

SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION

CORPORATE POLICY 6.05

CONDUCT AND PERFORMANCE

Chapter: 6.0 – Personnel Policies
Section: 6.05 – Conduct and Performance
Effective Date: November 17, 2010

1.0 PURPOSE

1.1 To establish a policy to assure efficient operations and a safe and positive work environment. Employees shall follow these rules of conduct to protect the interests and safety of personnel and property.

2.0 EFFECTIVE DATE AND AMENDMENTS

2.1 This Policy shall be effective upon the approval by the BOARD. This Policy may only be amended by approval of the BOARD.

3.0 PROCEDURES

3.1 The President or his/her designee is authorized to establish and disseminate administrative procedures to implement this BOARD POLICY, as applicable.

4.0 POLICY

4.1 It is not possible to list all the forms of behavior that are unacceptable in the workplace, but, the following are examples of the type of behaviors which are considered disruptive to the efficient operation of the CORPORATION and may result in disciplinary action, up to and including termination:

4.1.1 Harassment of an employee because of that employee's race, religion, color, sex, age, disability, national origin, sexual orientation, or other bases prohibited by law.

4.1.2 Possessing, using, selling, manufacturing, being under the influence of, driving under the influence of alcohol or other controlled substances during working hours or while representing the CORPORATION, or testing positive on a required or requested drug or alcohol test.

4.1.3 Committing or threatening any act of violence—fighting, brawling, or improper conduct during working hours or while representing the CORPORATION.

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- 4.1.4 Insubordination—including willful refusal to obey a direct order from the PRESIDENT, managers or supervisors.
 - 4.1.5 Willful damage to, unauthorized removal of, or improper use of, property belonging to the CORPORATION or fellow employees.
 - 4.1.6 Excessive unauthorized absenteeism or tardiness.
 - 4.1.7 Falsification of any CORPORATION document, records or information.
 - 4.1.8 Possession of firearms, other weapons, or explosive materials on property.
 - 4.1.9 Unauthorized posting of documents or information on CORPORATION premises (except on employees' bulletin boards with authorization from the PRESIDENT).
 - 4.1.10 Intimidation or coercion of other employees.
 - 4.1.11 Leaving the facility during work hours without management or supervisor approval and/or without signing out at the area designated for sign out.
 - 4.1.12 Any dishonest act or other conduct detrimental to the interest of the CORPORATION or fellow employees.
 - 4.1.13 Seeking or receiving unauthorized gratuities in connection with CORPORATION business.
 - 4.1.14 Lending keys to CORPORATION property to unauthorized persons or allowing duplicate keys to be made.
 - 4.1.15 Violation of a CORPORATION policy or procedure.
 - 4.1.16 Violation of the policy against conflicts of interests.
- 4.2 PERFORMANCE REVIEW. Performance for all employees will be evaluated annually at the end of the fiscal year. The employee will receive a written performance evaluation form completed by his/her immediate supervisor then have an opportunity to comment. A copy of the evaluation executed by the employee, the supervisor, and the PRESIDENT will be included in the employee's personnel file. This method will provide each employee with an opportunity to note major accomplishments and progress as well as performance problems. In addition to these more formal performance evaluations, the CORPORATION encourages the employee and supervisor to discuss job performance on an ongoing basis.

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- 4.3 PROBATIONARY PERIOD. All employees are probationary for the first six (6) months of employment. This probationary period may be extended at the discretion of the PRESIDENT upon the recommendations of the employee's supervisor. Notwithstanding references to a probationary period, the CORPORATION has the right to discharge an employee at any time, with or without cause, and makes no promise of continued employment to any employee.
- 4.4 POLICY AGAINST HARASSMENT. In accordance with applicable law, the CORPORATION prohibits sexual harassment (which includes harassment based on gender, pregnancy, childbirth or related medical conditions), as well as harassment based on race, color, religion, gender, national origin, ancestry, age, disability, medical condition (including HIV-status), family care status, veteran status, marital status or sexual orientation. The CORPORATION strongly disapproves of and will not tolerate harassment of employees. Similarly, it will not tolerate harassment by its employees of non-employees with whom employees have a business, service or professional relationship. Any incident of harassment must be reported promptly to the employee's supervisor, the Human Resources Manager, PRESIDENT, BOARD chair, or to the CORPORATION Legal Counsel. Every reported complaint of harassment will be investigated thoroughly, promptly and in as confidential a manner as possible.
- 4.4.1 The following is a partial list of conduct that may constitute harassment:
- 4.4.1.1 Verbal Harassment – includes epithets, derogatory comments, slurs, sexual advances, repeated offensive sexual flirtations or propositions, and requests for sexual favors. Continued or repeated verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, or suggestive or obscene letters, notes, or invitations, may also constitute verbal harassment.
- 4.4.1.2 Physical Harassment – includes conduct such as unwanted touching, offensive or abusive contact, assault, impeding or blocking movement,

