

CHAPTER XII INTERNATIONAL OFFICE & STAFF

A. LCI'S SALARY ADMINISTRATION PROGRAM

LCI administers salary administration programs in each country in compliance with their laws and/or customs. The salary administration program recognizes performance, ability, local market rates and, where appropriate, longevity. The percentage of adjustments made to the salary structure and salary increase budget will be reported to the Executive Committee and the Finance and Headquarters Operation Committee. These adjustments will be in accordance with each country's local labor laws and existing labor market rates.

1. When appropriate to a country's customs, a job description shall be written and a salary range established for each position of employment in the association.
2. Salary surveys shall be conducted at least annually to assure the salary ranges and salary increase budget figures used by the association are comparable to salaries paid by existing labor market. The salary budget figures shall be reviewed and approved by the Finance and Headquarters Operation Committee at the March/April board meeting. Appropriate adjustments to salary ranges shall be reported to the Finance and Headquarters Operation Committee.
3. Managers are responsible for instituting the process of performance review and, if merited, salary increases. A performance review shall be conducted for all employees at least annually. No salary increases shall be processed without a performance review. In the case of the administrative officers, a performance review shall be conducted annually by the Executive Committee.
4. Salary increases shall be subject to approval by management, the Chief of Finance, and the executive administrator. A budget figure for salary increases for division managers shall require the approval of the Executive Committee of the International Board of Directors. Salary increases and/or bonuses for administrative officers shall be determined individually by the Executive Committee.

B. STAFF WORK OUTSIDE OF NORMAL HOURS

The organization recognizes there are certain staff positions which require work and travel outside of normal working hours. Remuneration for work performed outside of normal working hours will be handled in accordance with local labor laws and customs.

C. DIVISION MANAGERS AND STAFF

The hiring and dismissing of division managers will be done by the executive administrator in consultation with the international president and executive committee. The executive

administrator shall have the full authority to hire and dismiss all other LCI staff in accordance with local labor laws and customs.

D. LABOR LAWS

The board of directors shall and hereby does direct the administrative officers to take all steps necessary to place the association, as an employer, in compliance with the labor and social benefit laws of countries where it has employees.

E. TRAVEL RULES

1. Travel Rules – Group Managers and Division Managers

When accompanied by an adult companion to board meetings and conventions, group managers and division managers shall be allowed 25% of the companion's fare, up to a maximum of \$750, unless otherwise provided in employment agreements.

Business class travel is authorized when total flying time for round trip travel exceeds ten hours, not including time on the ground for connecting flights. The executive administrator shall have authority to approve business class fares for other staff members when job duties, excessive scheduled flying time, or other circumstances, in the opinion of the executive administrator, would warrant such approval.

2. Convention Travel Rules – Department Managers

When accompanied by an adult companion to convention, department managers shall be allowed 25% of the companion's fare, up to a maximum of \$500, unless otherwise provided in employment agreements.

3. Mileage Allowance

All employees of Lions Clubs International, who are authorized to use their car or cars on Lions Clubs International business, shall be paid a reasonable mileage allowance in accordance to the customary practice of their respective countries.

4. Travel and Expenses With the exclusion of the above exceptions, the General Reimbursement Policy will apply to travel and expenses.

F. GROUP INSURANCE PLANS FOR EMPLOYEES

Lions Clubs International may provide a group insurance plan for employees in accordance with their local labor laws and customs.

G. RETIREMENT

1. Retirement Income Plan

Lions Clubs International may provide a retirement income plan for employees in accordance with the customs and/or laws of their country. Benefits and provisions of the plan for U.S. employees are detailed in the master plan document and amendments, which have been approved by the International Board of Directors.

2. Retirement Plans

The Finance and Headquarters Operation Committee has responsibility for the overall administration of the LCI Retirement Income Plan and the LCI 401(k) Savings Plan (retirement plans). The duties and responsibilities are described in Exhibit C.

H. PAID TIME OFF POLICY

All U.S. and non-U.S. LCI full-time employees will be given paid time off (i.e. vacation, holidays, sick leave, bereavement leave, etc.) in accordance with local labor laws and customs as administered by the Human Resources Department. Any significant changes would be reviewed with the Finance and Headquarters Operation Committee.

