Chair. (BD 58/11/21) (BD 36/15/13)
- (2) Alternates for Bargaining Unit Councils shall be the at large members of the Bargaining Unit Council. : (BD 36/15/13)

C. Excused Absences:

An alternate shall be seated when a Director has an excused absence from the CSUEU President. An alternate may participate in Board meetings, but shall not be counted to achieve a quorum, and shall not vote on Board actions or decisions. No Director may miss two (2) consecutive Board meetings unless the Director has an excused absence. The President has the authority to review and determine whether or not a Director's absence is excused. In the President's absence or unavailability the Vice President for Organizing is authorized to review the Director's request for an excused absence. (BD 111/10/4cc) (BD 36/15/13)

Section 5.4. General Council and SEIU International Convention Delegates.

General Council and SEIU International Convention Delegates are elected or selected in accordance with California State University Employees Union Policy File, California State Employees Association Bylaws and Policy File, and SEIU International Constitution and Bylaws. (BD 13/12/4)

Section 5.5. Powers of the Board of Directors. Subject to the provisions and limitations of applicable law, and subject to any limitations in the Articles of Incorporation, the Corporation's activities and affairs shall be managed, and all corporate power shall be exercised by or under the direction of, a Board of Directors constituted as set forth in this Article. Said Board of Directors is sometimes referred to herein as the "Board." A member of the Board is referred to herein as a "Director."

A. Special Meetings (BOD 9/15/2)

1. Ten (10) Directors may request a special meeting by conference call of the Board. Such request shall include an agenda.
2. The President shall schedule such meeting within 30 days.

3. The meeting notice and agenda must be provided at least twenty (20) days in advance of the meeting.
 4. The President may add agenda items.
- B. All Board action shall be taken by motion. Board actions or decisions require (1) a quorum, and (2) a majority vote of the directors present. (BOD 39/14/23)

Section 5.6. Eligibility for Office and Electorate.

- A. Only CSUEU members in good standing may run for and be elected to Corporation Office.
- B. The Corporation Officers are elected by the active members in good standing who:
1. are members of the Board of Directors; or
 2. are Chapter Vice Presidents, Secretaries, Treasurers, Chapter Organizing Chairs and Chapter Bargaining Unit Representatives not already serving on the board. (BD 77/10/2)

Section 5.7. Voting Rights. All voting rights of the active members, except those exercised within their respective chapters, shall be delegated to and exercised by and through their duly elected directors.

Section 5.8. Term of Office. The election cycle of Corporation officers shall correspond with the cycle established by Corporation Policy.

Section 5.9. Installation of New Directors. Newly elected Officers shall be installed as the Officers of the Corporation at the close of the Board of Directors Meeting at which they are elected. Before entering upon their duties, each shall take an oath, the exact terms of which may be established by resolution of the Board, to support the aims and purposes of the Corporation, support and defend its Bylaws, and faithfully discharge the duties of such office. Directors elected at or between meetings of the Board of Directors shall take the oath at that meeting before taking office. Directors elected at other times shall take the oath at the beginning of the first meeting of the Board of Directors which they attend. The President shall conduct the installation of all Officers and Directors and administer the oath to them.

Section 5.10. Compensation of Directors. No Director or Officer shall be entitled to additional compensation for services rendered as such Director or Officer while they are participating in Union Leave provisions of a Memorandum of Understanding. The Corporation shall pay or reimburse the reasonable expenses incurred by the Directors and Officers in connection with attending meetings of the Board of Directors, serving on Committees of the Board or other committees, or otherwise carrying out their duties on behalf of the Corporation.

Section 5.11. Vacancies on the Board of Directors.

A. Causes of Vacancies. A vacancy or vacancies on the Board of Directors or Executive Officer Committee shall exist on the occurrence of any of the following events.

- (1) The death or resignation of a Director or Officer.
- (2) The declaration by resolution of the Executive Officer Committee of a vacancy in the office of a Director or Officer who has been declared of unsound mind by an order of court or convicted of a felony since being elected as a Director or Officer.
- (3) The removal of a Director or Officer by the Board of Directors, as set forth in this section.
- (4) Two (2) consecutive, unexcused absences from Board of Directors meetings shall be cause for removal from the Board of Directors. (BD 96/10/3)
- (5) An increase in the number of authorized Directors. (BD 96/10/3)

B. Rules for Vacancies

- (1) Resignation. A Director or Officer may resign by giving written notice to the President, the Vice President for Finance or the Executive Officer Committee. Such resignation will be effective when received unless it specifies a later effective date, in which case it shall take effect as of such later date.
- (2) Removal. The Board of Directors may remove a Director or Officer from office, with cause, by vote of two-thirds of the Directors in attendance and voting at a meeting at which a quorum is present. Directors may be removed only at a meeting.

- (3) Temporary leaves from elected positions shall become permanent vacancies after one year unless extended by action of the Board of Directors. (BD 96/10/3)
- (4) Filling Vacancies. Except for vacancies created by removal of an Officer by the Board of Directors, vacancies on the Executive Officer Committee may be filled by a majority vote of the remaining Officer(s) within 15 days of the vacancy, subject to the Board's concurrence within 30 days. (BD 96/10/3) (BD 40/14/23)
- (5) A vacancy created by the removal of an Officer by the Board of Directors may be filled by the Board of Directors; if the Board of Directors fails to fill any such vacancy, the Executive Officer Committee may do so as in the case of any other vacancy. The Board of Directors may fill any vacancy not filled by the remaining Executive Officers. (BD 96/10/3)

Article 6. Committees of the Board

Section 6.1. Constitution and Powers. The Board may establish committees to serve particular purposes of the Corporation. Other committees have been established by these Bylaws, or may be established by amendment hereof; but neither the Board nor any bylaw may delegate to any committee any of the powers listed in Corporations Code Section 7212(a) (1)-(8).

