



Board of Directors

Governing Policies Manual

Adopted June 26, 2016, Effective July 1, 2016

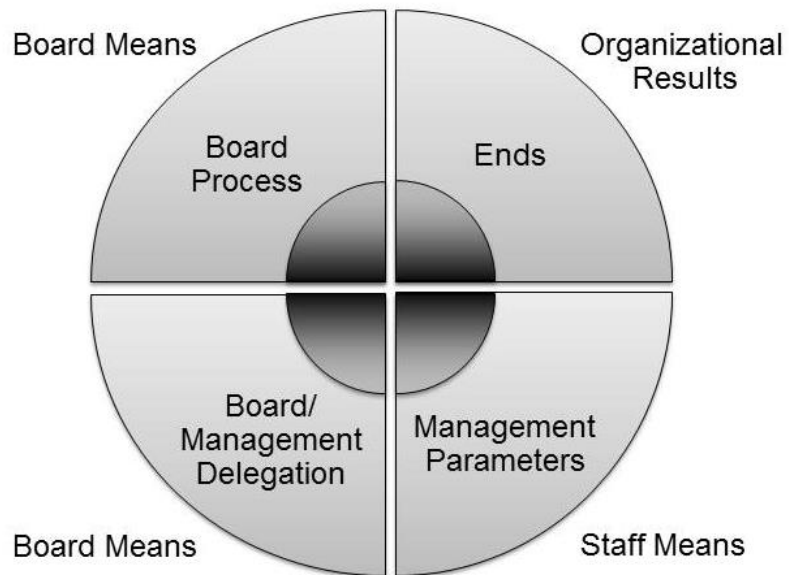




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Introduction

This Governing Policies Manual contains the current standing (ongoing) performance standards, values and expectations of the Board of Directors of The Construction Specifications Institute (“CSI” or “the Institute”).

1. **Purpose:** This Manual is designed to help the Board approach decisions from the perspective of its own, previously established standards, values and expectations by:
 - A. Elevating efficiency of having all ongoing Board policies in one place.
 - B. Quickly orienting new Board members to current policies.
 - C. Eliminating redundant or conflicting policies.
 - D. Having greater ease of reviewing current policy when considering new issues.
 - E. Providing clear, proactive policies to guide the CEO and staff, as well as Board officers, members and committees.
2. **Consistency:** The Board will ensure that each policy in this document is consistent with the law, the Certificate of Incorporation and the Bylaws, all of which have precedence over these Board policies. Except for time-limited or procedural-only Board decisions (approving minutes, appointing Board committees, etc.), which are recorded in Board meeting minutes, all standing Board policies shall be included or referred to in this document. The CEO is responsible for developing operational and administrative policies and procedures that are consistent with the standards set forth in this Manual.
3. **Transition:** Unless a prior Board resolution or contract obligates the organization with regard to a specific matter, these updated standards supersede previous Board resolutions. If an actual or apparent conflict arises between this Manual and other policies or Board resolutions, the matter shall be brought to the Board’s attention for resolution.
4. **Changes:** The Board will regularly review these policies and, as appropriate, refine them. Proposed revisions may be submitted for Board consideration, by any Board member or by the CEO. Whenever changes are adopted, the updated document will be dated and promptly disseminated to the Board and CEO.
5. **Specificity:** Each new policy will be drafted to fit into the appropriate section of the Manual. For consistency, policies should be drafted starting with the broadest policy statement, then adding specificity down to the level of detail that the Board finds appropriate/necessary for Board action. The Board will afford discretion for implementation (allowing reasonable interpretation) when delegating further decisions to the Board Chair, Board Committees or the CEO.



Ends

Policy 1.0 Ends/Priority Results

Date of adoption / Last revision: July 1, 2016

1.0. Broadest Ends Statement:

CSI exists so that:

Members enjoy an environment conducive to realizing their full professional potential -
(with results optimizing return on available resources)

PRIORITY RESULTS (not reflecting any order of priority)

1.1 Members have building information and project delivery knowledge.

- A. Members have state-of-the-art technical expertise
- B. Members value CSI as an essential professional development and learning resource throughout their careers.

1.2 The construction industry recognizes CSI as a leading resource for the built environment.

- A. CSI is the “go-to” association for thought leadership and leading edge tools resources for informed lifecycle design decisions.
 - i. CSI standards and formats are integrated into current project delivery practice tools
 - ii. (Short-term priority: by end of FY 2017) Resources engagement, and learning, may be accessed through a variety of delivery mechanisms
- B. Aspiring and active professionals join/participate in CSI to foster their knowledge and career advancement in the AEC industry.
- C. (Future priority) CSI resources are sought and utilized globally

1.3 CSI’s credentials are recognized as “gold standards” of competence.

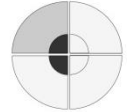
- A. CSI principles are integrated into higher education curriculum.

1.4 Members engage in a robust community of related professions and organizations.

1.5 Members receive exclusive benefits and value for their CSI investment.

Policy 2.0 Governance Purpose/Commitment

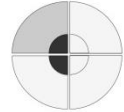
Date of adoption / Last revision: July 1, 2016



Board Process

The purpose of the Board of Directors, on behalf of the membership, is to ensure that The Construction Specifications Institute ("CSI" or "the Institute"):

1. Achieves appropriate results for or on behalf of the membership (as specified in Board Ends policies) at an optimal cost and
2. Avoids unacceptable actions and situations.



Board Process

Policy 2.1 Governing Philosophy and Values

Date of adoption / Last revision: July 1, 2016

The Board will govern lawfully, using Policy Governance®¹ principles, with an emphasis on: (a) integrity and truthfulness in all of its activities and practices, (b) outward vision, (c) encouragement of diversity in viewpoints, (d) strategic leadership more than administrative detail, (e) clear distinction of Board and staff roles, (f) collective decisions, and (g) a focus on the future.

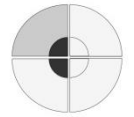
Accordingly:

1. The Board will cultivate a sense of group responsibility. The Board, not the staff, is responsible for Board performance. The Board will lead CSI by proactively setting performance expectations for its own work and for that of the operating organization.
2. The Board will use the expertise of its members to enhance its understanding of issues, but will not simply defer to that expertise as the judgment of the entire Board.
3. The Board will set performance standards and expectations for CSI through the careful articulation of written policies. The Board's primary focus will be on the achievement of intended long-term impacts for and on behalf of the membership, not on the administrative/operational means of attaining those results.
4. The Board will establish and adhere to its own performance expectations pertaining to matters such as attendance, meeting preparation and participation, policy-making, respect of roles, speaking to management, the membership and the public with one voice, and continually building the Board's governance capability and reputation.
 - A. Continual Board development will include periodic discussion of its own performance, and orientation of new Board members, upon their election, in the Board's governance process and these policies.
 - B. Orientation for new Board members will include three primary components:
 - i. Governance process: The Governance Committee will ensure provision of training including the governance principles underlying this document, and review of CSI's Bylaws and these policies, with particular emphasis on the Board Members' Code of Conduct policy.
 - ii. Current strategic issues: The Governance Committee and the CEO will provide overview and background information on significant issues being addressed and likely to be decided early in new Board member's tenure.
 - iii. Operational overview: The CEO will help new Board members achieve a general understanding of CSI's operations (financials, key personnel, key products/programs/services, FAQs, etc.).
5. Although the Board may change these governing policies at any time, it will diligently observe those currently in effect.
6. All on-going policies of the Board are contained in this document, and they remain in effect, unless amended or deleted by Board action.
7. The Board will be accountable to the membership for competent, conscientious and effective fulfillment of its governance obligations. The Board will not allow any officer, individual or Board-established committee to be an obstacle to this commitment.
8. The Board will regularly evaluate and strive to improve its performance. Self-assessment will compare Board activity and discipline to the standards set forth in these Board Process and Board-Management Delegation policies.
9. The Board's activities will be open and accessible to reasonable scrutiny by the membership, with the exception of personnel or other matters of a sensitive nature.
10. The Board is committed to encouraging diversification of CSI's membership.
11. The Board will not allow the Institute, in its hiring and other activities, to discriminate on the basis of race, creed, national origin, religion, age, disability, political affiliation, gender, sexual orientation, or marital, parental or military status.

