

# Society of Vacuum Coaters Foundation

## STATEMENT OF BOARD POLICY WITH RESPECT TO WHISTLEBLOWERS

The Society of Vacuum Coaters Foundation (the “Foundation”) is committed to maintaining the highest standards of conduct and ethics. In keeping with this commitment and the Foundation’s interest in promoting open communication, this Policy aims to provide an avenue for reporting possible Fraudulent and Dishonest Conduct and suspected violations of law and to engage in Other Protected Conduct (the capitalized words are defined below), while reassuring that any person doing so in good faith will be protected from retaliation. The Foundation expects its directors, officers, employees, agents, professional advisors and volunteers to read and understand this Policy and its application to the performance of his or her responsibilities.

The Foundation’s directors, officers, employees, agents, professional advisors and volunteers, along with its grantees and community partners (“Members of the Foundation Community”), are encouraged and, where specified, required to report possible Fraudulent or Dishonest Conduct or suspected violations of law (i.e., to act as a “Whistleblower,” as defined below), pursuant to the procedures set forth in this Policy.

### **How to Report/Who is Required to Report**

Any concern by an employee, agent or volunteer about possible Fraudulent or Dishonest Conduct or suspected violations of law should be promptly reported to any officer of the Board, The chairman of the Audit Committee, or the General Counsel.

Members of the Foundation Community are also encouraged to report any concerns about possible Fraudulent or Dishonest Conduct or suspected violations of law to any officer of the Board, The Chairman of the Audit Committee, or the General Counsel.

**Directors and Officers** - Directors and officers are required to report possible Fraudulent or Dishonest Conduct and suspected violations of law to the General Counsel or the Chairman of the Audit Committee.

### **Investigation**

A prompt and thorough investigation into the allegations of any report of possible Fraudulent or Dishonest Conduct or suspected violations of law will be conducted. Appropriate corrective action (up to and including termination of the alleged wrongdoer), if called for based upon all the facts, shall be taken within a reasonable period of time. The scope and other details of every investigation will depend on the nature of the report and the related circumstances. In every instance, however, in an effort to protect the privacy of the individuals involved, the Foundation will handle the matter with as much discretion as the circumstances permit. All persons having already reported possible Fraudulent or Dishonest Conduct or suspected violations of law are expected to refrain from contacting the person suspected of such conduct during the investigation, unless otherwise requested by the Foundation.

All persons having received a report of possible Fraudulent or Dishonest Conduct or suspected violations of law, including but not limited to anyone engaged by the Foundation to investigate, shall keep all reports confidential, except as necessary to investigate and resolve such matters, and/or to respond to any related legal or administrative proceedings. Due to the sensitive nature of these

matters, the Foundation also encourages all persons to keep all reports, investigations and related matters confidential.

### **Whistleblower Protection**

The Foundation will not tolerate retaliation against a Whistleblower on account of his or her whistleblowing activities. The protection against retaliation hereunder also extends to any person who has engaged in Other Protected Conduct, as defined below. The Foundation will treat retaliation as a separate and independent violation of this Policy. If the Foundation finds that anyone is guilty of retaliation, the Foundation will take appropriate disciplinary action against that retaliator, up to and including termination.

Whistleblowers, or those who have engaged in Other Protected Conduct, who believe that they have been retaliated against may file a written complaint with any person on the attached Contact Person List. The Foundation strongly encourages reporting any retaliatory conduct immediately.

### **Other Responsibilities**

The Foundation recognizes that Baseless Reports, as defined below, can have serious effects on innocent persons. Any person making a Baseless Report may be subject to disciplinary action by the Foundation.

Should any person be contacted by an attorney or a member of the media with respect to possible Fraudulent or Dishonest Conduct or suspected violations of law, he or she is required to immediately inform the President/CEO, Chief Finance Officer, Chair of the Board of Directors, or Chair of the Audit Committee so the matter can be referred to the Foundation's legal counsel and other person(s) as appropriate.

### **Definitions**

**Baseless Report** – A report made with reckless or intentional disregard for its truth or falsity.

**Fraudulent or Dishonest Conduct** – Any 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 Foundation's Conflict of Interest Policy,
- misappropriation or misuse of Foundation 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.

**Whistleblower** - Any director, officer, employee, agent, professional advisor, volunteer or other Member of the Foundation Community who

- makes a non-Baseless Report of possible Fraudulent or Dishonest Conduct or suspected violations of law under this Policy;

- provides information (or causes information to be provided) or assists in an investigation regarding possible Fraudulent or Dishonest Conduct or suspected violations of law;

**Other Protected Conduct** - Any director, officer, employee, agent, professional advisor, volunteer or other Member of the Community Foundation who

- files, testifies or participates in a proceeding relating to possible Fraudulent or Dishonest Conduct or suspected violations of law;
- refuses to engage in improper activities that are reportable under this Policy; or
- refuses to carry out a directive in furtherance of Fraudulent or Dishonest Conduct or other violations of law.

*Adopted by the SVC Board of Directors on March 6, 2009*

## CONTACT PERSON LIST

### Contact Information to Report Possible Fraudulent or Dishonest Conduct or Suspected Violations of Law

Any member of the Board of Directors listed on [WWW.SVCFoundation.org](http://WWW.SVCFoundation.org)

or

**James W. Seeser, Chair**  
5 Old Westbury Lane  
St. Louis, MO 63119  
phone: (314) 918-0160  
[jseeser@aol.com](mailto:jseeser@aol.com)

**John Felts, Board Treasurer**  
Nano Scale Surface Systems, Inc.  
phone: (510) 814 0340  
fax: (510) 814 0345  
[felts@dnai.com](mailto:felts@dnai.com)

**Steve Sedlak, Secretary**  
ESK Ceramics  
(800) 833-7608  
Fax (714) 675-6585  
E-mail: [ssedlak@ceradyne.com](mailto:ssedlak@ceradyne.com)

, Chair Audit Committee

**Sandra Pfau, General Counsel**  
Phone: (252) 336-4811  
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