Article 7. Representatives to CSEA

Section 7.1. President. The President shall serve as the representative of the Corporation on the board of directors of CSEA.

Section 7.2. Second Corporation Representatives. The Vice President for Organizing shall serve as the second Corporation representative on the board of directors of CSEA.

Section 7.3. General Council Delegation. The delegates and alternates who represent the active members of the Corporation on the CSEA General Council shall be: the Delegates and Alternates elected pursuant to CSUEU Bylaws, President, Vice President for Organizing, the Vice President for Finance and Vice President for Representation.

Section 7.4. CSUEU Chapter Delegates to General Council. General Council Delegates. The election of Chapter General Council delegates shall be in

accordance with the CSUEU Bylaws and Policy File.

Section 7.5. Other Representatives. If the bylaws of CSEA require or permit this Corporation, the class of members of CSEA who also belong to this Corporation or the division of CSEA to which such members formerly belonged, to elect or appoint any other representatives to the CSEA board of directors, general council, any CSEA committee or any other CSEA body (other than as set forth above or elsewhere in these Bylaws), such other representatives shall be appointed by the President, with the affirmation of the Board of Directors.

Article 8. Finance

Section 8.1. Fiscal Year. The fiscal year of the Corporation shall be the calendar year.

Section 8.2. The Budget.

- (a) Adoption. The Corporation's fiscal affairs shall be managed pursuant to the cycle of Association General Council Meetings. At least 30 days prior to the Board of Directors meeting prior to the General Council Meeting, the Vice President for Finance shall have proposed, and shall have mailed to each Delegate, a proposed budget for the following budgetary cycle. The Board of Directors may, by majority vote, make such amendments to the proposed budget as it deems advisable. The proposed budget, as so amended, shall become the budget of the Corporation for the forthcoming budgetary cycle. The Board of Directors shall be deemed to have ratified and approved those parts of the proposed budget which it does not amend.
- (b) Amendment. The Board of Directors may amend the budget for any purpose.
- (c) Exceeding Budget. No expenditure of the Corporation's funds or other assets may be made or contracted for except pursuant to and in accordance with a budget duly adopted by the Board of Directors, except as specifically authorized by the Board of Directors or in this article. With the approval of the Board of Directors, the Corporation may incur and pay obligations in excess of those included in the budget if funding for such additional expenditures is provided by either:
 - (1) dues or other revenues in excess of those anticipated by the budget; or
 - (2) savings on other budgeted items. Amounts included as "reserves" in the budget may be used only with the approval of two-thirds of the Board of Directors then in office, and then only to cover obligations that were incurred involuntarily and must be paid to avoid legal liability for the

Corporation.

- (d) Automatic Amendment. If CSEA cannot or does not agree to provide all the services ordered by the Corporation pursuant to its budget, then the budget shall be deemed automatically amended to authorize the Corporation to obtain replacement goods and services elsewhere on the best terms then reasonably available, and to pay the additional cost, if any, of obtaining such replacement items.
- (e) Application of Credits. The Corporation's credits with CSEA for its positive funds balance as of the date it receives a charter from CSEA, and any future credit balances with CSEA or any other supplier, shall be treated as part of the Corporation's sources of funds for budget purposes, and applied to budget expenses as quickly as permitted by CSEA or such other supplier.

Section 8.3. Borrowing. The Corporation may borrow money for corporate purposes, on terms approved by the Board of Directors, only to the extent authorized by its currently effective budget.

Section 8.4. Lending and Leasing. If and to the extent authorized by the currently effective budget, the Corporation may rent or lease to others its real or personal property (other than money or cash equivalents) not needed for current operations, on commercially reasonable terms and with adequate security. The Corporation shall not acquire any property for the purpose of renting or leasing it, and shall sell any asset for which there is no foreseeable future need. The Corporation may lend its assets (other than money or cash equivalents) free of charge or for less than the rental value thereof provided such loan is for the purposes set forth in Article 2. The Corporation shall not lend money except as permitted by section 8.6.

Section 8.5. Sequestration. Nothing contained in the budget can compel the Corporation to make any expenditure or loan of corporate funds or any lease or transfer of other corporate assets. If the Board of Directors determines that it is in the best interests of the Corporation to delay, limit or withhold any expenditure or loan of the Corporation's funds or any loan, lease or transfer of any of its other assets, then it may sequester such funds or other assets for as long as it deems advisable. Sequestered assets may not be counted as a reduction in expenditures for purposes of reallocating budget items.

Section 8.6. Investment of Corporation's Funds

A. Scope

Only funds of the Corporation in excess of those needed for current expenses

shall be deposited in one or more accounts insured by the U.S. government in depository institutions chartered by the U.S. government, or invested in securities issued by, and backed by the full faith and credit of, the US Government.

B. Objectives

The objectives of investing the excess cash balances of CSUEU, in order of priority, are as follows:

1. Maximize safety of the principal
2. Meet CSUEU liquidity requirements
3. Deliver optimum yields in relationship to the guidelines and market conditions
4. Provide fiduciary control of all investments

C. Responsible Parties

Subject to affirmation by the CSUEU Board of Directors and in consultation with the Chief Financial Officer of CSEA, investment decisions are the responsibility of the Executive Officer Committee of CSUEU.

