

7.13 Corporate Compliance and Misconduct

Policy:

It is the policy of Licking/Knox Goodwill Industries, Inc. to fully comply with all legal and contractual requirements and to conduct business in a fair, ethical and responsible manner to accomplish its mission.

Procedure:

It is the ultimate responsibility of the Licking /Knox Goodwill Industries, Inc., Board of Trustees, its regular committees, duly formed ad hoc committees, and retained legal counsel to ensure the fair application and full compliance of all Licking/Knox Goodwill Industries Inc. policies, procedures, and practices. Licking/Knox Goodwill Industries, Inc. will meet all applicable legal requirements as set forth under Federal, State or local law and regulations.

The CEO/President and other senior management staff members are charged with maintaining all policies, procedures, and practices for corporate compliance. They are to monitor and report any known or suspected acts of corporate misconduct to the CEO/President, Board President, and/or any Trustee of the Board of Licking/Knox Goodwill Industries, Inc.

Additional reporting methods are described in Licking/Knox Goodwill Industries, Inc. Policy & Procedures 7.21, *Grievance* and 7.16, *Whistleblower Policy* and via the Licking/Knox Goodwill Industries, Inc. ***Director Direct*** program.

Upon notification of any possible corporate misconduct, the notified individual is required to report the alleged misconduct claim to the CEO/President and/or Board President. The disposition of the alleged misconduct claim is at the discretion and direction of the Board President and Board of Trustees.

The Board of Trustees and Senior Management Staff shall a) ensure adequate policies and procedures are in place to reduce the prospect of criminal or unethical activities; b) ensure adequate employee training in the Licking/Knox Goodwill Industries, Inc. “Code of Ethics”; c) ensure monitoring and audit systems are in place that are reasonably designed to detect criminal or unethical conduct by employees; d) ensure that a reporting system for criminal and suspicious conduct is available to all employees and guaranteeing that employees making such reports are free from fear of retaliation or reprisals; e) ensure that Licking/Knox Goodwill Industries, Inc. consistently and appropriately enforces disciplinary procedures against employees that violate the law or violate Licking/Knox Goodwill Industries, Inc. Corporate Compliance and Misconduct Policy and Procedure; f) ensure that Licking/Knox Goodwill Industries, Inc. makes appropriate organizational responses to offenses or charges in its regulatory environment, including modifying its programs to prevent and detect future violations of law or policy; g) Licking/Knox Goodwill Industries, Inc. takes any other reasonable and prudent actions it deems necessary to ensure policy compliance.

Failure to comply with the Corporate Compliance and Misconduct Policy and Procedure on the part of the Licking/Knox Goodwill Industries, Inc. Senior Staff will result in disciplinary actions up to and including termination of employment. Failure to comply on the part of Licking/Knox Goodwill Industries, Inc. Board of Trustees will result in removal from the Board of Trustees by majority vote of the Trustees.

The Licking/Knox Goodwill Industries, Inc. Policy and Procedure on Corporate Compliance and Misconduct shall be periodically reviewed and updated as needed by the Personnel and Operations Committee and/or the Board of Trustees.