

## **SOCIETY POLICY**

### **WHISTLEBLOWER POLICY**

#### **I. PREFACE**

- A. Article C2.1.1 of the Constitution lists, among others, the following purpose of the Society “Promote a high level of ethical practice.”
- B. By-Law B3.3.1 states, “Any member who has been found guilty of a charge of violating the Constitution, By-Laws or Code of Ethics of the Society, may be expelled by the affirmative vote of seven members of the Board of Governors after being given the opportunity to be heard.”
- C. By-Law B4.1.5 states in part, “Any Officer of the Society or member of any sector, board, committee, or other unit of the Society appointed or elected by the Board of Governors or by any unit of the Society may be removed or suspended from such office or membership by the Board of Governors for cause.”
- D. New York State Not-For-Profit Corporation Law states in part that the whistleblower policy of an organization such as ASME that is required to have one “shall provide that no director, officer, employee or volunteer of a corporation who in good faith reports any action or suspected action taken by or within the corporation is illegal, fraudulent or in violation of any adopted policy of the corporation shall suffer intimidation, harassment, discrimination or other retaliation.”

#### **II. PURPOSE**

The Society requires members of the Board of Governors (including Governors-elect); officers (including the President-elect); employees; and those volunteers who serve as members of any sector, board, committee, or other unit of the Society appointed or elected by the Board of Governors or by any unit of the Society or who otherwise provide substantial volunteer service to the Society (hereinafter, “Covered Volunteers”) to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. This Whistleblower Policy seeks to provide a means for individuals to raise good-faith concerns about behavior that appears to them to be illegal, dishonest, or unethical regardless of identity of the suspected offender.

This Policy is not a vehicle for reporting violations of ASME’s applicable human resources policies, problems with co-workers or managers, or issues related to alleged employment discrimination or sexual or any other form of prohibited discrimination or harassment, all of which should be dealt with in accordance with applicable ASME procedures (as outlined in the ASME Employee Handbook and Supervisors’ Manual) and Society Policy 15.9, Policy Against Discrimination (Including Discriminatory Harassment) – Members.

The matters that should be reported under this Policy include suspected fraud, theft, embezzlement, accounting or auditing irregularities, bribery, kickbacks, misuse of ASME’s assets or suspected regulatory, compliance, or ethics-related issues, concerns or violations.

### III. NO RETALIATION

This Policy is intended to encourage and enable members of the Board of Governors, officers, employees, and Covered Volunteers to raise concerns within the Society for investigation and appropriate action. With this goal in mind, no Governor, officer, employee or Covered Volunteer who, in good faith, reports any action or suspected action taken by or within the Society that is illegal, fraudulent, or in violation of any adopted policy of the Society shall suffer intimidation, harassment, discrimination or other retaliation or, in the case of employees, adverse employment consequences. Moreover, a Governor, officer, employee, or Covered Volunteer who retaliates against someone who has reported a concern in good faith is subject to appropriate disciplinary action.

This Policy does not create a promise or contract by the Society, and it may be amended at any time without prior notification. Employment at the Society is at will and nothing in this Policy should be interpreted in any way limiting the at-will relationship.

### IV. PROCEDURE FOR REPORTING VIOLATIONS

- A. Each Governor, officer, employee, and Covered Volunteer of the Society has an obligation to report in accordance with this Policy concerns about conduct involving the Society's financial or business affairs that is illegal, fraudulent, or in violation of an adopted Society policy.
- B. Concerns may be communicated orally or in writing. They may also be communicated in person or anonymously. Individuals are encouraged to provide as much information as possible to permit a thorough and complete investigation of the concern.
- C. Employee Procedures
  - 1) Any employee with knowledge or concern about illegal or dishonest financial misconduct is encouraged to communicate such concern, either verbally or in writing, to the Compliance Officer. If the person raising the concern is not comfortable reporting to the Compliance Officer, he or she may communicate the concern to the Deputy Executive Director or anyone in management with whom the employee is comfortable.
  - 2) Any person who has information or receives an oral or written communication regarding illegal or dishonest financial misconduct by an employee must promptly inform the Compliance Officer, unless the Compliance Officer has already received it. In the case of a written communication, a copy of the communication should also be provided to the Compliance Officer.
  - 3) All reports concerning employees will be promptly investigated by, or under the direction of the Compliance Officer, unless the Compliance Officer believes, after consultation with outside advisors including legal counsel, as applicable,

that the report was not made in good faith, or unless the report was made anonymously and does not contain sufficient information to conduct an investigation.