Any revisions or amendments to investment parameters or policy will be the responsibility of the CSUEU Board of Directors.

The daily portfolio management may be delegated by the CSUEU Executive Officer Committee to the Chief Financial Officer of CSEA under the general portfolio parameters adopted by the CSUEU Board of Directors.

Article 9. Political Action

Section 9.1. Limitations. No officer, director, agent, employee, member, Chapter or other subordinate organization or subdivision of the Corporation shall take any political action on behalf of the Corporation or in the name of the Corporation on any political issue without the express prior approval of the Legislative Committee or the Board of Directors. (BD 43/14/23)

Article 10. Indemnification

Section 10.1. Right of Indemnity. To the fullest extent permitted by law, this Corporation shall indemnify its Directors, Officers, subordinate officers, committee members, employees, and other persons described in Section 7237(a) of the California Corporations Code, including persons formerly

occupying any such positions (all referred to in this article as "agents"), against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, including an action by or in the right of the Corporation, by reason of the fact that the person is or was an "agent" of the Corporation, as defined above. "Expenses," as used in this bylaw, shall have the same meaning as in Section 7237(a) of the California Corporations Code.

Section 10.2. Approval of Indemnity. On written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, the Board shall promptly determine under Section 7237(e) of said Code whether the applicable standard of conduct set forth in Section 7327(b) or Section 7237(c) has been met. If so, the Board shall authorize indemnification. If the Board cannot authorize indemnification because the number of Directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, the matter shall be submitted to a vote of the CSUEU General Council Delegates by written ballot. Each ballot shall be sent with a statement of the facts of the matter prepared by legal counsel to the Corporation, and the statement of the person or persons requesting indemnification if such statement is not unreasonably long and is received before the time the ballots are mailed. The CSUEU General Council Delegates shall thereupon determine under Section 7237(e) whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, shall authorize indemnification. A person to be indemnified shall not be entitled to vote on the question.

Section 10.3. Advancement of Expenses. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under this Article in defending any proceeding covered hereby shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

Section 10.4. Insurance. The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its agents, as defined above, against any liability asserted against or incurred by any such person in such capacity or arising out of his or her status as such agent of the Corporation.

Article 11. Records and Reports

Section 11.1. Maintenance of Corporate Records. The Corporation shall keep:

- (a) Adequate and correct books and records of account;
- (b) Written minutes of the proceedings of its Board of Directors and its Committees; and
- (c) A record of each member's name, address, Chapter and class of membership.

Section 11.2. Maintenance and Inspection of Articles and Bylaws. The Corporation shall keep at its principal office the original or a copy of the Articles of Incorporation, and these Bylaws, as amended to date, which shall be open to inspection by the voting members at all reasonable times during office hours.

Section 11.3. Annual Report.

- (b) An annual report shall be prepared within 120 days after the end of the Corporation's fiscal year. That report shall contain the following information in appropriate detail:
 - (1) A balance sheet as of the end of the fiscal year, and an income statement and statement of changes in financial position for the fiscal year, accompanied by any report on them by independent accountants, or, if there is no such report, by the certificate of an authorized officer of the Corporation that they were prepared without audit from the books and records of the Corporation.
 - (2) A statement of the place where the list of the names and addresses of current members is located.
- (c) Unless each voting member is given a copy of such report, the Corporation shall notify each voting member annually of such member's right to receive a financial report under this section. On written request by a voting member, the Board shall promptly cause the most recent annual report to be sent to the requesting member.
- (d) If the Corporation regularly publishes a member newsletter or magazine which is mailed to all active members, the obligation to provide a copy of the annual report to members shall be satisfied if such report is published in full in an issue of such publication which appears no later than 120 days after the end of the Corporation's fiscal year. If the report is not published in full, the notice required by subsection (b) may be given by publishing it in a prominent

place in the issue of such publication which appears nearest before the end of 120 days after the end of the Corporation's fiscal year.

Article 12. Amendment of Bylaws

Section 12.1. Amendment by the Board of Directors. These Bylaws may be amended, or new bylaws adopted, by vote or written consent of two-thirds (2/3) of the Directors present and voting at any duly called, noticed and held meeting of the Board of Directors at which a quorum is present, provided advance notice of the proposed amendment has been given to the Directors at least 30 days before such meeting is held. Such notice shall set forth the text of the proposed amendment, and shall be mailed or otherwise given to each Director in the manner required for giving notice of special meetings of the Board of Directors. Any provision of these Bylaws that requires the vote of a larger proportion of the Directors than otherwise required by this article may not be amended or repealed except by such larger vote. (BOD 16/15/2)

Section 12.2. Record of Amendments. The Vice President for Organizing shall keep complete records of all amendments for at least five years after the effective date thereof, including the bylaws as they existed before each amendment, the exact text of each amendment, and the bylaws as amended. In the discretion of the Board of Directors, these Bylaws may be restated in their entirety to incorporate extensive amendments, or the amendments may be endorsed upon the existing Bylaws and signed in the margin by the Vice President for Organizing. In any event, the Vice President for Organizing shall ensure that these Bylaws accurately and completely incorporate all amendments to date, and shall certify that the Bylaws, as so amended, are the true and complete bylaws of the Corporation.

Article 13. Interpretation

Section 13.1. Supremacy of the Bylaws. These Bylaws are the supreme authority of the Corporation, subject only to the Articles of Incorporation, to the applicable provisions of the bylaws of CSEA, and to U.S. and California law. Any act of the Executive Officer Committee, of any Committee of the Corporation, of the Board of Directors or of any Officer, Chapter, member, committee or agent of the Corporation in conflict with these Bylaws is, to the extent of such conflict, null and void.