¹ Policy Governance® is a registered service mark of Dr. John Carver, representing an integrated set of governance principles that provide for systematic role clarity and organizational accountability. Authoritative website: www.policygovernance.com

Policy 2.2 Board Job Products

Date of adoption / Last revision: July 1, 2016



Board Process

On behalf of the membership, the Board's job is to define and ensure appropriate Institute performance. To fulfill this role, the Board takes direct responsibility for three specific job products unique to its trusteeship role and necessary for proper governance and management:

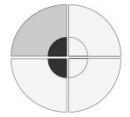
1. **Connection with Members:** The Board will connect the interests of CSI's membership with operational performance.
 - A. **Needs Assessment:** As member-representatives in the governance of CSI, the Board will assess needs and trends affecting the membership as they relate to CSI's activities and scope of influence, and will develop and maintain Ends policies identifying and prioritizing intended organizational outcomes to address those needs.
 - B. **Advocacy:** The Board will inform the membership of the Institute's achievements on their behalf and of its expected future results.
 - i. The Board will establish, promulgate and adhere to procedures and regulations for conducting the Annual Business meeting.
2. **Performance Standards:** The Board will maintain written performance standards, as set forth in these governing policies, addressing the broadest, and as appropriate, more defined levels all organizational decisions and situations.
 - A. **Ends:** Strategic results priorities describing intended organizational impacts, benefits, outcomes, recipients and their relative worth (what results, for which recipients, at what cost/priority).
 - B. **Management Parameters:** Constraints on executive authority defining the boundaries of prudence and ethics within which all management activity and decisions must take place.
 - C. **Board Process:** Specification of how the Board defines, carries out and assesses its own work.
 - D. **Board/Management Delegation:** How the Board delegates authority to management, and ensures its proper use; the CEO role, authority and accountability.
3. **Organizational Performance:** The Board will ensure Ends fulfillment, financial solvency and organizational integrity by holding itself accountable for effective governance as defined in these policies, and holding the CEO accountable for successful achievement of Ends and adherence to Management Parameters.

In addition, the Board maintains direct responsibility for:

4. **Membership Dues:** Determinations regarding changes to the dues for each membership classification, per Bylaws, by two-thirds majority of those members of the Board present at a regularly scheduled meeting.
5. **Region Allocations:** Amendments to the Region Allocation Program (the percent of membership dues allocated to a member's region), requiring affirmative vote of not less than two-thirds of the Board.
6. **Designation of Regions:** Per Bylaws, by affirmative vote of not less than two-thirds of the Board.
7. **Designation of Distinguished/Honorary Members:** Per Bylaws, Distinguished Members and Honorary Members shall be elected by an affirmative vote of not less than eighty-five percent (85%) of Board members present at a regularly scheduled Board meeting.
8. **Awards Program:** The Board shall approve changes in award criteria, as may be recommended by a Board-appointed committee.
9. **BSD Directors:** The Board shall nominate BSD Board members in accordance with the *Stock Purchase Agreement* and the *Amended and Re-stated Shareholders Agreement*.
10. **Legislative/Public Policy Positions:** The Board shall make determinations regarding CSI's positions on/endorsements of referenda and public policy and legislative issues as appropriate in serving the interests of the membership.
11. **Bylaws/Other:** The Board shall ensure fulfillment Bylaws obligations, and make decisions outside the boundaries of authority delegated to the ED/CEO (as proscribed in *Management Parameters* policies).

Policy 2.3 Board Work Plan and Agenda Preparation

Date of adoption / Last revision: July 1, 2016



Board Process

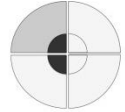
To fulfill its role, the Board will prepare and follow an annual work plan that: (1) re-explores Ends policies and (2) continually improves Board performance through Board education, and interactions with members, staff, other constituents and outside experts.

Accordingly:

1. **Annual Cycle:** The Board's annual planning cycle will conclude each year by March 31st, so that administrative planning and budgeting for the next fiscal year can be focused on addressing both long and short-term Ends.
2. **Work Plan Development:** The cycle will start at the Board's first meeting after April 1st, at which the Board Chair presents for the Board's consideration and approval a suggested work plan for the upcoming fiscal year's meetings. Considerations should include:
 - A. **Board Education:** Identification of topics that will elevate the Board's understanding, primarily of external issues and trends that impact Ends, and to a lesser extent key areas of operations.
 - B. **Orientation/Training for New Board Members:** per policy 2.1.4, to include review of CSI's governance system and documents, overview of key strategic issues to be addressed early in new Board members' tenure, and operational overview.
 - C. **Membership Linkage:** How the Board will connect with the membership (e.g., through surveys, focus groups, and other methods of gaining membership input).
 - D. **Policy Review:** How the Board will systematically review its policies, with emphasis on Ends over the course of the year, (e.g., by priority, by topic, or by an emphasis of the Board's choosing).
 - E. **Assessment/Evaluation of CEO Performance:** Reviewing the schedule of planned monitoring activities to assure performance on Ends and Management Parameters policies.
 - F. **Self-Assessment:** Methods and timeline for periodic evaluation of how well the Board is fulfilling its role (i.e., in accordance with its Board Process and Board/Management Delegation policies) and open discussion of how the Board's performance can be improved.
 - G. **Meeting Schedule:** Establishment of the meeting schedule for the coming year to maximize Board member attendance and participation.
 - H. **Teambuilding:** To build its effectiveness as a leadership team, the Board will schedule periodic team activities.
3. **Meeting Agendas:** The Board Chair will determine the agenda for any particular meeting, although Board members and the CEO may request or recommend any appropriate matters for Board consideration.
 - A. A Board member or the CEO may recommend or request a matter for Board discussion by submitting the item to the Board Chair at least thirty (30) days prior to the regularly scheduled face-to-face Board meeting, and fourteen (14) days prior to regularly scheduled teleconference Board meetings.
 - B. To ensure Board member preparation and informed participation, meeting agendas and packets (background materials for decision items on the agenda, monitoring reports, etc.) are to be received by Board members at least fourteen (14) days prior to the scheduled face-to-face Board meeting and seven (7) days prior to regularly scheduled teleconference Board meetings.
 - C. By an affirmative vote of a majority of those present, additional matters may be added to the agenda of any regular Board meeting.

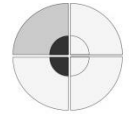
Policy 2.3 Board Work Plan and Agenda Preparation *(continued)*

Date of adoption / Last revision: July 1, 2016



Board Process

4. **Consent Agenda:** “Required Approvals” will appear on a Consent Agenda, in which one motion can address those items delegated to the CEO yet required by law or third party to be Board-approved.
 - A. To use Board meeting time as efficiently as possible, the CEO is expected to provide substantiation that all Consent Agenda items comply with relevant Board policies.
 - B. Items may be removed from Consent Agenda for discussion upon majority vote of the Board.
5. **CEO Monitoring:** The Board will act on the CEO’s monitoring reports received prior to the meeting, determining by majority vote whether the report:
 - A. Conveys a reasonable interpretation of the respective policy.
 - B. Provides reasonable substantiation of compliance with the policy, as interpreted.
6. **CEO Annual Compensation Review:** Each year by March 31st, the Board will summarize and review its judgments of monitoring activities (monitoring reports, audits, etc.) received during the last year and will determine any changes to the CEO’s compensation, to be effective July 1st.



Board Process

Policy 2.4 Board Chair's Role and Authority

Date of adoption / Last revision: July 1, 2016

As CSI's chief governance officer, the Board Chair's primary role is to ensure the integrity of the Board's process. In addition, the Board Chair shall be the presiding officer at meetings of the Institute Membership and shall represent the Board to the membership and to outside parties.

Accordingly:

1. The Board Chair's job is to ensure that the Board acts in a manner consistent with its policies and any requirements legitimately imposed upon it from outside the organization.
 - A. Agenda content will include only those issues that clearly (according to Board policy) belong to the Board to decide, consider, or to monitor, or to otherwise inform/educate the Board so it can best fulfill its responsibilities.
 - B. Deliberation will be fair, open, thorough, timely, orderly, and kept to the point.
2. The Board Chair will lead and participate in the Board's assessment of its own performance.
 - A. Criteria for assessment will be the Board's adherence to its Board Process and Board-Management Delegation policies.
 - B. The Board will self-assess its overall performance no less frequently than once per year.
 - C. The Board will ensure that there is at least a brief assessment of each face-to-face meeting prior to adjournment, identifying factors that enhanced its productivity, as well as those that would have made the meeting more successful.
3. The Board Chair is authorized to make decisions consistent with the Board Process and Board/Management Delegation policies, with the exception of (a) employment/termination of the CEO, or (b) decisions pertaining to matters about which the Board has specifically delegated portions of its authority to others. The Board Chair may use any reasonable interpretation of these policies.
 - A. The Board Chair is empowered to preside at Board meetings with the commonly accepted power of that position, such as ruling and recognizing.
 - B. The Board Chair has no authority to make decisions within the Board's Ends and Management Parameters policy areas. Therefore, as the CEO is accountable to the Board as a whole, the Board Chair does not have authority to supervise or direct the CEO.
 - C. The Board Chair may represent the Board to outside parties in announcing Board-stated positions and in stating decisions and interpretations within the area delegated to the Board Chair.
 - i. The Board Chair may delegate this authority but remains accountable for its use.
 - D. Except where specified otherwise in Bylaws or Board Policies, the Board Chair may appoint Board members, or others, as appropriate, to serve on Board Committees.