I. OTHER FRINGE BENEFITS, HOURS, ETC.

1. 401K Savings Plan

U.S. LCI employees may be eligible to participate in a 401K savings plan. Non-U.S. LCI employees will receive benefits in accordance with their local labor laws and customs.

2. Service Recognition

LCI employees will be given service recognition awards after 5 years and at 5-year intervals thereafter.

3. Employee Training Program

The organization shall have a program(s) whereby staff are able to participate in training and development programs, either association paid or reimbursed, that allow for growth and development in their current position or to a position within the organization they may reasonably aspire to attain. The training program will be administered by the Human Resources department.

J. GENERAL

1. Reimbursement of Salaries and Expenses in Local Currency

Reimbursement to employees for salaries and expenses shall be made in the currency of the country in which they are employed.

2. Gifts From Commercial Licensees

The International Board of Directors hereby prohibits all employees of the association from accepting gifts of any kind from both the commercial licensees of the association as well as those who seek to become such licensees.

3. Staff Candidacy for International Office

Any member of staff intending to seek election or otherwise announce their candidacy for the offices of vice district governor, district governor, council chairperson, international director, or international executive officer, must resign their employment with the association at least two years prior to the date of the convention where they intend to seek election.

4. Speaking Assignments

Except in extraordinary circumstances approved by the president and executive administrator, international headquarters staff shall not be assigned as speakers representing Lions Clubs International at Club, District or Multiple District functions.

ETHICAL CONDUCT CODE

Ours is a business of service, and the manner in which the service is rendered is fully as important as the service itself. Our members, the International Board, officers, co-workers and communities expect honest and ethical conduct from each of us every day. No act or request on the part of the members, officers and the clubs within our association to whom and for whom we render services can justify the breach of this guideline. Honest and ethical conduct is defined by our core values that serve as the foundation for our Ethical Conduct Code:

Commitment to SERVICE

We are responsive to the needs of Lions. We seek to understand their priorities, values and needs, and to empower their service. We are committed to our shared goal of community and humanitarian service.

Dedication to EXCELLENCE

We are passionate about the causes Lions serve and the quality of our work. We go beyond what is expected, striving for excellence and continuous improvement in all we do.

Appreciation for DIVERSITY

We create and foster a spirit of understanding among the people of the world, knowing that diversity is our strength. We appreciate individual and cultural differences, and we embrace the experiences and talents of others because together we are more.

Dynamic COLLABORATION

We work as a team to improve the quality and relevance of our programs and initiatives. We welcome and encourage the participation of Lions, partners and colleagues, solving problems and meeting challenges together.

Personal and Professional INTEGRITY

We promote and live by the principles of good citizenship. We are dependable, honest and trustworthy professionals who are accountable for our actions and their results.

Spirit of INNOVATION

We evolve to meet the changing needs of those we serve, embracing an environment of growth and creativity. We rigorously test and optimize new ideas and encourage the adoption of best practices globally.

As an employee, your job here begins with understanding of Lions Clubs International's core values and Ethical Conduct Code; however, your role in the association demands an ongoing vigilance to maintain these standards of honest and ethical conduct. Additionally, the employee handbook contains other policies that are part of Lions Clubs' Ethical Conduct Code. If any ethical or legal compliance issue arises that raises a question in your mind, you have a responsibility to bring that issue to the attention of management. As set forth in the Conflict Resolution Procedure, you should bring ethical or legal compliance issues to the attention of

your immediate supervisor, your Department Manager, your Division Manager, or the Human Resources Department. You may also bring any ethical or legal compliance issues to the attention of the Administrative Officers (the Executive Administrator, Secretary, Chief of Finance, Treasurer, Chief of Operations, Chief of Technology) or the Legal Division.

Lions Clubs International's Ethical Conduct Code, along with the policies contained in the employee handbook provide a guide to help you understand what is expected from you and to help you make good decisions. Please join us in continuing Lions Clubs International's tradition of honest and ethical practices in serving millions of people in need.