Section 13.2. Definitions. Unless the context clearly requires another meaning, all terms defined below and used in these Bylaws with a capitalized initial shall have the meaning given them in this section, as follows:

(a) "Alternate" shall mean a person elected by a Chapter to replace a General

Council Delegate if necessary, pursuant to Article 7, Section 7.3.

- (b) "Board" shall mean the Board of Directors.
- (c) "Board of Directors" shall mean the Board of Directors established by Article 5, Section 3 hereof.
- (d) "Alternate Director" shall mean a person eligible to serve in the absence of a Director pursuant to Article 5, Section 3.B.
- (e) "Chapter" shall mean an organized group of members of the Corporation who work or reside within geographic boundaries established pursuant to Article 4 and who hold a valid and unrevoked charter from this Corporation pursuant to said article.
- (f) "Committee of the Board" shall mean a committee composed entirely of Directors and established pursuant to Article 6.
- (g) "Director" shall mean a member of the Board of Directors
- (h) "Officer" shall mean one of the principal officers of the Corporation identified in Article 5, Section 5.1.

Section 13.3. Rulemaking Authority. No grant of authority herein contained permitting the Board of Directors to make and amend rules in certain instances shall be deemed to restrict the authority of the Board of Directors to make and amend rules in other instances.

Section 13.4. Cross-References. Each reference herein to any article shall be deemed to include a reference to each and every section, subsection and other subordinate part thereof; and each reference to a section or subsection shall be deemed to include a reference to each and every subsection and other subordinate part thereof.

**APPENDIX A: SEIU CODE OF ETHICS AND
CONFLICT OF INTEREST POLICY (BD 9/16/2)**

Approved by the SEIU International Executive Board, June 13, 2009
Approved by the SEIU International Executive Board as revised, January 21, 2016

PART A: PREAMBLE

The Service Employees International Union (SEIU) believes in the dignity and worth of all workers. We have dedicated ourselves to improving the lives of workers and their families and to creating a more just and humane society. We are committed to pursuing justice for all, and in particular to bringing economic and social justice to those most exploited in our community. To achieve our mission, we must develop highly trained and motivated leaders at every level of the Union who reflect the membership in all of its diversity.

Union members place tremendous trust in their leaders. SEIU elected officers and managers owe not just fiduciary obligations to union members; given the moral purpose of our mission, SEIU leaders owe members the highest level of ethical behavior in the exercise of all leadership decisions and financial dealings on members' behalf. Members have a right to proper stewardship over union funds and transparency in the expenditure of union dues. Misuse and inappropriate use of resources or leadership authority undermine the confidence members have in the Union and weaken it. Corruption in all forms will not be tolerated in SEIU. This *Code of Ethics and Conflict of Interest Policy* (the "Code" or "SEIU Code") strengthens the Union's ethics rules of conduct, organizational practices and enforcement standards and thus enhances the Union's ability to accomplish its important mission.

We recognize that no code of ethics can prevent some individuals from violating ethical standards of behavior. We also know that the SEIU Code is not sufficient in itself to sustain an ethical culture throughout the Union. To accomplish the goals for which this Code has been created, we must establish systems of accountability for all elected leaders and staff. These systems must include appropriate checks and balances and internal operating procedures that minimize the opportunity for misuse or abuse, as well as the perception of either, in spending union funds and exercising decision-making authority. The systems also must include adequate provision for training on understanding and implementing this Code. More broadly, we emphasize the importance of the range of standards, practices, and values described in "A Strong Ethical Culture," Section A of the *SEIU Policies on Ethics and Standards* that were enacted with the Code in 2009.

In particular, SEIU is committed to providing meaningful paths for member involvement and participation in our Union. The SEIU Member Bill of Rights and Responsibilities in the Union is a significant source of SEIU members' rights and obligations. Its exclusive enforcement through the procedures set forth in Article XVII of the SEIU Constitution and Bylaws reflects a commitment to the democratic principles that have always governed SEIU. Article XVII's numerous protections against arbitrary or unlawful discipline of members also form an essential ingredient of the democratic life of the Union. Similarly, the requirement that Affiliates provide for regular meetings of the membership, set forth in Article XV, Section 5 of the Constitution, is another important element in the democratic functioning of SEIU. Finally, the provisions against discrimination and harassment on the basis of race, creed, color, religion, sex, gender expression, sexual orientation, national origin, citizenship status, marital status, ancestry, age and disability contained in Article III, Section 4 of the SEIU Constitution and in the Constitutions and Bylaws of Affiliates, the SEIU Anti-discrimination and Anti-Harassment Policy and Procedure, and similar policies of Affiliates forbid conduct in violation of SEIU's historic belief that our strength comes from our unity and diversity and that we must not be divided by forces of discrimination.

Individuals subject to this Code are expected to comply with State and Federal laws, the Constitution and Bylaws of SEIU and Affiliates, and the anti-discrimination and anti-harassment policies of SEIU and Affiliates as part and parcel of our commitment to sustaining an ethical culture and the highest standards of conduct throughout the Union. Violations of these laws and policies are ethical breaches; however, these violations should be addressed through avenues provided by the applicable laws and policies and not through the Code unless they also allege violations of this Code. In particular, the sole enforcement mechanism for matters covered by the SEIU or Affiliate Constitutions and Bylaws is that which is set forth in those documents, unless violations of this Code are also alleged. Finally, grievances that arise under collective bargaining agreements are excluded from enforcement under this Code unless they also allege violations of this Code.