Policy 2.5 Board Members' Code of Conduct

Date of adoption / Last revision: July 1, 2016

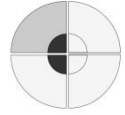


The Board expects of itself and its members ethical, professional and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members. Accordingly:

1. **Duty of Care:** Board members are to discharge their duties honestly and in good faith. Board members shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.
2. **Duty of Obedience:** Board members must abide by CSI's governing documents (i.e. Certificate of Incorporation, Bylaws and these Governing Policies). While vigorous debate is expected and encouraged, Board members are obliged to support the legitimacy and authority of the final determination of the Board on any matter, irrespective of the member's personal position on the issue.
3. **Duty of Loyalty:** Board members must demonstrate loyalty to the interests of the membership, superseding any conflicting loyalties such as that to segments of the membership (e.g. specific regions and/or chapters), family members, advocacy or interest groups, staff, other organizations or any personal interests as a consumer of the Institute's services.
4. **Conflict of Interest Avoidance:** Board members must avoid any conflict of interest with respect to their fiduciary responsibility.
 - A. There must be no self-dealing or any conduct of private business or personal services between any Board member and the Institute except as procedurally controlled to assure openness, competitive opportunity and equal access to inside information.
 - B. When the Board is to decide an issue about which a member has an actual or potential conflict of interest, that member shall disclose the conflict to the Board and recuse herself or himself without comment from not only the vote, but also from the deliberation.
 - i. A conflicting interest exists when a Board member or a related party has a beneficial financial interest in the transaction of sufficient significance that it would reasonably be expected to exert an influence on that Board member's judgment if he or she were called upon to vote on the matter. Related parties include the Board member's spouse, significant other, parents, children, siblings, siblings of the parent or spouse, and all other persons or entities in which the Board member has an interest, partner, agent, or employee, or exerts control or influence, either directly or indirectly.
 - ii. In case of a dispute regarding the existence of a real or perceived conflict of interest, the Board shall vote as to whether a conflict is present, and the vote of the Board shall be final. The individual with the potential conflict of interest shall not vote.
 - iii. Board members will annually sign a written statement affirming they have received, reviewed and understand this *Conflict of Interest* policy, and disclosing their involvements and interests that could give rise to a conflict of interest including, but not limited to their involvement or those of family members, as directors or officers of other organizations with vendors or other affiliations with other entities that might reasonably be perceived as a conflict. Board members will promptly update their disclosures if, during the year, a material change in circumstances should occur.
 - iv. Board members must not exert undue influence to obtain staff employment for themselves, family members or other individuals. Should a Board member apply for staff employment, he or she must first resign from the Board.
5. **Lack of Authority as Individuals:** Board members must not attempt to exercise individual authority over the organization.
 - A. Board members' interactions with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly stipulated by the Board.
 - B. Board members' interaction with the media, public or other entities must recognize that Board members are not to speak for the CEO or for the Board, except to repeat explicitly stated Board decisions.
 - C. Board members will not publicly express individual judgments of the performance of the CEO or of other employees, other than when participating in the Board's monitoring functions.

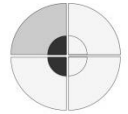
Policy 2.5 Board Members' Code of Conduct *(continued)*

Date of adoption / Last revision: July 1, 2016



Board Process

6. **General Conduct:** Board members must respect the confidentiality appropriate to issues of a sensitive nature.
7. **Obligation to Address Concerns:** A Board member aware of credible information that suggests that a Board policy has been violated, by the Board, a Board member or the CEO, has an affirmative obligation to bring the concern to the Board Chair. If the Board Chair is the subject of the concern, it should be brought to the Chair-Elect.
8. **Process to Address Concerns re: Board Member Actions:** If a Board member is alleged to have violated this Code of Conduct:
 - A. The Board Chair (or Chair-Elect, if the Board Chair is the subject of the concern) will have an informal discussion with the individual whose action(s) are questioned. If this is not successful in resolving the concern, then:
 - B. The Board Chair will put the issue on the agenda for closed session. The respondent Board member will be allowed to present his or her views prior to the Board determining whether or not the action violated this Code of Conduct.
 - C. A Board Member found by the Board (by majority vote) to have violated this Code of Conduct may be subject to subsequent Board action, as long as consistent with the Bylaws.
9. **Written Acknowledgement:** All Board members are required to sign an acknowledgement of this policy annually.



Board Process

Policy 2.6 Board Members' Individual Responsibilities

Date of adoption / Last revision: July 1, 2016

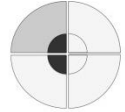
Board member engagement and participation is integral to the Board's leadership success.

Therefore, each Board member is expected to fulfill the following responsibilities:

1. **Commitment:** Prospective Board members are expected to, as part of acceptance of nomination, and then annually as Board members, sign a Letter of Commitment indicating that they have reviewed and commit to abide by CSI's Bylaws and these Governing Policies, as may be amended from time to time.
2. **Attendance:** Board members are expected to attend Board meetings on a regular and punctual basis. Absence from more than one-third of the Board's regularly scheduled face-to-face meetings, and/or more than one-third of regularly scheduled teleconference meetings in any year will constitute that member's resignation from the Board.
 - A. In case of extenuating circumstances, a Board member may request a waiver to this provision. Waivers may be granted only by vote of the Board.
3. **Preparation and Participation:** Board members are expected to review agenda materials in advance of Board and committee meetings and to participate productively in discussions.
4. **Committee Participation:** Board members are expected to participate on at least one Board Committee.
5. **Liaisons:** Though all Board members are to represent and vote for the collective interests of the membership as a whole, those elected from a region shall be the primary liaison between that region and the Institute. If the Board member election from the region is unwilling or unable to perform the duty of liaison, the Board may appoint another Board member to perform such duties.
6. **Responsiveness:** Board members will be attentive to Board communications and respond promptly to staff and Board member requests for feedback.
7. **Members as Individuals:** The CEO is accountable to the Board as a whole and not to individual Board members. Therefore, the relationship between the CEO and individual members of the Board, including the Board Chair, is collegial and not hierarchical.
8. **Voluntarism:** Board members may individually volunteer in operational capacities. In such situations, they are subject to the direct supervision of the CEO or responsible staff person.

Policy 2.7 Board Committee Principles

Date of adoption / Last revision: July 1, 2016

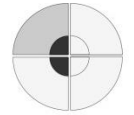


Board Process

Board committees may be established to help the Board be more effective and/or efficient in its work. Board committees are not to interfere with the Board's delegation of authority to the CEO, or the CEO's to other staff.

Accordingly:

1. Board committees are to help the Board do its job, not to help, advise or exercise authority over staff.
2. Board committees will ordinarily undertake activities not delegated to the CEO, such as by preparing policy alternatives and implications for Board consideration, or performing specific monitoring functions.
3. Board committees may only speak or act for the Board when formally given such authority for specific and/or time-limited purposes. Expectations and authority will be carefully stated (in the *Board Committee Structure* policy) in order not to conflict with authority delegated to the Executive Director.
4. As the CEO works for the full Board, he or she will not be required to seek approval of a Board committee before an executive action.
5. The composition of each committee and the number and purpose of committees is to be evaluated annually to assure continuity and relevance.
 - A. Except as otherwise provided by the Bylaws or Board policy, Board committee chairs shall not serve in that capacity for more than two consecutive one-year terms.
6. This policy applies to any group formed by Board action, whether or not it is called a committee and regardless of whether it includes Board members. This policy does not apply to committees formed under the authority of the CEO.
7. Board Committee Chairs shall ensure that an Operating Guide for use in conducting the activities of the committee (other than ad hoc committees) is maintained and updated annually.
8. Unless specifically authorized by the Board, a Board Committee may not make any commitment of organizational resources or funds.



Board Process

Policy 2.8 Board Committee Structure

Date of adoption / Last revision: July 1, 2016

Board committees are those established by and with authority emanating from the Board regardless of whether composition includes non-Board members. The only Board committees are those set forth below. Unless otherwise specified, the CEO, or his/her staff designee, will serve as a resource (non-voting member) for each Board committee.

1. Governance Committee

- A. Deliverable #1:** Support the highest functioning of the full Board of Directors, including but not limited to:
- i. Assistance/advice to the Board Chair in developing well-considered agendas for Board meetings.
 - ii. As directed by the Board or requested by the Board Chair, preparation and/or review of proposed policy and/or Bylaws revisions and implications for Board consideration.
 - iii. Coordinate/ensure Board self-assessment functions as part of its Annual Board Work Plan

Deliverable #2: Thorough orientation and training of new Board members.

Deliverable #3: Recommendations for Board consideration regarding additional Board training opportunities to enhance the Board's governance skills and capabilities.

Deliverable #4: Organization of the Annual Business Meeting

- B. Authority:** To incur costs and management time as allocated.
- C. Composition:** Chaired by Chair-elect, plus Secretary plus two additional Board members appointed by the Board each year at first meeting of fiscal year.

2. Audit Committee

- A. Deliverable #1:** Confirmation of auditor's independence and engagement of auditor by no later than end of February each year.

Deliverable #2: Annual specification of audit scope, consistent with Board monitoring schedule (see policy 4.4), including approval of any permitted non-audit services to be provided by the independent auditor.

Deliverable #3: Assurance that the auditor has unfettered access to organizational management and records.

Deliverable #4: Review with the independent auditor any problems encountered performing the audit, the audited financial statements, and any management letter provided by the auditor.

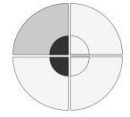
Deliverable #5: Preparation of a statement to accompany the audited financial statement for distribution to the members

Deliverable #6: Recommendations for Board consideration regarding revisions to the Board's fiscal policies.

Deliverable #7: Review of annual tax returns (e.g. Form 990) prior to distribution to Board of Directors and subsequent submission to IRS.

