

PASADENA TOURNAMENT OF ROSES ASSOCIATION

WHISTLEBLOWER POLICY

OVERVIEW

The Pasadena Tournament of Roses Association (the “Association”) is committed to operating practices with the highest possible standards of service, delivered in an ethical and legal manner. The Association’s interactions with others, both inside and outside the Association, requires trust, and all of the Association’s directors, officers, members and employees (herein referred to as “personnel”) must maintain strict compliance with all applicable laws and regulations, and must refrain from fraudulent, wrongful and improper conduct.

The Association is committed to maintaining an effective internal control environment to detect and to prevent or deter improper activities. Effective internal controls can also ensure the accuracy of the Association’s financial reporting and related disclosures. However, even the best systems of internal control cannot provide absolute safeguards against irregularities. Intentional and unintentional violations of laws, regulations, policies and procedures may occur, and the Association has a responsibility to investigate and address allegations of suspected fraudulent, wrongful, or improper activities.

This “Whistleblower Policy” serves to document the procedures the Association will employ in addressing reports of suspected fraudulent, wrong, or improper conduct of the Association’s personnel; as well as suspected wrongdoing or complaints related to the Association’s accounting, internal controls, auditing, or financial reporting matters. For purposes of this program, an employee or volunteer who reports alleged wrongdoing or improper conduct is defined as a “whistleblower”. The Association’s employees and volunteers are encouraged to use the guidance provided by this program for reporting such conduct or complaint.

Procedures

Allegations of suspected fraudulent, wrongful, or improper conduct by the Company’s personnel are to be reported to the Association’s Treasurer or Chief Executive Officer (CEO). Allegations involving the CEO and/or Treasurer of the Association are to be reported to the Audit Committee Chairperson.

Allegations of suspected wrongdoing or complaints relating to the Association’s accounting, internal controls, auditing, or financial reporting matters are to be reported to the Association’s Audit Committee Chairperson.

1. Any employee or volunteer may report allegations of suspected fraudulent, wrongful, or improper conduct, including allegations reported to employees and volunteers by outside parties. Reported allegations may be reported anonymously.
2. Any outside source, including accountants, vendors, etc. may report allegations. Reported allegations may be reported anonymously.

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3. Reports are highly encouraged to be made in writing to assure a clear understanding of the issues being raised, but they may be made orally. Such reports should be factual rather than speculative, and contain as much specific information as possible, including name(s), dates, places, events, employee's or volunteer's perception of why (s)he suspects the fraudulent, wrongful, or improper conduct; or wrongdoing in accounting, internal controls, auditing, or financial reporting.
4. Any employee or volunteer who suspects fraudulent, wrongful, or improper conduct of Association management or other Association personnel should immediately report such suspicions or allegations to the Treasurer, CEO or Audit Committee Chair.
5. In the event the suspected wrongdoing or improper conduct is being perpetuated by the CEO or Treasurer of the Association, or involves complaints relating to accounting, internal controls, auditing, or financial reporting matters, the matter is to be reported to the Audit Committee Chairperson.

Reports to the Audit Committee may be made in person; via email to the Audit Committee Chairperson; or by sending a written report to the Audit Committee Chairperson, Tournament of Roses Association, Pasadena, California 91184.

6. Any employee or volunteer who knowingly reports or makes false allegations of wrongful conduct or improprieties shall be subject to discipline, up to and including termination of employment or membership, as applicable.
7. Confidentiality of the whistleblower's identity, the nature of the report, and the suspected person's identity is to be strictly maintained. Oral reports should be documented by the person receiving the report.

Allegations or complaints reported to the CEO or Treasurer

1. The person receiving the report should assess the allegations to determine whether they pertain to employee or volunteer related matters; to internal fraud; or to accounting, internal controls, or financial reporting matters.
 - a. Employee or volunteer related matters and internal fraud allegations are to be investigated by the CEO or Treasurer, respectively.
 - b. Allegations pertaining to fraudulent, wrongful, or improper conduct involving the CEO or Treasurer of the Association or complaints relating to accounting, internal controls, auditing, or financial reporting matters are to be forwarded to the Audit Committee Chairperson.
2. An investigation will be conducted, respecting the confidentiality of the whistleblower and the suspected party(ies) to the extent possible.

