

## **WHISTLEBLOWER POLICY OF Parsippany Soccer Club, Inc.**

### **A. General**

As a nonprofit 501(c)(3) organization, the integrity of the financial information of Parsippany Soccer Club, Inc. (the “Club”) is paramount. The Club’s financial information guides the decisions of the Board of Directors of the Club (the “Board of Directors”), and is relied upon by its directors, officers and employees. For these reasons, the Club must maintain a business environment and workplace where the Club can retain and treat all complaints concerning allegedly questionable accounting, internal accounting controls, or auditing matters, or the reporting of allegedly fraudulent financial information, and where directors, officers, and employees can raise these concerns free of any discrimination, retaliation or harassment.

It is the policy of the Club to encourage directors, officers, and employees, when they reasonably believe that questionable accounting or auditing has occurred or are occurring, to report those concerns to the Club’s Audit Committee (on an anonymous basis, if so desired). All reports will be taken seriously and will be promptly investigated. The specific nature of the investigation undertaken in any particular case depends on the nature and gravity of the conduct or circumstances reported, and the quantity and quality of the information provided.

Any employee may submit a good faith complaint regarding accounting or auditing matters to the Audit Committee of the Club without fear of retaliation of any kind. The Club is committed to achieving compliance with all applicable laws and regulations, accounting standards, accounting controls and audit practices. The Club’s Audit Committee will oversee treatment of any concerns in this area.

This policy is not a vehicle for reporting violations of the Club’s applicable human resources policies, problems with directors, officers, representatives or employees, or for reporting issues related to alleged employment discrimination or unlawful harassment, all of which should be dealt with in accordance with the “Personnel Policies and Procedures” of the Club, as it is those policies and procedures that are applicable to such matters.

The matters which should be reported under this policy include suspected fraud, theft, embezzlement, [This is contradictory to paragraph directly above], accounting or auditing irregularities, bribery, kickbacks, misuse of the Club’s assets or suspected regulatory, compliance, or ethics-related issues, concerns or violations.

### **B. Reporting Responsibility**

It is the responsibility of all directors, officers and employees to report violations or suspected violations of high business and reasonable ethical standards [This is amorphous and subject to wildly varying degrees of subjectivity] and/or applicable legal requirements (each, a “Violation”) in accordance with this Whistleblower Policy.

In order to facilitate the reporting of complaints, the Club’s Audit Committee has established the following procedures for (1) the receipt, retention and treatment of complaints regarding

accounting, internal accounting controls, or auditing matters (“Accounting Matters”) and (2) the confidential (to the extent described below), anonymous submission by directors, officers and employees of complaints or concerns regarding allegedly questionable Accounting Matters.

### **C. Receipt of Employee Complaints**

1. The Club has designated the Chair of the Audit Committee to be responsible for administering this policy. The Chair of the Audit Committee is the Club’s Vice President of Finance. The Vice President of Finance’s e-mail address is [finance@parsippanysoccerclub.org](mailto:finance@parsippanysoccerclub.org) or [PSCWhistleblower00@gmail.com](mailto:PSCWhistleblower00@gmail.com).

2. Directors, officers, and employees with concerns regarding Accounting Matters may report their concerns or complaints regarding Accounting Matters to the Chair of the Audit Committee through e-mail or regular mail marked **CONFIDENTIAL** and addressed as follows:

Chair of the Audit Committee

The Chair of the Audit Committee will forward a copy of the report to the President.

### **D. Scope of Matters Covered by These Procedures**

For the purposes of this policy, “Accounting Concerns” is intended to be broad and comprehensive and to include any matter, which in the view of the complainant, is illegal, unethical, contrary to the policies of the Club or in some other manner not right or proper. Examples would include:

1. violation of any applicable law, rule or regulation that relates to corporate reporting and disclosure;
2. fraud or deliberate error in the preparation, evaluation, review or audit of any financial statement of the Club;
3. fraud or deliberate error in the recording and maintaining of financial records of the Club;
4. deficiencies in or non-compliance with the Club’s internal policies and controls;
5. misrepresentation or a false statement by or to a director, officer or employee of the Club respecting a matter contained in the financial records, reports or audit reports; and
6. deviation from full and fair reporting of the Club’s consolidated financial condition.

### **E. Communication of this Policy**

To ensure that all directors, officers, and employees of the Club are aware of this policy, a copy of the policy will be distributed to all directors, officers and employees, or alternatively they will be advised that the policy is available on the Club’s website for their review. All directors, officers and

employees will be informed whenever significant changes are made. New directors, officers and employees will be provided with a copy of this policy and will be educated about its importance.

## **F. Reporting Questionable Accounting Matters**

1. The confidentiality and anonymity of persons making complaints or expressing concerns (“Reporting Person”) will be maintained to the fullest extent possible, consistent with the need to conduct an investigation. The Audit Committee encourages you to supply contact information with your submission to facilitate clarification and any assistance with possible investigation.

2. To assist the Audit Committee in reviewing and, if necessary, investigating your complaints or concerns, you should provide as much factual, rather than speculative, information as possible. To the extent possible, you should include the following information in your submission:

- a. the alleged event, matter or issue that is the subject of the complaint or concern;
- b. the name of each person you believe involved;
- c. if the complaint or concern involves a specific event or events, the approximate date(s) and location(s) of each event; and
- d. any additional information, documentation or other evidence you believe support the complaint or concern.