Deliverable #8: "Direct Inspection" (internal audit) monitoring of compliance with the Board's fiscal policies (Financial Condition, Asset Protection, Budget, Compensation and Benefits), as directed/scheduled by the Board per policy 4.4 *Monitoring CEO Performance*.

- B. Authority:** To direct work of outside auditors, to use management time as needed for administrative support, and to incur costs as allocated.
- C. Composition:** Chaired by the Treasurer, plus up to four (4) additional members, of whom at least two shall be Board members. Appointed by the Board each year at the first meeting of the calendar year.



Board Process

Policy 2.8 Board Committee Structure *(continued)*

Date of adoption / Last revision: July 1, 2016

3. Membership Connection Committee

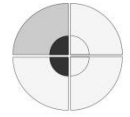
- A. **Deliverable:** Development of mechanisms and plans for Board approval and implementation to ensure active connection between the Board and CSI's membership, ensuring the Board is well informed about members' perspectives and values, and that the membership is informed of the Board's work on their behalf.
- B. **Authority:** To incur costs and management time as allocated.
- C. **Composition:** 3-5 Board members, including a chairperson, appointed by the Board Chair at first meeting of fiscal year.

4. Investment Oversight Committee

- A. **Deliverable #1:** Oversight of CSI's Investment Reserves, per the Board-approved Investment Policy
- Deliverable #2:** Selection of Investment Advisor(s), and reporting to the Board on investment performance in accordance with the Investment Policy.
- Deliverable #3:** Recommendations for revisions to the Investment policy, brought forth for Board consideration as the Committee deems appropriate.
- B. **Authority:** To incur costs and management time as allocated.
- C. **Composition:** Up to four Board members appointed by the Chair each year at first meeting of fiscal year.

5. Executive Compensation Committee

- A. **Deliverable #1:** Recommendations for Board consideration regarding adjustments to the CEO's compensation and benefits package. To be presented to the Board in a timely manner to allow final action to be taken by the March 31 each year, with changes in compensation to be effective at the beginning of the fiscal year (July 1).
- Deliverable #2:** Accompanying the recommendations, provide data as to comparable compensation for similarly qualified persons in comparable positions.
- Deliverable #3:** Contemporaneous documentation and recordkeeping with respect to the deliberations and decisions regarding CEO compensation.
- Deliverable #4:** Prepare for Board's consideration, and in consultation with the CEO, annual incentive plan goals and metrics for the bonus component of CEO compensation; annually review and report to the Board the CEO's performance results vis-a-vis previously established goals.
- Deliverable #5:** If directed by the Board, may commission a review by an independent consulting firm to evaluate CEO's executive compensation program against the competitive market.
- B. **Authority:** To incur costs and management time as allocated.
- C. **Composition:** Three Board members, including a chairperson, appointed by the Board each year at the first meeting of the fiscal year.



Board Process

Policy 2.8 Board Committee Structure *(continued)*

Date of adoption / Last revision: July 1, 2016

6. Awards Committee

- A. Deliverable #1:** Promote recognition within CSI by administering the programs in Honors & Awards Guide.
- Deliverable #2:** Recommendations for Board consideration regarding revisions to awards program criteria.
- B. Authority:** To incur costs and management time as allocated.
- C. Composition:**
1. Consists of a chair appointed for two (2) years and four (4) members each appointed for two (2) years each on alternating years.
 2. Members should have broad experience in Institute and be able to attend and participate in CSI Convention awards activities.
 3. Appointed by the Board no later than October 1. Appointment to conclude September 30.

7. Nominating Committee

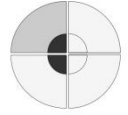
- A. Deliverable #1:** Per the Bylaws, a properly screened slate of qualified nominees to serve on the Board. Each year, the Board will advise the Nominating Committee as to the skills, attributes and experience it believes would best complement those of incumbent Board members and serve the interests of CSI's membership.
- B. Authority:** To expend resources as allocated.
- C. Composition:** Seven (7) members: one (1) from each of five (5) regions for a two (2) year term on a rotation, two (2) board members for one (1) year term.
1. Committee members from regions are appointed by the Board.
 - a. Regions shall nominate no less than two (2) individuals for consideration by April 1.
 - b. Should a region fail to submit names by April 1, the Board may appoint an individual from that region.
 2. Board members serving on the committee are appointed by the Board by July 1. Each shall:
 - a. Be from two different regions
 - b. Not be eligible for nomination by the Nominating Committee for service on the Board.

8. Jury of Fellows

- A. Deliverable #1:** To recognize members of the Institute for advancement to Fellowship, administering the program in accordance with Bylaws and Honors & Awards Guide.
- B. Authority:** incur costs and management time as allocated.
- C. Composition:**
1. Appointed by the Board no later than October 1.
 2. Composition as referenced in Bylaws Article XI., Section 1 Jury of Fellows, Composition and Terms of Office:
 - a. The Jury shall consist of three (3) Fellows of the Institute, and three (3) non-Fellows; each to be appointed for a term of three (3) years. Appointments of Fellows and non-Fellows to the Jury of Fellows shall be made so that the term of office of no more than one Fellow and one non-Fellow shall expire in any year. No members of the Jury shall serve two consecutive terms. Members of the Board shall not be eligible for appointment to serve on the Jury. Jury members may complete their term if elected to the Board.
 - b. In the event a member of the Jury of Fellows is unable to serve on the Jury, due to subsequent ineligibility, poor health, or for other valid reason, the Board Chair, upon receipt of written request from the chairman of the Jury of Fellows, shall appoint a new member of the Jury to serve, and to complete the unexpired term.

Policy 2.8 Board Committee Structure *(continued)*

Date of adoption / Last revision: July 1, 2016



Board Process

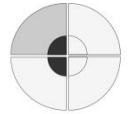
9. College of Fellows

A. **Deliverable #1:** Provide an organized and formal method to leverage the knowledge and expertise of the Fellows as a group for the betterment of CSI at all levels and provide a forum by which the Fellows, as individuals and as a group, can increase their contributions to CSI.

Deliverable #2: Coordinate its events and fundraising activities with the CEO, the Jury of Fellows, and the CSI Foundation consistent with the Board's governing policies.

B. **Authority:** To generate revenue and expend resources as allocated and consistent with the Board's governing policies.

C. **Composition:** The Fellows of CSI in good standing. The College of Fellows elects its own leadership.



Board Process

Policy 2.9 Budgeting for Board Prerogatives

Date of adoption / Last revision: July 1, 2016

The Board will consciously invest in its ability to govern effectively.

Accordingly:

1. The Board will allocate resources to ensure that it has sufficient skills, methods and supports to assure excellence in its leadership.
 - A. Training will be used appropriately to orient new Board members and to increase existing Board members' skills and knowledge.
 - B. Outside monitoring, including fiscal audit, will be arranged as needed to help the Board have confidence that organizational performance meets expectations, as stated in these policies. This includes, but is not limited to, audits, reviews or opinions on fiscal, legal or governance matters.
 - C. Outreach mechanisms will be used as needed to ensure the Board understands members' viewpoints and values.
2. Costs will be prudently incurred, but sufficient to ensure the development and provision of superior governance. Annual governance prerogatives to be considered and budgeted include costs for:
 - A. Board meeting and retreat costs (including Board travel).
 - B. Board member travel/reimbursements (attendance at conferences, workshops, etc.).
 - i. The Institute Board Chair will be reimbursed for travel expenses related to Institute business. (Authorization of reimbursements and credit card review by Treasurer).
 - ii. Officers and Directors will be reimbursed for reasonable air and ground transportation, lodging, and meal costs when authorized to travel on Institute business.
 - iii. (To be determined by the Board each year...) Officers and Directors will be reimbursed for expenses for the CSI Annual Convention and annual business meeting.
 - iv. Officers-elect and Directors-elect will be reimbursed for reasonable air and ground transportation, lodging, and meal costs for Board-elect meeting, Board Orientation and other travel for Institute business
 - C. Board training (governance consulting, publications, etc.).
 - D. Fiscal audit and other third party monitoring of organizational performance.
 - E. Opinion surveys, focus groups and other Membership Connection activities.
 - F. Board committee functions (other than Audit, as itemized in D above).
3. The Board will establish its budget for these prerogatives in the next fiscal year each year by March 31st.



Policy 3.0 General Management Constraint

Date of adoption / Last revision: July 1, 2016



Management Parameters

The CEO will not cause or allow any practice, activity, decision or organizational circumstance that is illegal, imprudent, or in violation of commonly accepted association management ethics and practices.

Policy 3.1 Interactions with Members / Customers

Date of adoption / Last revision: July 1, 2016



Management Parameters

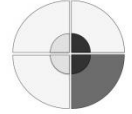
With respect to interactions with members/customers, the CEO will not cause or allow conditions or procedures which are unfair, unsafe, untimely, unresponsive, undignified or which fail to provide appropriate confidentiality.

Further, the CEO will not:

1. Collect, review, transmit, store or destroy member/customer data without protecting against improper access to that information.
2. Operate without clearly conveying to members/customers what may be expected from the services offered.
3. Operate without having in place a complaint/response process to address concerns raised by members/customers.

