

## WHISTLE-BLOWER CODE OF CONDUCT POLICY

*Approved by the HRS Board of Trustees June 2009*

The Sarbanes-Oxley Act which was signed into law on July 30, 2002, was designed to add new governance standards for the corporate sector to rebuild public trust in publicly held companies. While the majority of this act deals directly with for profit corporations, two standards in the act, document destruction and whistle-blower protection, cover non-profit corporations.

### Whistle-Blower/Code of Conduct Policy

In keeping with the policy of maintaining the highest standards of conduct and ethics the Heart Rhythm Society and the Heart Rhythm Foundation will investigate any suspected fraudulent or dishonest use or misuse of the Society or Foundation's resources or property by staff, board members, consultants or volunteers. The Heart Rhythm Society and the Heart Rhythm Foundation are committed to maintaining the highest standards of conduct and ethical behavior and promote a working environment that values respect, fairness and integrity. All staff, board members and volunteers shall act with honesty, integrity and openness in all their dealings as representatives for the organization. Failure to follow these standards will result in disciplinary action including possible termination of employment, dismissal from one's board or volunteer duties and possible civil or criminal prosecution if warranted.

Employees, board members and volunteers are encouraged to report suspected fraudulent or dishonest conduct (i.e. to act as "whistle-blower"), pursuant to the procedures set forth below.

### **Reporting**

A person's concerns about possible fraudulent or dishonest use or misuse of resources or property should be reported to his or her supervisor or, if suspected by a volunteer, to the staff member supporting the volunteer's work. If for any reason a person finds it difficult to report his or her concerns to a supervisor or staff member supporting the volunteer's work, the person may report the concerns directly to the Society's [Chair of the Ethics Oversight Committee](#) (link) for determination of due process. Alternately, to facilitate reporting of suspected violations where the reporter wishes to remain

anonymous, a written statement may be submitted to one of the individuals listed above.

## **Definitions**

Baseless Allegations: Allegations made with reckless disregard for their truth or falsity. People making such allegations may be subject to disciplinary action by the Heart Rhythm Society, and/or legal claims by individuals accused of such conduct.

Fraudulent or Dishonest Conduct: A deliberate act or failure to act with the intention of obtaining an unauthorized benefit. Examples of such conduct include, but are not limited to:

- forgery or alteration of documents;
- unauthorized alteration or manipulation of computer files;
- fraudulent financial reporting;
- pursuit of a benefit or advantage in violation of the Heart Rhythm Society and the Heart Rhythm Foundation's Conflict of Interest Policy;
- misappropriation or misuse of the Heart Rhythm Society or the Heart Rhythm Foundation's resources, such as funds, supplies, or other assets;
- authorizing or receiving compensation for goods not received or services not performed; and
- authorizing or receiving compensation for hours not worked

Whistle-Blower: An employee, board member or volunteer who informs a supervisor or the Chair of the Ethics Oversight Committee about an activity relating to the Heart Rhythm Society or the Heart Rhythm Foundation which that person believes to be fraudulent or dishonest.

## **Rights and Responsibilities**

### Supervisors

Supervisors are required to report suspected fraudulent or dishonest conduct to the Chair of the Ethics Oversight Committee. Reasonable care should be taken in dealing with suspected misconduct to avoid:

- baseless allegations;
- premature notice to persons suspected of misconduct and/or disclosure of suspected misconduct to others not involved with the investigation; and
- violations of a person's rights under law

Due to the important yet sensitive nature of the suspected violations, effective professional follow-up is critical. Supervisors, while appropriately concerned about “getting to the bottom” of such issues, should not in any circumstances perform any investigative or other follow up steps on their own. Accordingly, a supervisor who becomes aware of suspected misconduct:

- should not contact the person suspected to further investigate the matter or demand restitution.
- should not discuss the case with attorneys, the media or anyone other than the Chair of the Ethics Oversight Committee.
- should not report the case to an authorized law enforcement officer without first discussing the case with the Chair of the Ethics Oversight Committee.

### Investigation

All relevant matters, including suspected but unproved matters, will be reviewed and analyzed, with documentation of the receipt, retention, investigation and treatment of the complaint. Appropriate corrective action will be taken, if necessary, and findings will be communicated back to the reporting person and his or her supervisor. Cases may warrant investigation by an independent person such as auditors and/or attorneys.

### Whistle-Blower Protection

The Heart Rhythm Society and the Heart Rhythm Foundation will protect whistle-blowers as defined below.

- The Heart Rhythm Society and the Heart Rhythm Foundation will use their best efforts to protect whistle-blowers against retaliation. Whistle-blowing complaints will be handled with sensitivity, discretion and confidentiality to the extent allowed by the circumstances and the law. Generally this means that whistle-blower complaints will only be shared with those who have a need to know so that the Heart Rhythm Society and the Heart Rhythm Foundation can conduct an effective investigation, determine what action to take based on the results of any such investigation, and in appropriate cases, with law enforcement personnel. (Should disciplinary or legal action be taken against a person or persons as a result of a whistle-blower complaint, such persons may also have right to know the identity of the whistle-blower.)
- Employees, board members and volunteers of the Heart Rhythm Society or the Heart Rhythm Foundation may not retaliate against a whistle-blower for

informing management about an activity which that person believes to be fraudulent or dishonest with the intent or effect of adversely affecting the terms or conditions of the whistle-blower's employment, including but not limited to, threats of physical harm, loss of job, punitive work assignments, or impact on salary or fees. Whistle-blowers who believe that they have been retaliated against may file a written complaint with the Chair of the Ethics Oversight Committee. Any complaint of retaliation will be promptly investigated and appropriate corrective measures taken if allegations of retaliation are substantiated. This protection from retaliation is not intended to prohibit supervisors from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.

- Whistle-blowers must be cautious to avoid baseless allegations (as described earlier in the definitions section of this policy).