- 4) The Compliance Officer may utilize the assistance of legal counsel, private investigators, accountants, consultants, or any other resource deemed necessary to perform a full and complete investigation of any report.
- 5) Upon receipt of a complaint under this Policy, the Compliance Officer must advise the Executive Director. If the complaint concerns the Executive Director then the complaint will be reported to the Deputy Executive Director.
- 6) After the investigation is complete, the Compliance Officer will report to the Audit Committee of the Board of Governors regarding the investigation, the Compliance Officer's findings, and any action taken or proposed. The Audit Committee will ensure that there is an appropriate resolution of any complaints. Appropriate corrective action will be recommended to the Board, if warranted by the investigation.
- 7) The Compliance Officer will report at least annually to the Board on compliance activity.

D. Governor, Officer and Covered Volunteer Procedures

- 1) Any Governor, officer or Covered Volunteer with knowledge or concern about illegal or dishonest financial misconduct by another Governor, officer or Covered Volunteer is encouraged to communicate such concern, either verbally or in writing, to the Chair of the Audit Committee. If the person raising the concern is not comfortable reporting to the Chair of the Audit Committee, he or she may communicate the concern to the President.
- 2) Any person who has information or who receives an oral or written communication regarding illegal or dishonest financial misconduct by a Governor, officer or Covered Volunteer must promptly inform the President or the Chair of the Audit Committee, unless the President or the Chair of the Audit Committee has already received it. If the President receives the oral or written communication, he or she will report it to the Chair of the Audit Committee. In the case of a written communication, a copy of the communication should also be provided to the President or the Chair of the Audit Committee.
- 3) All reports concerning Governors, officers, or Covered Volunteers will be promptly investigated by, or under the direction of, the Audit Committee, unless the Chair of the Audit Committee believes, after consultation with outside advisors including legal counsel, as applicable, that the report was not made in

good faith, or unless the report was made anonymously and does not contain sufficient information to conduct an investigation.

- 4) The Audit Committee may utilize the assistance of legal counsel, private investigators, accountants, consultants, or any other resource deemed necessary to perform a full and complete investigation of any report.
- 5) Upon receipt of a complaint under this policy, the Chair of the Audit Committee must advise the Executive Director. If the complaint concerns the Executive Director, then the complaint will be reported to the Deputy Executive Director.
- 6) After the investigation is complete, the Audit Committee will receive a report of the investigation, the findings of the investigation, and any action taken or proposed. The Audit Committee will ensure that there is an appropriate resolution of any complaints. Appropriate corrective action will be recommended to the Board of Governors of the Society, if warranted by the investigation.
- 7) The Chair of the Audit Committee will report at least annually to the Board of Governors on compliance activity.

#### **V. Confidentiality**

Reports of concerns, and investigation pertaining thereto, shall be kept confidential to the extent possible and practicable, in light of the need to conduct a thorough investigation. However, in all cases the Society will use its best efforts to act with discretion.

#### **VI. Good Faith**

Anyone reporting a concern must act in good faith and have reasonable grounds for believing the information reported indicates a violation of the law or constitutes an inappropriate accounting or financial practice. The act of making allegations that prove to be unsubstantiated, and that prove to have been made maliciously, recklessly, or with the foreknowledge that the allegations are false, will be viewed as a serious disciplinary offense and may result in discipline, up to and including dismissal from the volunteer position, or suspension or expulsion from ASME.

#### **VII. Policy Administration and Distribution**

The President of the Society is hereby designated to administer this Policy under the oversight of the Audit Committee. This Policy must be distributed to all members of the Board of Governors, officers, employees and Covered Volunteers of the Society, in addition to being available on the Society's website.

**VIII. Contact Information**

Compliance Officer:  
Michael Johnson  
johnsonm@asme.org  
212.591.8592

Chair of the Audit Committee:  
Laura Hitchcock  
asmeauditcommitteechair@asme.org  
425.765.2767

Responsibility: Audit Committee

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