Policy 3.2 Treatment of Staff

Date of adoption / Last revision: July 1, 2016



Management Parameters

With respect to the treatment of volunteers and employees, the CEO will not cause or allow conditions that are unfair, unsafe or undignified.

Further, the CEO will not:

1. Pertaining to volunteers:
 - A. Operate without maintaining and ensuring that volunteers who hold positions of trust in CSI review and commit to abide by a Code of Ethics/Statement of Personal and Professional Standards of Conduct when acting in CSI capacities.
 - B. Operate without providing interested members volunteer opportunities for meaningful involvement with a contribution to CSI's Ends
2. Pertaining to employees:
 - A. Operate without ensuring employees are provided with written personnel policies, reviewed by qualified legal counsel, which clarify personnel rules for employees and provide for effective handling of complaints/grievances.
 - i. Allow employees to be unaware of the Board's governing policies including, but not limited to, this Treatment of Staff policy, along with the CEO's interpretations of staff's protections under this policy.
 - B. Allow staff to be unprepared to deal with reasonably foreseeable emergency situations.
 - C. Retaliate or allow retaliation against an employee for non-disruptive, internal expression of dissent, or for reporting to management or to the Board of Directors (per the process for handling of grievances in the personnel policies) acts or omissions by CSI personnel, management or the Board of Directors that the employee believes, in good faith and based on credible information, constitutes a violation of state or federal law or a governing policy of the Board. ("Whistleblower Protection")
 - i. Prevent employees from grieving to the Board when (a) internal grievance procedures outlined in the Personnel Manual have been exhausted and (b) the employee alleges that Board policy has been violated.

Policy 3.3 Financial Condition and Activities

Date of adoption / Last revision: July 1, 2016



Management Parameters

With respect to financial condition and activities, the CEO will not cause or allow the development of fiscal jeopardy, or a material deviation of actual expenditures from the Board's Ends priorities.

Further, the CEO will not:

1. Expend more funds than have been received in the fiscal year to date, unless the liquidity and reserve requirements below are met:
 - A. The CEO will not borrow from non-designated operating reserves (non-designated accumulated excess revenues) in an amount greater than can be replenished by certain and otherwise unencumbered revenues within 90 days.
 - B. The CEO will not allow operating cash and cash equivalents to drop below that amount necessary to meet operating expenditures over a 90-day period.
2. Use Investment Reserve Funds, Show Proceeds Fund or other Board-designated funds.
3. Incur debt, with exception of credit cards used for regular business purposes and paid in full each month.
 - A. The CEO will not access the Board-approved Wells Fargo \$850,000 Line of Credit without Board authorization each fiscal year.
4. Operate without settling payroll obligations and payables in a timely manner.
5. Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
6. Execute a purchase commitment, check or electronic funds transfer for operations of greater than \$60,000, or for capital expenditures greater than \$50,000, unless such purchase was explicitly itemized in budget monitoring data previously disclosed to the Board. Splitting orders to avoid this limit is not acceptable.
7. Execute a check or Electronic Funds Transfer (EFT) for greater than \$10,000 without two Board authorized signatures.
8. Acquire, encumber, lease or dispose of real property.
9. Operate without aggressively pursuing material receivables after a reasonable grace period.
10. Operate without adequate internal controls over receipts and disbursements to avoid unauthorized payments or material dissipation of assets.
 - A. The CEO will not operate without clearly delineated procedures and limitations for reimbursement of authorized expenses incurred by Board members, committee and task team members, and others who are entitled to reimbursement from the Institute.
 - B. CEO expense reimbursements must be reviewed and authorized for payment by the Treasurer. CEO credit card statements must be reviewed and authorized within 30 days of payment by the Treasurer. If the Treasurer is not available, the Board Chair may review/authorize these payments.

Policy 3.4 Asset Protection

Date of adoption / Last revision: July 1, 2016



Management Parameters

The CEO will not cause or allow CSI's assets to be unprotected, inadequately maintained or unnecessarily risked.

Further, the CEO will not:

1. Allow CSI to be without sufficient insurance coverage, including:
 - A. Property and casualty losses to at least replacement value.
 - B. Liability losses to Board members, staff and the organization itself in an amount equal to or greater than the average for comparable organizations.
 - C. Employee theft and dishonesty.
 - D. Cyber-liability.
 - E. Errors and Omissions.
2. Operate without codified policies and procedures to ensure consistency and professionalism in the Institute's operations and programs.
3. Subject CSI's facilities and equipment to improper wear and tear or insufficient maintenance.
4. Operate without employing risk management practices to minimize exposure of the organization, the Board, staff or their agents to claims of liability.
5. Allow any purchase without reasonable protection against conflicts of interest.
6. Allow a purchase of \$10,000 or more without having compared prices and quality.
7. Allow CSI's intellectual property, insignia/marks, information, resources and files to be exposed to loss, improper access, misuse or significant damage.
8. Operate without adhering to a Records Retention Schedule, approved by qualified legal counsel, for the maintenance of documents and records.
9. Operate without internal controls over receipts and disbursements, and to prevent dissipation of assets, sufficient to meet the Board-appointed auditor's standards (as set forth in the auditor's Management Letter and/or other correspondence).
10. Compromise the independence and transparency of the Board's auditor or other external monitors or advisors. Such entities may not be engaged by the CEO unless explicitly Board authorized.
11. Invest or hold operating capital in insecure instruments or in non-interest-bearing accounts except where necessary to facilitate ease in operational transactions.
12. Invest Board-designated reserve funds in a manner inconsistent with the Investment Policy.
13. Endanger CSI's public image or credibility.
 - A. CSI may recognize documents, publications, information sources, and products that correctly apply CSI standards, formats and principles. The recognition program, approval process, guidelines, limitations and disclaimers shall be established by staff and reviewed by Institute legal counsel.
14. Change the organization's name or substantially alter its identity.

Policy 3.5 Financial Planning and Budgeting

Date of adoption / Last revision: July 1, 2016



Management Parameters

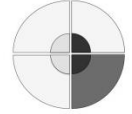
Financial planning for any fiscal year or the remaining part of any fiscal year will not deviate materially from the Board's Ends priorities, risk financial jeopardy or fail to address multi-year planning needs and considerations.

Accordingly, the CEO will not allow budgeting that:

1. Risks incurring those liquidity situations or conditions described as unacceptable in the Financial Conditions and Activities policy.
2. Omits credible projection of revenues and expenses, separation of capital and operational items, cash flow projections, and disclosure of planning assumptions.
3. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received.
4. Fails to allocate at least three percent (3%) of gross cash revenues to Investment Reserves, until Investment Reserves reach one hundred percent (100%) of budgeted annual operating expenses.
5. Omits allocation for Board activities per the Budgeting for Board Functions policy (see policy in Board Process).

Policy 3.6 Compensation and Benefits

Date of adoption / Last revision: July 1, 2016



Management Parameters

With respect to employment, compensation and benefits for employees, consultants, contractors or volunteers, the CEO will not cause or allow jeopardy to CSI's fiscal integrity or public image.

The CEO will not:

1. Establish salaries and benefits that are not competitive with market-based practices.
 - A. Total compensation, including benefits, should be targeted at or near the median of the market, but with flexibility so that compensation is based on experience, performance, and business need to attract and retain specific talent.
2. Change his or her own compensation.
3. Change his or her own benefits, except as consistent with the package for all other employees.
4. Promise or imply anything other than "at-will" employment.
5. Create obligations to consultants or contract vendors for longer than one year.
6. Establish or change retirement benefits so as to cause situations unpredictable for the Institute or inequitable for employees.

Policy 3.7 Emergency Management Succession

Date of adoption / Last revision: July 1, 2016



Management Parameters

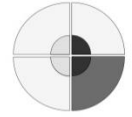
The CEO will not operate without management succession planning processes to facilitate smooth and competent operation of the organization during key personnel transitions.

Further, the CEO will not:

1. Have fewer than two (2) other members of the management team sufficiently familiar with Board and CEO issues and processes to enable either to take over with reasonable proficiency as an interim successor.

Policy 3.8 Board Awareness and Support

Date of adoption / Last revision: July 1, 2016



Management Parameters

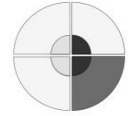
The CEO will not cause or allow the Board to be uninformed or unsupported in its work.

The CEO will not:

1. Withhold, impede or confound information necessary for the Board's informed accomplishment of its job.
The CEO will not:
 - A. Neglect to submit monitoring reports (including the CEO's policy interpretations, as well as compliance data) required by the Board (see Monitoring CEO Performance policy in Board-Management Delegation) in a timely, accurate and understandable fashion.
 - B. Let the Board be unaware of any actual or anticipated noncompliance with any Ends or Management Parameters policy, regardless of the monitoring schedule set forth by the Board.
 - C. Let the Board be without objective background/decision information it periodically requests, or unaware of relevant trends or incidental information (e.g., anticipated adverse media coverage, threatened or pending lawsuits, or material external and internal/organizational changes). Notification of planned and material internal changes is to be provided in advance, when feasible.
 - D. Let the Board be unaware of any Board or Board member actions that, in the CEO's opinion, are not consistent with the Board's own policies on Board Process and Board-Management Delegation, particularly in the case of Board or Board member behavior that is detrimental to the work relationship between the Board and the CEO.
 - E. Present information in unnecessarily complex or lengthy form or without differentiating among three types of written communications: 1) monitoring, 2) decision preparation or "action item" and 3) incidental/FYI.
2. Allow the Board to be without logistical and administrative support for official Board, officer or committee communications and functions.
3. Deal with the Board in a way that favors or privileges certain Board members over others except when:
 - A. Fulfilling individual requests for information, or
 - B. Responding to officers or committees duly charged by the Board.
4. Neglect to submit for the Board's Agenda those items delegated to the CEO yet required by law, regulation or third party to be Board-approved, along with applicable monitoring information.