The scope and standards of this Code are set forth in the following Sections.

SECTION 1. *Applicability to International Union.* The SEIU Code is henceforth applicable in its entirety to all officers, executive board members and employees of SEIU. These individuals are referred to herein as "covered individuals." SEIU shall append or attach the Code in its entirety to its Constitution and Bylaws in its next and all future publications.

SECTION 2. *Applicability to SEIU Affiliates.* By enactment of the SEIU International Executive Board, the SEIU Code is applicable in its entirety to all officers, executive board members and employees of all affiliated bodies and

local unions chartered by SEIU (“Affiliates” herein). These individuals are referred to herein as “covered individuals.”

- (a) Each Affiliate shall ensure that the Code extends to all employees as soon as practicable but in no event later than the end of 2020.
- (b) Each Affiliate shall append or attach the Code in its entirety to its Constitution and Bylaws at its next and all future publications.
- (c) Wherever reference herein is made to SEIU or an SEIU program, department or position, the corresponding reference is to the particular Affiliate or its equivalent program, department or position.
- (d) Each Affiliate is responsible for enforcing the Code and educating its covered individuals on the Code in a manner consistent with the Code’s terms, subject to assistance and oversight from SEIU.
- (e) The Code is not intended to restrain any Affiliate from adopting higher standards and best practices, subject to the approval of the SEIU Ethics Ombudsperson.

PART B: GENERAL OBLIGATIONS

SECTION 3. *Obligations of Covered Individuals.*

- (a) *Commitment to the Code.* SEIU and each Affiliate shall provide a copy of the Code to each covered individual. It is the duty and obligation of covered individuals to acknowledge annually that they have received a copy of this Code, that they have reviewed and understand it, and that they agree to comply with it.
- (b) *Duty of disclosure.* Covered individuals shall disclose to the SEIU Ethics Ombudsperson or the Affiliate Ethics Liaison, described in PART F of this Code, any conflict of interest or appearance of a conflict, which arises when their paramount duty to the interest of members is potentially compromised by a competing interest, including but not limited to an interest, relationship or transaction referenced in this Code. Actual, perceived and potential conflicts should be disclosed at the time that covered individuals become aware of them.
- (b) *Disqualification from service to SEIU or Affiliate.* No person shall serve as an officer or managerial employee of SEIU or any Affiliate who has been convicted of any felony involving the infliction of grievous bodily injury, or the abuse or misuse of such person’s position or employment

in a labor organization to seek or obtain illegal gain at the expense of the members, except for the limited exceptions set forth in applicable federal law.

PART C: BUSINESS AND FINANCIAL ACTIVITIES

SECTION 4. *General Duty to Protect Members' Funds; Members' Right to Examine Records.*

- (a) The assets and funds of a labor organization are held in trust for the benefit of the membership. Members are entitled to assurance that those assets and funds are expended for proper and appropriate purposes. The Union shall conduct its proprietary functions, including all contracts for purchase or sale or for the provision of significant services, in a manner consistent with this Code. All officers, executive board members and employees of SEIU and SEIU Affiliates, whether elected or appointed, have a trust and high fiduciary duty to honestly and faithfully serve the best interests of the membership.
- (b) Consistent with Section 201 of the Labor-Management Reporting and Disclosure Act, SEIU shall permit a member for just cause to examine any books, records and accounts necessary to verify SEIU's annual financial report under that section to the U.S. Department of Labor.
- (c) Affiliates comprised solely of members employed by government bodies shall permit a member to examine its financial report submitted to a state agency and, consistent with state law and for just cause, to examine any books, records and accounts necessary to verify the Affiliate's financial report.

SECTION 5. *Prohibited Financial Interests and Transactions.* Covered individuals shall not, to the best of their knowledge, have a substantial ownership or financial interest that conflicts with their fiduciary duty.

- (a) For purposes of these rules, a "substantial ownership or financial interest" is one which either contributes significantly to the individual's financial well-being or which enables the individual to significantly affect or influence the course of the business entity's decision-making.
- (b) A "substantial ownership or financial interest" does not include stock in a purchase plan, profit-sharing plan, employee stock ownership plan (ESOP) or blind trust. Nor does it prohibit covered individuals from owning, through a mutual fund or other similar investment vehicle, the publicly traded shares of any employer with which SEIU or an Affiliate engages in collective bargaining or does business or which SEIU or an

Affiliate seeks to organize, provided that all transactions affecting such interests are consistent with rates and terms established by the open market.

- (c) It is not permissible for any covered individual to:
- (1) Knowingly have a substantial ownership or financial interest in any entity that engages in collective bargaining with SEIU or any of its Affiliates;
 - (2) Make or attempt to influence or participate in any way in a decision concerning the relations of SEIU or an Affiliate with a vendor, firm or other entity or individual in which the covered individual or his or her relative, spouse or business partner has a substantial ownership or financial interest; or
 - (3) Engage in any self-dealing transactions with SEIU or any of its Affiliates, such as buying property from or selling property to SEIU, without the informed approval of the International Secretary-Treasurer (or Affiliate Secretary-Treasurer, as applicable), obtained after full disclosure, including an independent appraisal of the fair market value of the property to be bought or sold.
- (d) To ensure compliance with this Section, covered individuals are required to disclose any interests, transactions or interests covered by this Section in accordance with Section 3(b) of this Code.