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physical interference with normal work or movement, and other misconduct.

4.4.1.3 Visual Harassment – includes derogatory posters, notices, bulletins, cartoons or drawings. Leering, making sexual gestures, and displaying sexually suggestive objects or pictures may also constitute harassment.

4.4.1.4 Retaliation for reporting harassment or threatening to report harassment.

4.4.2 If harassment is established, the CORPORATION will discipline the offender. Disciplinary action for a violation of this policy can range from oral or written warnings to immediate termination, depending upon the circumstances. Any supervisor who knew about harassment and took no action to stop it or failed to report the harassment to the PRESIDENT or the Human Resources Manager may also be subject to discipline up to and including discharge.

4.4.2.1 With regard to acts of harassment by customers or vendors, if harassment is established, appropriate corrective action will be taken by the CORPORATION, to the extent reasonably possible.

4.4.2.2 The CORPORATION does not consider conduct in violation of this policy to be within the course and scope of employment. Accordingly, to the extent permitted by law, the CORPORATION reserves the right not to provide a defense or pay damages assessed against employees for conduct in violation of the policy.

4.4.2.3 In addition to notifying the CORPORATION about harassment or retaliation complaints, affected employees may also direct their complaints to the California Department of Fair Employment and Housing (“DFEH”) or the Federal Equal Employment Opportunity Commission (“EEOC”), both of which have the authority to conduct investigations of the facts.

4.5 DRUG-FREE WORKPLACE. It is the intent of the CORPORATION to maintain a workplace that is free of drugs and alcohol and to discourage drug and alcohol abuse by its employees. Employees who are under the influence of drugs or alcohol on the job compromise the CORPORATION’s interests and endanger their own health and safety

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and the health and safety of others. The lawful use or possession of medication prescribed by a licensed physician or the use or possession of a non-prescription medication is not prohibited. However, if the medication could affect the employee's ability to safely or effectively perform his/her job duty, the employee is required inform the CORPORATION and to provide medical documentation confirming that the employee can safely and effectively perform the job. Employees are not required to inform the CORPORATION of the name or type of prescription drug being used.

4.5.1 As a condition of employment, a test for alcohol or drugs may be required.

Periodic tests of employees may also be conducted at any time at the request of the PRESIDENT if reasonable suspicion exists that an employee is under the influence of drugs or alcohol.

4.5.2 The test shall be conducted in accordance with the City of San Diego's Substance Abuse Policy, Drug Testing Procedures, Administrative Regulation §97.00.

Compliance with the testing procedures shall be enforced to the full extent permitted by law. Employees who are required to take a drug or alcohol test will also be required to authorize in writing the disclosure of the results of such test to the CORPORATION.

4.5.3 If an employee refuses to take a drug or alcohol test, the CORPORATION will make a determination whether the employee has violated the CORPORATION's drug and alcohol policy, and take appropriate disciplinary action.