Policy 3.9 Relationships with CSI Chapters and Regions

Date of adoption / Last revision: July 1, 2016



Management Parameters

With respect to CSI's relationships with affiliated chapters and regions, the CEO shall not operate without establishing and maintaining a cohesive national organizational structure ensuring alignment between the Institute and its chapters and regions.

Further, the CEO will not:

1. Operate without standardized contractual agreements (to be in place by December, 2017) between CSI and the Boards of Directors of CSI chapters and regions that are incorporated, delineating mutual expectations and responsibilities, including but not limited to:
 - A. Alignment with the mission/Ends of CSI.
 - B. Protection of CSI from assumption of financial liability for the activities of the affiliated chapters and regions.
 - C. Use of CSI's name, insignia, logo and brand.
 - D. Requiring that chapter or region bylaws and subsequent revisions are consistent with the terms and requirements of the agreement
 - E. Terms and conditions for CSI's disbursement of chapter dues and region allocations.
 - F. Use of member data.
2. Operate without updating and promulgating sample Bylaws, guidelines and practices for effective chapter/region operation and administration, and Board Governing Policies affecting chapters and Regions.



Policy 3.10 Credentialing Program Management

Date of adoption / Last revision: July 1, 2016



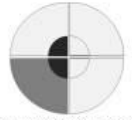
Management Parameters

With respect to the certifications and credentials issued under the auspices of CSI, the CEO will not operate without ensuring that the administration of such programs is consistent with recognized standards of practice in the credentialing industry.



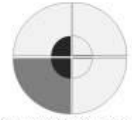
Policy 4.0 Board/Management Connection

Date of adoption / Last revision: July 1, 2016



Board/Management Delegation

The Board's official connection to the operating organization, its achievements and conduct is through the chief executive officer ("CEO").



Board/Management Delegation

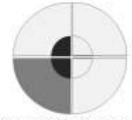
Policy 4.1 Unity of Control

Date of adoption / Last revision: July 1, 2016

The Board of Directors acts with one voice in establishing expectations of the CEO.

Accordingly:

1. No Board member, officer or committee has authority over the CEO, or any member of the CEO's staff, except in rare instances when the person or committee has been explicitly Board-authorized to direct or use staff resources for a specific issue.
2. Board members or committees may request information, but if such request--in the CEO's judgment--requires a material amount of staff time or funds or is disruptive, it may be declined. The committee or Board member may then refer the request to the full Board for consideration.



Board/Management Delegation

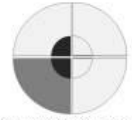
Policy 4.2 Accountability of the CEO

Date of adoption / Last revision: July 1, 2016

All Board authority delegated to management is delegated through the CEO, Therefore, the authority and accountability of staff, as far as the Board is concerned, is considered to be the authority and accountability of the CEO.

Accordingly:

1. The Board will not give instructions to any staff other than the CEO.
2. The Board will not evaluate, either formally or informally, any staff other than the CEO.
3. The Board will consider and evaluate CEO performance as synonymous with organizational achievement of Ends and compliance with Management Parameters. No performance measure established by the Board or by sub-sets of the Board shall conflict with or modify this measure of performance.
4. Consequently, the CEO's accountability and evaluation will be based on performance in two areas:
 - A. Organizational achievement of the Board's Ends policies.
 - B. Organizational operations within the parameters of legality, prudence and ethics established in the Board's Management Parameters policies.



Board/Management Delegation

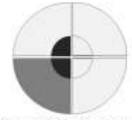
Policy 4.3 Delegation to the CEO

Date of adoption / Last revision: July 1, 2016

The Board will direct the CEO through written policies setting forth the organizational Ends to be achieved and organizational situations/actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

Accordingly:

1. Ends policies direct the CEO to achieve certain results, for certain recipients at a specified worth or priority. These policies will be systematically developed from the broadest, most general level, to more defined levels.
2. Management Parameters policies define the boundaries of legality, prudence and ethics within which the CEO is to operate. These policies describe the practices, activities, decisions and circumstances that would be unacceptable to the Board, even if effective in producing the desired results. Management Parameters will also be systematically developed from the broadest, most general level to more defined levels. To ensure accountability for performance, the Board will not prescribe organizational means delegated to the CEO.
3. An Ends or Management Parameters policy at a given level does not limit the scope of any preceding level.
4. The CEO is authorized to establish further policies, make decisions, take actions, establish practices and develop activities as long as they are consistent with any reasonable interpretation of these Ends and Management Parameters policies.
5. The Board may change its Ends and Management Parameters policies, thereby shifting the boundary between Board and CEO domains. By doing so, the Board changes the latitude of choice and authority given to the CEO. However, as long as any particular delegation is in place, the Board will respect and support decisions made by the CEO that are consistent with Board policy, as reasonably interpreted.



Board/Management Delegation

Policy 4.4 Monitoring CEO Performance

Date of adoption / Last revision: July 1, 2016

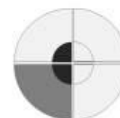
The Board will systematically and rigorously monitor CEO job performance, determining the extent to which Ends are being achieved and whether operational activities fall within boundaries established in Management Parameters policies.

Accordingly:

1. Monitoring is simply to determine the degree to which Board policies are being met. Information that does not address accomplishment of Ends and compliance with Management Parameters will not be considered in the Board's evaluation of CEO performance.
2. Ends and Management Parameters policies may be monitored by one or more of three methods:
 - A. Internal Reports: The CEO discloses in writing his/her policy interpretations, along with data supporting his/her assessment of accomplishment of, or compliance with, the policy under review. As appropriate in a given context, the CEO may present information supporting the "reasonableness" of his/her interpretation.
 - B. External Reports: An external, disinterested third party selected by and reporting to the Board assesses accomplishment of, or compliance with, Board policies, as reasonably interpreted by the CEO.
 - C. Direct Board Inspections: A designated Board member(s) or committee assesses CEO compliance with a given policy, as reasonably interpreted by the CEO.
3. In every case, the Board is committed to accepting any reasonable CEO interpretation of the Board policy being monitored. The Board is the judge of reasonableness, and will always use the "reasonable person" test (whether what the CEO did was what a reasonably prudent executive would do in that context), even if those choices differ from those the Board or any of its members may have made.
4. In every case, the Board will judge whether:
 - A. The CEO's interpretation is reasonable, and
 - B. Data demonstrate reasonable accomplishment of, or compliance with, the CEO's interpretation.
5. Interpretations determined by the Board not to be reasonable, or data determined not to demonstrate reasonable accomplishment of, or compliance with, a Board policy as interpreted, will be subject to a remedial process agreed to by the Board.
6. All policies instructing the CEO will be monitored at a frequency and by a method chosen by the Board. The Board may monitor any policy at any time by any method, but will ordinarily depend on the following routine schedule:

Policy 4.4 Monitoring CEO Performance, continued

Date of adoption / Last revision: July 1, 2016

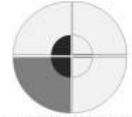


Board/Management Delegation

CEO MONITORING SCHEDULE			
POLICY	METHOD	FREQUENCY	SCHEDULE
Ends/Priority Results (In Meeting Packet)			
1.0 Broadest Ends Statement	Internal	Annually	Fall
1.1 Members have building information and project delivery knowledge	Internal	Annually	Winter
1.2 Construction industry recognition of CSI	Internal	Annually	Spring
1.3 CSI credentials are recognized as “gold standards” of competence	Internal	Annually	Fall
1.4 Members engage in a robust community	Internal	Annually	Winter
1.5 Members receive exclusive benefits and discounts	Internal	Annually	Spring
Management Parameters (By End of Month)			
3.0 General Management Constraint	Internal	Annually	August
3.1 Interactions with Members/Consumers	Internal	Annually	August
3.2 Treatment of Staff	Internal	Annually	August
3.3 Financial Condition and Activities	Internal	Quarterly	Oct/Jan/Apr/Aug (year-end)
	External	Annually	December
3.4 Asset Protection	Internal	Annually	October
3.5 Financial Planning and Budgeting	Internal (Budget Forecast)	Semi-annually	December/May
3.6 Compensation and Benefits	Internal	Annually	August
3.7 Emergency Management Succession	Internal	Annually	August
3.8 Board Awareness and Support	Internal	Annually	August
3.9 Relationships with Chapters and Regions	Internal	Annually	December
3.10 Credentialing Program Management	Internal	Annually	December

Policy 4.5 Board Access to CFO in Internal Auditor Capacity

Date of adoption / Last revision: July 1, 2016



Board/Management Delegation

Direct but limited access to the Board by the Chief Financial Officer (CFO) in an Internal Auditor capacity, is an exception to the exclusive role of the CEO in connecting governance and management.