SECTION 6. *Payments and Gifts from Employers, Vendors and Members.*

- (a) Covered individuals shall not knowingly accept any payments, benefits or gifts of more than minimal financial value under the circumstances presented from any employer that engages or seeks to engage in collective bargaining with SEIU or an Affiliate, or from any business or professional firm that does business or seeks to do business with SEIU or an Affiliate.
- (1) This Section does not extend to payments and benefits that are provided to covered individuals by prohibited employers as compensation for their primary and regular employment.
 - (2) This Section does not extend to work and services that covered individuals perform for prohibited employers or businesses on a part-time basis, through an arm's length transaction and for normal and customary pay for such work or services.
 - (3) This Section does not extend to participation in events hosted by public officials involving discussion of public policy matters.

- (4) With respect to perishable items that are more than minimal but that are impracticable to return, such as food, it shall be considered compliance with this Section to discard such an item or place it in a common area for members and office staff to enjoy. If the gift is discarded or enjoyed communally, it is recommended that the giver should be advised of this disposition to dispel the appearance of any conflict of interest on the part of any covered individual and to discourage recurrence.
- (b) Covered individuals shall not knowingly accept personal payments or gifts from any member, absent a personal relationship independent of the relationship between the Union and the member, other than a gift of minimal financial value. This provision does not apply to contributions to campaigns for union office made in accordance with the SEIU Constitution and Bylaws.

SECTION 7. *Conversion of Union Funds and Property.* Covered individuals shall not use, convert or divert any funds or other property belonging to SEIU to such individual's personal benefit or advantage.

SECTION 8. *Applicability to Third Parties.* The principles of this Code apply to those investments and activities of third parties that amount to a subterfuge to conceal the financial interests of SEIU officers or employees or to circumvent the standards of this Code.

SECTION 9. *Certain Loans Prohibited.* SEIU shall not make loans to any officer or employee, or to any of their family members, that at any time exceed \$2,000 in total indebtedness on the part of such officer, employee or family member.

PART D: BENEFIT FUNDS AND RELATED ORGANIZATIONS

SECTION 10. *Obligations of Covered Individuals.*

(a) *Benefit Funds.*

(1) For purposes of this Section:

- a. A "benefit fund or plan" means a retirement, health or welfare benefit fund or plan sponsored by SEIU or an Affiliate, or in which SEIU or an Affiliate participates.
- b. The definition of "substantial ownership or financial interest" provided in Section 5 applies.

- (2) Covered individuals who serve in a fiduciary position with respect to or exercise responsibilities or influence in the administration of a benefit fund or plan shall not:
- a. Have any substantial financial interest in, or any compromising personal ties to, any investment manager, insurance carrier, broker, consultant or other firm or individual doing business or seeking to do business with the fund or plan;
 - b. Accept any personal payment from any business or professional firm that does business or seeks to do business with the fund or plan, other than contractual payment for work performed; or
 - c. Receive compensation of any kind for service as an employee representative or labor-designated trustee for a fund or plan, except for reimbursement of reasonable expenses properly and actually incurred and provided uniformly to such representatives or trustees, with the proviso that it is not a violation of this provision for an officer or managerial employee who is not a full-time employee of SEIU or an Affiliate to be a lawfully paid employee of a fund or plan if such employment is consistent with applicable legal restrictions and fully disclosed through appropriate reports.
- (3) To ensure compliance with this Section, all covered individuals shall disclose any interests, transactions or relationships covered by this Section in accordance with Section 3(b) of this Code.
- (4) No person shall serve in a fiduciary capacity or exercise responsibilities in the administration of a benefit fund or plan who has been convicted of any felony involving the infliction of grievous bodily injury or the abuse or misuse of such person's position or employment in an employee benefit plan to seek or obtain an illegal gain at the expense of the beneficiaries of the employee benefit fund or plan, except for the limited exceptions set forth in applicable federal law.

(b) Related Organizations.

- (1) For purposes of this Section, an organization "related to" SEIU or an Affiliate means an organization
- in which 25 percent or more of the members of the governing board are officers or employees of SEIU or an Affiliate, or
 - for which 50 percent or more of its funding is provided by SEIU or an Affiliate.

- (2) Covered individuals who serve in a fiduciary position with respect to or exercise responsibilities or influence in the administration of an organization related to SEIU shall comply with the provisions and shall hold themselves to the standards of the SEIU Code while they are acting for or on behalf of the related organization.

PART E: FAMILY AND PERSONAL RELATIONSHIPS

SECTION 11. *Purpose of Rules Governing Family and Personal*

Relationships. SEIU does not prohibit the employment of qualified relatives of current officers or employees, or of individuals with whom an officer or employee has a romantic or intimate personal relationship. SEIU also does not prohibit the retention of qualified vendors that employ relatives of current SEIU officers or employees or individuals with whom an officer or employee has a personal relationship.

However, SEIU recognizes that the existence of such relationships can lead to problems, including favoritism or the appearance of favoritism toward relatives or those who are involved in a personal relationship. Giving these individuals special treatment – or creating the impression that they receive special treatment – is inconsistent with our principles of stewardship and accountability and with our duty to responsibly conduct the business of SEIU. The provisions of this PART are designed to ensure that family or personal relationships do not influence professional interactions between the employees involved and other officers, employees and third parties.

SECTION 12. *Definitions.* For purposes of this PART:

- (a) “Relative” means parent, spouse, spousal equivalent, daughter, son, grandparent, grandchild, brother, sister, aunt, uncle, niece, nephew, first or second cousin, corresponding in-law, “step” relation, foster parent, foster child, and any member of the employee’s household. Domestic partner relatives are covered to the same extent as spousal relatives.
- (b) “Personal relationship” means an ongoing romantic or intimate personal relationship that can include, but is not limited to, dating, living together or being a partner or significant other. This definition applies regardless of gender, gender identification, or sexual orientation of the individuals in the relationship. This restriction does not extend to friends, acquaintances or former colleagues who are not otherwise encompassed in the scope of “personal relationships.”