FRAUD

Lions Clubs International considers acts of fraud, misrepresentation or any other form of dishonesty committed by its employees to be reprehensible and such conduct will subject offending employees to strict disciplinary actions, up to and including termination of employment and possible civil and/or criminal action. While no list can identify all forms of fraud or dishonesty, some examples include submitting false expense reports, falsifying time sheets, association records, association financial reports or other association documents, abuse of sick time, theft, forging or altering checks, misappropriating association assets or funds, misusing association property and unauthorized handling or reporting of transactions. These are just a few examples. If you experience or witness any activities you think may be fraudulent, you have a ***responsibility*** to bring those activities to the attention of management. As set forth in Lions Clubs' Conflict Resolution Procedure, you should bring fraud or legal compliance issues to the attention of your immediate supervisor, your Department Manager, your Division Manager, or the Human Resources Department. You may also bring any fraud or legal compliance issues to the attention of the Administrative Officers (the Executive Administrator, Chief of Finance, or Secretary) or the Legal Division.

**Lions Clubs International
Retirement Plans**

The following applies to the oversight of The Retirement Income Plan for Employees of the International Association of Lions Clubs and The International Association of Lions Clubs 401(k) Savings Plan (i.e. retirement plans).

Retirement Plans Oversight

Oversee the retirement plans administration and management of assets. This responsibility includes the following:

- Ensure compliance with all Employee Retirement Income Security Act (ERISA) fiduciary requirements
- Periodically review and approve the structure of the retirement plans
- Monitor compliance with investment policies and guidelines
- Ensure that the investment performance objectives are being met
- Periodically review the plan's investment policy statement to ensure their appropriateness
- Oversee the administration of the plan

Retirement plans administrative duties. The Finance & Headquarters Operation Committee delegates the day-to-day administrative duties of each plan to the Administrative Officers to ensure the plans are being administered in accordance with the terms and conditions of the plan documents.

Finance & Headquarters Operation Committee Duties and Responsibilities Pension Plan:

- Review provisions of the plan
- Develop and maintain investment policy and investment guidelines/objectives
- Determine asset allocation
- Monitor investment manager performance
- Establish funding policy
- Approve any recommendation to change vendors / providers / fund managers / investment consultants, etc.

Retirement plans administrative duties. The Finance & Headquarters Operation Committee delegates the day-to-day administrative duties of each plan to the Administrative Officers to ensure the plans are being administered in accordance with the terms and conditions of the plan documents.

401(k) Plan:

- Review provisions of the plan
- Develop and maintain investment policy statement
- Ensure compliance with the Department of Labor regulations under code Section 404(c), which defines the employer's and participant's responsibilities and liabilities
- Monitor the performance of record keeper and funds
- Review provider fees periodically for reasonableness
- Approve any recommendation to change vendors / providers / fund managers / investment consultants, etc.

The Administrative Officers in conjunction with Human Resources staff will be responsible for the following:

Pension Plan and 401(k) Plan:

- Evaluate and select investment managers within the Investment Policy Statement Guidelines.
- Interpret and apply the plans' eligibility requirements
- Determine eligibility for a benefit
- Determine the amount of a benefit
- Establish procedures and monitor compliance with procedures
- Qualified Domestic Relations Order Claims and Appeals coordination with vendors/outside counsel
- Employee communication/education
- Internal Revenue Service, Department of Labor, and Pension Benefit Guaranty Corporation reporting compliance
- Initiate and execute routine plan amendments necessary to keep the plan document in compliance with government regulations (i.e. Pension Protection Act of 2006, Economic Growth & Tax

Relief & Reconciliation Act of 2001, etc.) as advised by Human Resources Department and/or legal counsel

- Review performance of investment managers and investment funds quarterly and report results to the Finance & Headquarters Operation Committee at least quarterly

The Administrative Officers are authorized to sign routine documents relative to The Retirement Income Plan for Employees of the International Association of Lions Clubs and The International Association of Lions Clubs 401(k) Savings Plan on behalf of Lions Clubs International.