Accordingly:

1. If after having brought to the CEO's attention any financial impropriety discovered in the course of his or her own work, the CFO feels that the CEO has failed to address the impropriety, the CFO must report that impropriety to the Board Chair.
2. Impropriety in this context means a material weakness in financial/operational management or a violation of board policies regarding financial/operational affairs of the Institute.
3. Nothing in this policy impedes the CEO from exercising his or her board-granted prerogative to interpret applicable board policies under the "reasonable interpretation" rule, nor does it remove from the Board the right to judge reasonableness. However, *impropriety* as used in provision #1 above can indicate that in the opinion of the CFO, an interpretation made by the CEO is not "reasonable."
4. The CFO is in all other ways as subject to the CEO's managerial authority, as are all other employees, and has no direct access to the Board except as described in this policy. The CEO may not impede the CFO's official access as an "internal auditor" as described in this policy, or seek to inappropriately influence the content of the CFO's reporting to the Board as set forth in this policy.
5. Nothing in this provision shall be deemed to limit or prohibit the Board from hiring external or internal auditors who report to the Board or any audit or other committees established by the Board for such purposes.

Appendix A: Investment Policy

Date of adoption / Last revision: July 1, 2016

PURPOSE

This Investment Policy has been adopted by the Construction Specification Institute's (CSI) Board of Directors to provide guidelines for the reserves held by CSI. CSI's reserves should balance CSI's need to provide funds for maintaining operations during times of financial or other stress in a carefully planned and articulated proposal.

The purpose of this statement of investment policy is to:

- Establish reasonable expectations, objectives and guidelines for the investment of CSI's Investments;
- Define a process for investing CSI's Investments which meets standards of prudence and fiduciary responsibility;
- Define roles and responsibilities of parties involved in the management of the Investments;
- Encourage effective communication among all parties involved in the oversight and management of the Investments;
- Guide Third Party Advisors regarding the investment of the Investments;
- Establish relevant time horizons for and the basis for evaluating investment results;
- Provide a framework that enhances the probability that investment goals for the Investments will be achieved.
- Provide investment and disbursement guidelines pertaining to the Underwriting Reserve Fund (URF), Show Proceeds Fund (SPF), and the Moll/Betts Student Excellence Fund (SEF).

This policy may be reviewed and revised periodically to ensure it meets the needs of the CSI and for changes based on market conditions.

THIRD PARTY ADVISORS

In managing the Investments, CSI may delegate to qualified parties certain responsibilities. These parties may include:

1. **Investment Advisor**, a person or entity which may assist the Board, Investment Oversight Committee and/or staff in establishing investment policy, objectives, and guidelines; selecting Investment Managers; reviewing such managers over time; measuring and evaluating investment performance; providing education and advice on financial matters to CSI leadership, and other tasks as deemed appropriate. The Investment Advisor may be granted authority to select Investment Managers and allocate funds in accordance with policy guidelines on a discretionary basis.
2. **Investment Managers**, have discretion to purchase, hold and sell securities consistent with the guidelines established by this policy.

GENERAL INVESTMENT PRINCIPLES

- The Investments shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the investment of a Portfolio of like character and with like aims.
- As needed, CSI will engage the services of professional, third-parties to advise, manage, and evaluate the performance of CSI's Investments. Any parties engaged by CSI in this effort will, at all times, act in a manner consistent with generally accepted standards of fiduciary responsibility and in the sole benefit of CSI.
- CSI seeks to avoid any real or potential conflicts of interest in the management of its Investments. Any parties with real or perceived conflicts should immediately notify the Board Chair and CSI's Chief Executive Officer consistent with the Board's governing policies.
- CSI recognizes that investments contain risks and seeks to manage these risks through a disciplined investment process and a diversified investment strategy. As such, greater emphasis is placed on risk at the portfolio level than at the individual asset class/Investment Manager level.

DUTIES AND RESPONSIBILITIES

Responsibility of CSI's Board of Directors:

The Board is charged by law with responsibility for the management of the assets of CSI. The Board shall discharge its duties solely in the interests of CSI, with the care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character with like aims. The Board's specific responsibilities relating to the investment management of investment assets include:

1. Approve all investment and spending policies for CSI.
2. Approve the hiring and/or termination of the Investment Advisor.
3. Periodically review the investment process and performance of CSI's Investments.

Responsibility of the Investment Oversight Committee

The Investment Oversight Committee is responsible for oversight of the investment portfolio with recommendations from the investment advisor. The investment advisor is defined as the person or entity which may assist the Board, Investment Oversight Committee and/or staff in establishing investment policy, objectives, and guidelines; selecting Investment Managers; reviewing such managers over time; measuring and evaluating investment performance; providing education and advice on financial matters to CSI leadership, and other tasks as deemed appropriate. The committee may appoint staff, consultants, and administrators to assist in the management of the portfolio, subject to oversight of the Board of Directors. Performance of the portfolio shall be reviewed on a semi-annual basis.

The Investment Oversight Committee, working with the Investment Advisor, is responsible for defining the investment objectives and policies. The committee may call on staff resources and other outside resources, such as investment consultants or auditors, for advice and counsel consistent with fiduciary obligations, and to rely on such advice. The Investment Oversight Committee has the responsibility to recommend changes in this investment policy to the Board of Directors and to implement approved policies, guidelines, and objectives.

Responsibility of the Investment Advisor

Investment advice concerning the management of investment assets will be offered by the Investment Advisor, consistent with and observing all policies, guidelines, constraints and philosophies as established in this Statement. Specific responsibilities of the Investment Advisor include:

1. Assisting in the development and periodic review of investment policy;
2. Determining an appropriate asset allocation strategy consistent with Policy return objectives, risk tolerance, liquidity needs and time horizon;
3. Selecting Investment Managers to implement the overall investment strategy;
4. Providing "due diligence" research on the Investment Manager(s), including ongoing monitoring of Investment Managers for fundamental changes in investment management process and evaluation and potential replacement of Investment Managers upon the occurrence of such events;
5. Reporting investment performance results on a timely basis to the Staff and/or the Board or any of its designated committees;
6. Monitoring and reporting the performance of the Investment Manager(s) to provide Staff with the ability to determine adherence to investment policies and progress toward the investment objectives;
7. Reviewing and recommending the Investment policy and presenting recommendations to Staff as appropriate;
8. Communicating, on at least a quarterly basis, any major changes in economic outlook, investment strategy, or other relevant factors that affect implementation of either the investment process or progress toward the Investments' investment objectives.

ASSET ALLOCATION AND PORTFOLIO SELECTION

Except as noted below, the Investment Oversight Committee shall have discretion as to determining the overall investment objectives, time horizon, and risk tolerance of the funds.

The portfolio shall operate within an overall asset allocation strategy defining the mix of asset classes. This strategy establishes a long-term percentage target for the amount of the Fund's market value that is to be invested in any individual asset class. The allocation strategy also defines the allowable investment shifts between the asset classes, above or below the target allocations.

ALLOWABLE ASSETS

Cash Equivalents

- Treasury Bills
- Money Market Funds
- STIF Funds (Short Term Investment Funds)
- Commercial Paper
- Banker's Acceptances
- Repurchase Agreements
- Certificates of Deposit
- Checking and/or Savings accounts

Fixed Income Securities

- U.S. Government and Agency Securities
- Fixed Income Securities of Foreign Governments and Corporations
- Corporate Notes and Bonds
- Mortgage Backed and Asset Backed Bonds
- Floating Rate Securities

Equity Securities

- Common U.S. Stocks
- International Stocks (up to 50% of the overall equity allocation)
- Emerging Market Stocks
- Convertible Notes and Bonds
- Convertible Preferred Stocks
- REITs (Real Estate Investment Trusts)

Mutual Funds/Pooled Vehicles

Mutual Funds (including similar pooled investments and Exchange Traded Funds) shall be selected on the basis that they generally invest in those securities deemed to be allowable above. However, it is understood that assets invested in such commingled vehicles will be managed in accordance with the investment policies, procedures and guidelines set forth in the prospectus or other relevant document for such commingled vehicle, notwithstanding anything to the contrary set forth in this Policy.

Alternative Investments

Alternative Investments are non-traditional asset classes used to reduce portfolio volatility. In accordance with the asset allocation guidelines below, the use of alternative investments via SEC-Registered investment vehicles is permissible.

Prohibited Investments include: a) private placements, b) letter stock, c) individual issues of common stock outside of professionally managed accounts, mutual funds, exchange traded funds, or similar pooled investment vehicles, d) Individual options, futures, or forward contracts outside of professionally managed accounts, mutual funds, or similar pooled investment vehicles, e) securities whose issuers have filed a petition for bankruptcy, f) individual commodities or commodity contracts outside of professionally managed accounts, mutual funds, or other pooled investment vehicles, g) short sales or margin transactions (unless through a professionally managed strategy/fund), h) Uninsured Certificates of Deposit, and similar securities, and i) Corporate bonds rated less than BBB (except when purchased through a mutual fund or money manager, and limited to a maximum allocation of 10% of the market value of the portfolio)

INVESTMENT OBJECTIVES

The Investment Oversight Committee will monitor the portfolio’s performance on a bi-yearly basis and will evaluate its performance in attaining its investment objectives. The Investment Oversight Committee will report the portfolio’s performance on an annual basis to the Board of Directors.