SECTION 13. *Prohibited Conduct.* The following general principles will apply:

- (a) Applications for employment by relatives and those who have a personal relationship with a covered individual will be evaluated on the same qualification standards used to assess other applicants. Transmission to the appropriate hiring authority of applications on behalf of individuals who have a family or personal relationship shall not in itself constitute an attempt to influence hiring decisions. Further input into the application process, however, may be deemed improper.
- (b) Covered individuals will not make hiring decisions about their relatives or persons with whom they have a personal relationship, or attempt to influence hiring decisions made by others.
- (c) Supervisory employees shall not directly supervise a relative or a person with whom they have a personal relationship. In the absence of a direct reporting or supervisor-to-subordinate relationship, relatives or employees who have a family or personal relationship generally are permitted to work in the same department, provided that there are no particular operational difficulties.
- (d) Covered individuals shall not make work-related decisions, or participate in or provide input into work-related decisions made by others, involving relatives or employees with whom they have a personal relationship, even if they do not directly supervise that individual. Prohibited decisions include, but are not limited to, decisions about hiring, wages, hours, benefits, assignments, evaluations, training, discipline, promotions, and transfers.
- (e) To ensure compliance with this Section, all covered individuals must disclose to the Ethics Ombudsperson or the Affiliate Ethics Liaison, as appropriate, any relationships covered by this Section in accordance with Section 3(b) of this Code.

PART F: ENFORCEMENT

SECTION 14. *Ethics Officer.* The office of the Ethics Officer is established to provide independent assistance to SEIU in the implementation and enforcement of the Code. The Ethics Officer shall be an individual of unimpeachable integrity and reputation, preferably with experience in ethics, law enforcement and the workings of the labor movement. The Ethics Officer shall provide his or her services under contract and shall not be an employee of the International Union or any of its Affiliates. The Ethics Officer shall be appointed by the International President and confirmed by the International Executive Board. The International President, the International Secretary-Treasurer, and the SEIU International

Executive Board may refer matters concerning the Code to the Ethics Officer for review and/or advice, consistent with Sections 22 and 23.

SECTION 15. *Ethics Ombudsperson.* The office of SEIU Ethics Ombudsperson is established to oversee implementation and enforcement of the Code and ongoing efforts to strengthen the ethical culture throughout the Union. The Ethics Ombudsperson is responsible for providing assistance to the International Union and Affiliates on questions and concerns relating to the Code and ethical culture; directing the training of SEIU and Affiliate officers and staff concerning the Code and ethical culture; responding to ethics concerns and complaints consistent with Sections 17-23; receiving and resolving disclosures of conflicts of interest; assisting the Ethics Officer; and providing other support as necessary to the overall SEIU ethics program. The Ethics Ombudsperson, in consultation with the Ethics Officer, shall issue a report to the SEIU International Executive Board annually, summarizing compliance, training, enforcement, culture building and related activities, and making recommendations for modifications to the ethics program that he or she believes would enhance the program's effectiveness. The Ethics Ombudsperson may also conduct periodic reviews for the purposes of monitoring compliance with this Code and determining whether partnerships, joint ventures, and arrangements with management organizations conform to this Code, are properly recorded, reflect reasonable investment or payment for goods and services, further SEIU's tax-exempt purposes, and do not result in inurement, impermissible private benefit, or excess benefit transactions. The Ethics Ombudsperson shall be employed in the SEIU Legal Department.

SECTION 16. *Affiliate Ethics Liaison.* Each Affiliate shall appoint an Ethics Liaison who will be available for ethics advice or guidance, will serve as an Affiliate's key contact with the International's Ethics Ombudsperson, will assist in enforcement of the Code, will oversee the delivery of ethics-related training, will assist the Affiliate in strengthening its ethical culture, and will serve as an ethical leader in the Affiliate.

- (a) Presidents, chief executive officers, secretary-treasurers, chief financial officers, chiefs of staff, and the equivalent of any of the foregoing are not eligible to serve as Ethics Liaisons.
- (b) Affiliates are encouraged to consider rotating the Ethics Liaison position periodically, barring operational difficulties, to develop ethical leadership broadly in the Affiliate. Affiliates shall advise the SEIU Ethics Ombudsperson as soon as practicable of the appointment of Ethics Liaisons and of any vacancy that occurs in the position.
- (c) Ethics Liaisons will regularly receive training from the International Union specific to the role. Affiliates should make every effort to ensure the participation of their Ethics Liaisons.

SECTION 17. *Complaints.*

- (a) Any covered individual or member may file a written complaint concerning alleged violations of the Code. Oral concerns and complaints shall be reduced to writing for further processing as a complaint. Complaints should be signed or contain the name of the complainant(s), and shall be kept confidential pursuant to Section 24. Complaints alleging violation of the Code shall not be enforced under SEIU or Affiliate constitutions and bylaws unless they also allege violations of the constitutions and bylaws.
- (b) The International Union shall post contact information for submission of ethics complaints on the SEIU website and shall provide that information on request.
- (c) Each Affiliate shall provide its staff and membership with contact information for its Ethics Liaison.