## **G. Treatment of Complaints**

1. Upon receipt of a complaint, the Chair of the Audit Committee will (i) determine whether the complaint actually pertains to Accounting Matters and (ii) when possible, acknowledge receipt of the complaint to the sender.

2. Complaints relating to Accounting Matters will be reviewed under the Audit Committee’s direction and oversight by the Chair of the Audit Committee or such other persons as the Chair of Audit Committee determines to be appropriate. The Audit Committee may enlist committee members, directors, officers or employees of the Club and/or outside legal, accounting or other advisors as the Audit Committee determines to be appropriate.

3. Notwithstanding Section G. (1) and (2) above, all complaints regarding Violations that related to the alleged conduct of a director or executive officer of the Company will be referred directly to the Audit Committee for investigation. In investigating such complaints, the Audit Committee may enlist directors, officers or employees of the Club and outside legal, accounting and other advisors, as appropriate. Any actions taken in response to such complaint will be timely reported to the Reporting Person, unless such Reporting Person submitted the complaint on an anonymous basis.

4. All complaints under this policy will be promptly and thoroughly investigated, and all information disclosed during the course of the investigation will remain confidential, to the

extent consistent with conducting the investigation and taking any appropriate remedial action, in accordance with applicable law.

5. All directors, officers, and employees have a duty to cooperate in the investigation of reports under this policy, or of discrimination, retaliation or harassment allegedly resulting from the reporting or investigation of such matters. In addition, an director, officer or employee shall be subject to disciplinary action, including the termination of his or her employment, if the director, officer or employee fails to cooperate in an investigation, or deliberately provides false information during an investigation.

6. If, at the conclusion of its investigation, the Club determines that a violation of this policy has occurred, the Club will take appropriate remedial action commensurate with the nature and severity of the offense, when and as warranted in the judgment of the Audit Committee. This action may include disciplinary action against the accused party, including termination. Reasonable steps will also be taken to prevent any further violations of policy.

#### **F. Unsubstantiated Allegations**

If a Reporting Person makes a complaint in good faith pursuant to this policy and any facts alleged therein are not confirmed by a subsequent investigation, no action will be taken against the Reporting Person. In submitting complaints, Reporting Persons should exercise due care to ensure the accuracy of the information reported. Where alleged facts reported pursuant to this policy are found to be without merit or unsubstantiated, (1) the conclusions of the investigation will be made known to both the Reporting Person, unless such Reporting Person submitted the complaint on an anonymous basis, and to the person(s) against whom any allegation was made in the complaint, and (2) the allegations will be dismissed and all documentation and information related thereto will be removed from the Company's records

#### **H. Discrimination, Harassment or Retaliation**

1. The Club will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any director, officer or employee based upon any lawful actions of such director, officer or employee with respect to good faith reporting of complaints regarding Accounting Matters or otherwise as specified in Section 806 of the Sarbanes-Oxley Act of 2002.

2. The Club also strictly prohibits any discrimination, retaliation or harassment against any person who participates in an investigation of complaints about allegedly questionable Accounting Matters.

3. The Club also prohibits any discrimination, retaliation or harassment against any person who files, testifies, or participates in any legal proceeding relating to an alleged Violation of the laws described above, or provides to a law enforcement officer any truthful information relating to the commission or possible commission of a federal, state, municipal or foreign offense.

4. Any complaint that any directors, officers, or employees are involved in discrimination, retaliation or harassment related to the reporting or investigation of allegedly questionable

Accounting Matters shall be promptly and thoroughly investigated in accordance with the Club's investigation procedures. If a complaint of discrimination, retaliation or harassment is substantiated, appropriate disciplinary action, including discharge, will be taken.

#### **I. Reporting and Retention of Complaints and Investigations**

1. The Audit Committee shall maintain a log of all complaints, tracking their receipt, investigation and resolution and shall prepare a periodic summary report thereof for the Board of Directors.

2. All documents related to the reporting, investigation and enforcement of this policy, as a result of a report of allegedly questionable Accounting Matters, or of the discrimination, retaliation or harassment of a director, officer or employee that made such a report, shall be kept in accordance with the Club's record retention policy and applicable law.

#### **J. Chair of the Club's Audit Committee**

The Chair of the Club's Audit Committee is responsible for overseeing the investigation and resolution of all reported complaints and allegations concerning the ethical and legal standards noted above and if the Chair deems it appropriate, the President, of all such complaints and allegations. The Chair of the Audit Committee is required to report to the full Board of Directors at least annually regarding such complaints and allegations.

#### **K. Acting in Good Faith**

Anyone filing a complaint concerning a violation or suspected violation of the ethical and legal standards noted above must act in good faith and have reasonable grounds for believing the information disclosed may indicate a violation of such standards. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

#### **L. Confidentiality**

Complaints may be submitted on a confidential basis by the Reporting Person. Reports of Violations or suspected Violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

#### **M. Modification**

The Audit Committee may modify this policy unilaterally at any time without notice. Modifications may be necessary, among other reasons, to maintain compliance with local, state and federal regulations and/or accommodate organizational changes within the Club.

**N. Questions about this Policy**

Questions regarding this policy may be directed to the Chair of the Audit Committee or to the President.

Adopted by the Board of Directors as of September 12, 2017.