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Allegations or complaints reported to the Audit Committee

1. The Audit Committee Chairperson, or his or her designee, is responsible for overseeing the investigation of allegations pertaining to fraudulent, wrongful, or improper conduct involving the CEO and/or Treasurer of the Association, or complaints relating to accounting, internal controls, auditing, or financial reporting matters. The Audit Committee has the responsibility to oversee, document and investigate all whistleblower allegations reported to the Committee or its Chairperson. Investigators (either internal or external) will be designated by the Audit Committee Chairperson and can include members of the Audit Committee, the CEO, the Treasurer of the Association or an outside party.

If a complaint is lodged against the CEO or Treasurer, an independent outside party should be considered to conduct the investigation under the direction of the Audit Committee and/or Board of Directors. The Audit Committee should designate someone other than a person who reports directly to the CEO or Treasurer to coordinate information for the investigation and/or investigators. All fees for whistleblower investigations charged by outside parties should be detailed in an engagement letter to be approved by the Executive Committee and signed by the Audit Committee Chairperson.

If a complaint is lodged against any other personnel, the Audit Committee should have the CEO direct the investigation process for staff, or Treasurer in the case of volunteers, and keep the Audit Committee informed where necessary. The CEO or Treasurer with assistance from any other necessary personnel should conduct the investigation and report all results to the Audit Committee.

2. Each report received by the Audit Committee is to be entered into a tracking log that will be used in the investigation and reporting of the allegation. Access to files and reports is to be restricted.
3. An investigation will only be conducted if the allegation information is sufficiently specific and contains adequate corroborating evidence to warrant an investigation. The need for confidentiality of all participants in the investigation must be honored to the extent possible.
4. Investigators must be competent, trained, independent, unbiased, objective, and ethical, and observe legal and professional standards. Any outside party used must present a letter that includes the scope of work to perform as well as a fee for the work. Use of an outside consultant to perform investigation should be approved by the Audit Committee and Executive Committee.
5. If the identity of the whistleblower is known and to respect the privacy of the suspected party, only a general acknowledgment regarding the receipt of the allegations will be reported to the whistleblower.

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Investigation of suspected party(ies)

1. The suspected party(ies) of a whistleblower investigation have the right to consult with a person or persons of their choice. This may involve representation, including legal representation.
2. The suspected party(ies) has a responsibility not to interfere with the investigation. They are not to withhold, tamper, or destroy evidence or influence, coach or intimidate witnesses. They must be given the opportunity to respond to material points of evidence contained in an investigation report.

Reporting requirements of a Whistleblower Initiated Investigation to the Audit Committee

1. At the conclusion of a whistleblower investigation, a written report that provides the findings of the report, including a summary of the evidence gathered and a conclusion as to whether or not the allegations are substantiated is to be completed and logged into the Audit Committee's tracking system.
2. The tracking system documenting all whistleblower allegations to the Audit Committee and the actions taken to resolve them will be reviewed by the Audit Committee at least quarterly, and subsequently to the Board through the Audit Committee's reporting.
3. Records of whistleblowing complaints, investigations, and reports are to be retained according to the Association's record retention policy.

Program Monitoring

1. The Audit Committee is responsible for monitoring the effectiveness and compliance of the Whistleblower Policy.
2. This Policy is to be reviewed at least annually by the Audit Committee and changes made as necessary.

Non-retaliation

1. No adverse personnel action will be taken against an employee or volunteer of the Association, nor will retaliation against such person be tolerated, for the disclosure of information the employee or volunteer made in good faith believing that their complaint involved:
 - a. A violation of any law;
 - b. Gross mismanagement;
 - c. An abuse of authority;
 - d. Fraudulent or dishonest conduct;
 - e. A breach of internal controls; or
 - f. Improper or fraudulent accounting, auditing, or financial reporting.

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2. No supervisor, manager, or any other employee or volunteer with authority to make or materially influence significant personnel decisions shall take an adverse personnel action against an employee or volunteer in knowingly retaliating for disclosing alleged wrongful conduct or improprieties. Any employee or volunteer found to have so violated this procedure shall be disciplined, up to and including termination of employment in the case of an employee or termination of membership in the case of a volunteer.
3. Complaints of alleged retaliation are to be directed to the person that the whistleblower complaint was first reported to, i.e. the CEO, Treasurer of the Association or the Audit Committee Chairperson.

Results of Investigation

If, as a result of the investigation, an employee or volunteer is found to have committed fraudulent, wrongful or improper conduct, the matter will be forwarded to the Association's Personnel Committee for appropriate action.