SECTION 18. *Complaints Handled by the International Union.* Complaints alleging violation of the Code that are submitted to the International Union or the Ethics Officer 11 shall be referred initially to the SEIU Ethics Ombudsperson. The Ethics Ombudsperson shall review ethics complaints submitted to the International Union and shall respond to them in his or her discretion, including but not limited to providing advice or guidance, resolving them informally, directing them to resources outside the ethics office, and referring them to the Ethics Officer or Affiliate for further processing. The individual submitting the complaint shall be notified of the status of the complaint as appropriate in the discretion of the Ethics Ombudsperson but in all events upon its conclusion.

SECTION 19. *Complaints Handled by Affiliate; Notice to Ethics Ombudsperson.* Ethics complaints that are raised with or referred to an Affiliate shall be investigated by the affected Affiliate and, where appropriate, may form the basis of employee discipline or formal internal union charges to be processed before a trial body in accordance with the requirements set forth in the Affiliate's constitution and bylaws and/or the SEIU Constitution and Bylaws. The Ethics Ombudsperson may advise an Affiliate concerning matters related to the investigation and processing of complaints and charges alleging violation of the Code. Where a complaint involves an Affiliate's president, chief executive officer, chief of staff, secretary-treasurer, chief financial officer, or the equivalent, the Affiliate shall notify the Ethics Ombudsperson as soon as practicable. The Ethics Ombudsperson may consult with the Ethics Officer concerning any question referred by an Affiliate.

SECTION 20. *Failure to Cooperate; Bad Faith Complaints.* Unreasonable failure by a covered individual to fully cooperate with a proceeding or investigation involving an ethics complaint or alleged violation of this Code shall

constitute an independent violation of this Code. SEIU reserves the right, subject to notice, investigation and due process, to discipline persons who make bad faith, knowingly false, harassing or malicious complaints, reports or inquiries.

SECTION 21. *Original Jurisdiction.*

- (a) *Requests for Original Jurisdiction.* If an Affiliate or an Affiliate executive board member, officer, or member believes that formal internal union charges against a covered individual that also allege violations of this Code involve a situation which may seriously jeopardize the interests of the Affiliate or the International Union, or that the hearing procedure of the Affiliate will not completely protect the interests of the Affiliate, an officer or member, that individual may request that the International President assume original jurisdiction under Article XVII, Section 2(f) of the SEIU Constitution and Bylaws.
- (b) *Assumption of Original Jurisdiction by International President.* In accordance with Article XVII, Section 2(f) of the SEIU Constitution and Bylaws, the International President may in his or her discretion assume original jurisdiction of formal internal union charges also alleging violation of this Code if as a result of an investigation he or she believes that the charges filed against a covered individual involve a situation which may seriously jeopardize the interests of the Affiliate or the International Union. In his or her discretion, the International President may refer the matter to the Ethics Officer for a recommendation concerning the possible assumption of original jurisdiction.

SECTION 22. *Referral of Formal Charges to Ethics Officer.* If formal internal union charges filed with the International Union under Article XVII, Section 3 of the SEIU Constitution and Bylaws also allege violation of the Code by an officer or executive board member of the International Union or an Affiliate, such charges may be referred to the Ethics Officer for review and recommendations.

SECTION 23. *Review of Claims by Ethics Officer.*

- (a) If after review of the allegations of violations of the Code in a complaint or formal charge, the Ethics Officer finds that the allegations have merit and/or warrant further investigation, he shall recommend a response or course of action for the International Union to respond to the complaint or charges, including but not limited to the following:
 - (1) Further investigation by SEIU personnel and/or outside investigator(s);
 - (2) Filing of formal charges under Article XVII of the SEIU Constitution and Bylaws;

- (3) Assumption of original jurisdiction by International President pursuant to Article XVII, Section 2(f) of the SEIU Constitution and Bylaws;
 - (4) Appointment of an outside hearing officer to conduct a trial under Article XVII, Section 3 of the SEIU Constitution and Bylaws;
 - (5) Discipline of covered employees;
 - (6) Sanction of covered officers or members accused in formal proceedings, and
 - (7) Other action deemed appropriate in the discretion of the Ethics Officer.
- (b) If the Ethics Officer concludes, after review of allegations of violations of the Code, that the allegations are without merit or that further investigation is not necessary, he or she shall advise the International Union of his or her findings.

PART G: PROTECTION OF WHISTLEBLOWERS

SECTION 24. Confidentiality. SEIU will make all reasonable efforts to keep confidential the identity of any person(s) raising an ethics concern, inquiry, report or complaint under the Code unless disclosure is authorized by the complainant or is required for SEIU to carry out its fiduciary or legal duties. SEIU will also treat communications concerning ethics complaints or concerns with as much confidentiality and discretion as possible, provided that it remains able to conduct a complete and fair investigation, carry out its fiduciary and legal duties, and review its operations as necessary.

SECTION 25. No Retaliation. SEIU encourages all officers and employees to bring ethics concerns and complaints that the Code has been violated to the attention of the Union, as set forth more fully in PART F above.

- (a) SEIU expressly prohibits retaliation against covered individuals and members for:
- (1) Making good faith complaints, reports or inquiries pursuant to this Code;
 - (2) Opposing any practice prohibited by the Code;
 - (3) Providing evidence, testimony or information relative to, or otherwise cooperating with, any investigation or enforcement process of the Code; and
 - (4) Otherwise participating in the enforcement process set forth in PART F above.

- (b) In particular, SEIU will not tolerate any form of retaliation against Affiliate Ethics Liaisons for performing their responsibilities.
- (c) Any act of alleged retaliation should be reported to the SEIU Ethics Ombudsperson or the Affiliate Ethics Liaison immediately and will be responded to promptly.