4.6 FRAUD. An employee who discovers or suspects fraudulent or dishonest activity shall report it immediately. All information received shall be treated confidentially. The reporting employee shall neither contact the suspected individual(s) in an effort to determine facts nor discuss the case, facts, suspicions, or allegations with *anyone*. The hierarchy for reporting fraud is the supervisor, the Human Resources Manager, the PRESIDENT, the BOARD Chair, or the City of San Diego City Auditor Fraud Hotline (866) 809-3500. Any investigative activity of fraud will be conducted without regard to the suspected wrongdoer's length of service, relationship, position or title. Following the initial investigation, a written recommendation will be made to the PRESIDENT regarding the

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next steps in the process. There shall be no retaliation for reporting fraud or participating in the investigation of allegations reported to management by an employee. Actions constituting fraud shall include, but not be limited to:

- 4.6.1 Any dishonest or fraudulent act;
- 4.6.2 Forgery or alteration of any document belonging to the CORPORATION;
- 4.6.3 Forgery or alteration of a check, bank draft or other financial document related to the CORPORATION;
- 4.6.4 Misappropriation of funds, supplies or other assets belonging to the CORPORATION;
- 4.6.5 Impropriety in the handling or reporting of funds or financial transactions; or
- 4.6.6 Conflicts of interest as described in subsection 3.8 below.

4.7 CONFLICTS OF INTEREST. All employees should be careful to avoid potential conflicts of interest. You have a conflict of interest if you place yourself in a position where your private interests may have, or may be reasonably perceived to have, an adverse effect on your motivation or the proper performance of your job. All employees should report to the PRESIDENT any financial interest which the employee or any member of his/her immediate family may have in the CORPORATION's decisions. All exempt employees are required to complete the City of San Diego's Form 700 – Statement of Economic Interest annually. An employee, who serves without the CORPORATION's consent as a consultant to, or as a director, officer or employee of a company that competes or deals with the CORPORATION has a conflict of interest. This is the case even if the employee receives no pay from the other company. You shall obtain the approval of the PRESIDENT before accepting outside work that may be a conflict of interest.

4.8 Except as specifically authorized in writing by the PRESIDENT, no employee shall engage in other employment during office hours. At no time shall any employee engage in employment that potentially constitutes a conflict of interest with the CORPORATION employment or interferes with the performance of his/her duties.

4.9 EMPLOYMENT OF RELATIVES. In the interest of operating with efficient and sound employee relations, the CORPORATION does not permit the employment, transfer or

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promotion of individuals into positions where one employee would work under the supervision or leadership of a relative or a person in a familial-like relationship. Where a familial-like relationship creates an actual or potential conflict, the parties may be separated by reassignment, or terminated from employment at the discretion of the CORPORATION.

- 4.10 Violations of policies and procedures, as well as inappropriate employee conduct, may warrant disciplinary action. Under normal circumstances, the CORPORATION will attempt to provide employees with feedback on their deficiencies and an opportunity to improve; however, the CORPORATION has the sole discretion to decide what appropriate level of discipline should be taken given an employee's conduct, and does not need to resort to any particular disciplinary step. When appropriate, any one or more of the following forms of disciplinary action can be immediately imposed by the CORPORATION in its discretion:
- 4.10.1 Oral warning,
 - 4.10.2 Written warning,
 - 4.10.3 Suspension, or
 - 4.10.4 Termination.
- 4.11 GRIEVANCE. An employee who believes that he/she has not been fairly treated in accordance with the CORPORATION's policies may take advantage of the grievance process. The CORPORATION is interested in any condition that may cause job-related problems for an employee. Such conditions cannot be corrected unless the employee makes them known to the CORPORATION. Employees are encouraged to discuss problems frankly with the people who can resolve them. The CORPORATION actively discourages any retaliatory type of action against personnel who present, in good faith, notice of problems and grievances with the CORPORATION and its employees. The CORPORATION will make efforts to settle a grievance promptly and in a fair manner. Steps employees should take and the order in which they should be taken are listed below. The supervisors and managers involved in this process will treat employees properly and fairly. If a satisfactory resolution is not obtained at the first step, employees may request further review at a higher level.

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- 4.11.1 Step One. Within five (5) working days of the incident or problem giving rise to the grievance, discuss the problem with the immediate supervisor. In most instances, a friendly talk with an employee's supervisor can solve a problem. Any and all grievance(s) will be treated in a business-like manner. An employee's supervisor will investigate the concerns and provide the employee with a written response within five (5) working days, unless additional time is required under the circumstances.
- 4.11.2 Step Two. If, for any reason, an employee is dissatisfied with the decision of the supervisor, the employee can file a written grievance with the PRESIDENT within three (3) working days. A meeting will be scheduled promptly in an attempt to resolve the problem. The PRESIDENT's findings are final.