The primary investment objective is the balanced funding of the account to ensure availability of ready cash while providing opportunity for growth to primarily meet depreciated asset replacement needs, secondarily to provide a bridge for any unanticipated downturn in revenues and lastly increase opportunities for CSI to invest in industry enhancing projects, programs, and services.

The portfolio should produce a rate of return equal to or better than the “market” for similar investments. This benchmark shall be representative of the portfolio’s return objectives and risk tolerance.

	Underwriting Reserve Fund	Show Proceeds Fund	Student Excellence Fund
Purpose	Set aside a portion of operating income when available as a reserve to underwrite or fund important capital or business projects, and to support operations in times of financial crisis. The Board must approve the purpose of all transfers to and from the URF	Protect and invest the net proceeds from the CSI Show asset sale (circa 2007), and fund capital projects, business projects and support operations in times of financial crisis. The Board must approve by a two-thirds (2/3) positive vote of all CSI Board members (not simply 2/3 of those in attendance or participating in a Board vote) the purpose of all transfers from the SPF.	Finance student and student faculty member participation in CSI activities and events. The SEF resides in the CSI Foundation. The CSI Foundation Board must approve all transfers out of the SEF and consistent with its purpose. The SEF is a restricted fund. The principal shall remain in the restricted fund with the interest and realized investment earnings being used to satisfy the purpose of the SEF. In the event of an annual realized net loss, no funds will be used to satisfy the purpose of the SEF.
Time Horizon	3 years	3 years	3 years
Risk Tolerance	The portfolio designed to minimize (though not eliminate) the probability of experiencing a “worst case” return of -5% in a given year.	The portfolio designed to minimize (though not eliminate) the probability of experiencing a “worst case” return of -5% in a given year.	The portfolio designed to minimize (though not eliminate) the probability of experiencing a “worst case” return of -5% in a given year.

RISK TOLERANCE

Investment theory and historical capital market return data suggest that, over long periods, there is a relationship between the level of risk assumed and the level of return that can be expected in an investment program. In general, higher risk (i.e., volatility of return) is associated with higher returns.

Given this relationship between risk and return, the portfolio target shall be a conservative risk strategy. This is a goal of relatively more stable returns over the longer term, with a reduced potential of negative returns or loss of principal in any given year.

INVESTMENT STRATEGY

There shall be a use of a mix of mutual funds, Exchange Trade Funds (ETF), Certificates of Deposits (CDs), bonds, equities, and money markets. Fund securities shall be of a quality that provides ready liquidity if there should be a need to sell them. In addition, the Fund may **not** be used for: short sales, purchases of letter stock, private placements, direct payments, leveraged transactions, purchases of securities not readily marketable, commodities transactions, puts, calls, straddles or other option strategies, purchases of inverse or range floater bonds, purchase of interest only/principal only bonds, or purchases of derivative securities.

The asset allocation for the Fund should be kept within the following parameters:

Asset Class	Minimum	Maximum
Total Fixed Income	20%	70%
Total Equity	10%	75%
Cash	0%	30%
Alternative Investments	0%	20%

PERFORMANCE EVALUATION

The Investment Oversight Committee shall monitor the portfolio and shall evaluate the portfolio's success in achieving the investment objectives for current and future needs. The portfolio's performance shall be reported in terms of rate of return and changes in dollar value net of portfolio changes. The returns should be compared to appropriate market indexes, for the most recent semi-annual, annual and cumulative prior time periods. The portfolio's asset allocations and relative market value will be reported on an annual basis to the Board of Directors.

APPROVAL

The investment policy as set forth in this document will be reviewed periodically by the Investment Oversight Committee to consider and recommend changes to the Board of Directors for prospective implementation. Deviations from the investment policies and constraints outlined in this document may be authorized by the Investment Oversight Committee when it determines that the deviation does not constitute a material departure from the intent of this investment policy. Only the CSI Board of Directors may make substantial and material modifications to this investment policy and may do so with a majority of those approving the action to be taken in accordance with Board meeting requirements outlined in the CSI Bylaws.

Appendix B: Anti-Trust Policy

Date of adoption / Last revision: July 1, 2016

The Construction Specifications Institute has a policy of strict compliance with the federal antitrust laws. The antitrust laws prohibit certain combinations and agreements among competitors, and members of an association can be considered competitors in the context of antitrust challenges even if their businesses (or professional practices) are not in the same geographic areas or in the same product lines (or professional fields or specialties). A member's conduct at all CSI-sponsored or scheduled meetings and events must comply with antitrust laws. The penalties for violations of the antitrust laws can be very severe--not only for CSI, but also for its individual members.

CSI members cannot come to understandings, make agreements, or otherwise concur on positions or activities that in any way tend to raise, lower, or stabilize prices or fees, divide up markets, or encourage boycotts. Each member must decide, without consultation with competitors, how to conduct its business (or its professional practice) and with whom to do business (or engage in professional practice). Specifically, members should not agree on:

- ◆ Current or future prices or fees, price or fee changes, discounting, regulation of production, and other terms and conditions of sale or of providing professional services. Members should not discuss prices or fees. Agreements on pricing or fees are clearly illegal. Even price or fee discussions by competitors, if followed by parallel action among the competitors on pricing or fees, can lead to antitrust investigations or challenges.
- ◆ Allocating or monopolizing territories or customers. Any agreement by competitors to "honor," "protect," or "avoid invading" one another's market areas or product lines (or professional practice areas) would violate the law.
- ◆ Refusing to do business with those whose business practices they oppose. Competitors can discuss the policies or practices of buyers, suppliers, and other third parties, but they must never threaten directly or indirectly to act jointly to enforce changes to those policies or practices. Again, discussions followed by parallel action could trigger careful antitrust scrutiny.

Discussions of pricing, fees, or boycotts as part of CSI-scheduled programming or at sponsored meetings could implicate and involve the CSI in extensive and expensive antitrust challenges. Officers, directors, and members should not make any representations, publicly or privately, which appear to represent an official policy or position of CSI without the express authorization of the CSI Board. The U.S. Supreme Court has determined that recommendations or exhortations in antitrust areas by individuals who might appear to represent an association in some capacity can likewise jeopardize the association, so those in positions of responsibility for CSI must be especially cautious.

The antitrust laws are complicated and often unclear. If any member is concerned that he or she may be in a "gray area," that member should consult with CSI's senior executives or legal counsel. If the conversation among competitors at a CSI meeting turns to antitrust-sensitive issues, participants should discontinue the conversation until legal advice is obtained, or else leave the meeting immediately.

**Antitrust Do's and Don'ts for
Construction Specifications Institute**

This antitrust Do's and Don'ts list is for use by CSI Officers, Directors, Members, and Staff in the conduct of CSI-sponsored meetings, conferences, online forums, or other activities to help ensure compliance with the CSI Antitrust Compliance Policy. *This applies equally to social gatherings incidental to CSI sponsored activities.*

DO

Do ensure strict performances in areas of:

OVERSIGHT/SUPERVISION:

- have an CSI Staff representative at each CSI-sponsored national meeting (unless an exception has been authorized by the CEO or Board of Directors);
- consult with CSI Staff legal counsel on any antitrust questions relating to CSI-sponsored activities;
- limit meeting discussions to agenda topics (unless additional topics have been approved by the appropriate CSI Staff representative); and
- ensure that Members and CSI Staff representatives attending an CSI-sponsored meeting have a copy of the Antitrust Policy and this list.

RECORDKEEPING:

- have an agenda and minutes which accurately reflect the matters which occur;
- provide agenda and minutes to Staff for review and approval in advance of distribution; and
- fully describe the purpose and authorities of all task groups, work groups, ad hoc or other standing committee subgroups in the minutes of the appropriate parent committee.

VIGILANCE:

- protest against any discussion or meeting activities which appear to violate this checklist; disassociate yourself from any such discussion or activities and leave any meeting in which they continue.

DON'T

Don't, in fact or appearance, discuss or exchange information on:

PRICES OR RATES, INCLUDING:

- individual or company prices or rates, rate changes, rate differentials, markups, discounts, allowances, commissions, credit terms, etc.;
- individual or company data on costs, production, labor, supplies, etc.;
- professional pricing policies, price levels, price changes, differentials, minimums, maximums, etc.; or
- written statements, comments, suggestions, or views etc. regarding any matters which may affect translation rates, and do not make public announcements or statements on those matters.

MARKETING, INCLUDING:

- plans of individuals or companies concerning the marketing of services, including proposed territories or customers;
- discussion of specific proposals, business opportunities, or requests for proposals; or
- matters relating to actual or potential individual suppliers or customers that might have the effect of excluding, boycotting, or blacklisting them from any market or influencing the business conduct of other firms toward them.