



## CODE OF ETHICS AND STANDARDS OF PRACTICE

*(revised March 2020)*

### I. PREAMBLE

The Code of Ethics is the principles and standards we, of the National Association of Physician Recruiters, have agreed to as a condition of Membership. Our commitments, actions and Professional Conduct are reflected in the following Code. The Code represents the manner by which each of our organizations fulfills its obligations to other Members, the general public, Clients, and Candidates. The establishment of these rules of conduct is to positively distinguish our Members and to reflect the pride of our commitment to fulfill the needs of those for whom we provide service.

The National Association of Physician Recruiters recognizes as professionals all individuals who provide physician recruiting and other healthcare staffing-related services whether they recruit for clients or for their own organizations. The NAPR stresses honesty, objectivity, integrity, quality and competency. Members of NAPR are obligated to conduct business in a manner, which reflects positively on the profession and their Association.

### II. GENERAL

The National Association of Physician Recruiters was established in 1984 to create and enforce the industry standards, which govern the orderly and practical application of its standards within our industry. NAPR's goal is to establish and maintain clear and effective parameters of behavior for all individuals affected by the industry.

The following Code of Ethics is divided into various sections intended for clarity and organization. Whether or not they are expressly stated and repeated in each section, the principles outlined in each section apply uniformly to all Members as well as those with whom our Members interact.

### III. DEFINITIONS

1. Affiliate: Any organization whose governance, control or voting influence represents common ownership of at least five percent of the related company.
2. Appeal: That part of the investigative process which follows the Ethics Committee's decision which allows the Respondent further review of the facts by the Board of Directors.
3. Board of Directors: The Board of Directors of the National Association of Physician Recruiters.
4. Breach of Contract: The failure to observe the terms of a written or oral agreement.

5. Candidate: An individual who contacts an NAPR Member, or who is contacted by an NAPR Member, for the purpose of securing for him or her a practice or employment opportunity.
6. Chairperson, Ethics Committee: A Board of Directors' Member who chairs meetings of the Ethics Committee and who is appointed by the NAPR President.
7. Client: Any organization which contracts with an NAPR Member to recruit or which utilizes paid services provided by an NAPR Member.
8. Code: The National Association of Physician Recruiters Code of Ethics and Standards of Practice.
9. Complainant: A person or organization who files a Complaint alleging a violation of the Code.
10. Complaint: A charge by a Complainant alleging a violation(s) of the Code. Those disputes, which arise from the dissolution of some formal or informal relationship, will be excluded from consideration as an Ethics Complaint.
11. Curriculum Vitae: A summary of a candidate's personal history and professional qualifications.
12. DBA: abbreviation for "doing business as," representing that a person or entity is conducting business in a name other than the registered name of their organization or corporation.
13. Ethics Committee: An independent committee, consisting of a minimum of five (5) active Members, in good standing, which adjudicates Complaints filed with the Committee.
14. Ethics Committee Investigator: That Member of the Ethics Committee assigned by the Chairperson of the Ethics Committee to gather and evaluate all relevant information about a specific Complaint filed with the Committee.
15. Financial Relationship: A relationship with a Client in which any or all of the agreed upon fee or service contract is paid prior to the placement of a Candidate or in which the Client has contractually (oral or written) agreed to reimburse the Firm for any or all costs associated with the search.
16. In-house Recruiter: An individual who is employed by a healthcare entity or contract management firm wherein his or her professional activities are in full or part involved in the placement of physicians, administrators or healthcare providers for their own organization.
17. Member: An organization or Recruiting Firm which is a Member of NAPR. A Member in good standing is one which incorporates the foregoing as well as whose Membership dues and/or other financial obligations to the NAPR are paid on a timely basis; which is not currently under sanction for any Code violation of Probation, Suspension or Expulsion; and which is not in arrears for payments for any financial obligations due the Association.
18. NAPR: The National Association of Physician Recruiters.
19. NAPR Services: That Subsidiary of the NAPR which oversees and administers NAPR candidate sourcing programs or general programs as assigned by the NAPR Board of Directors offered to Members in good standing.
20. NAPR Subsidiary: Any company in which NAPR owns or controls all or a majority of the corporate shares.

21. Network: A group of interconnected Members or a system of interconnected or cooperating individuals or entities in the field of physician recruitment or its related businesses.
22. Password: A unique and confidential series of characters selected by the User that a User must enter to gain access to the NAPR website, the World Job Bank, or another NAPR protected site or service. The Password is linked to the person's Username and may be utilized only by the authorized User.
23. Placement: The successful effort by a Member to find employment and/or a practice for a healthcare Candidate.
24. Placement Fee: A previously agreed upon amount of money owed by a Client following a written offer by the Client and written acceptance of that offer by a Candidate.
25. Potential Client: Any organization which contemplates contracting with an NAPR Member to recruit or which contemplates contracting for paid services provided by an NAPR Member.
26. President: Chief elected officer of NAPR.
27. Procuring or Substantial Cause: A continuous series of events which substantially contributes to a placement. The concept of Procuring Cause is strongly supported by the NAPR as a means of rewarding the Procuring Agent (see below) for his or her efforts relating to a placement. Procuring Cause constitutes the activities required as a standard of performance which comprehensively supports the best interests of both the hiring entity and the candidate.
28. Procuring Agent: An individual who sets in motion a continuous series of events which substantially contribute to a placement.
29. Professional Conduct: A desirable pattern of commonly accepted behavior within our industry utilized in the deportment of, actions by and communications with other individuals or organizations utilized in the course of conducting one's business or personal relationships.
30. Recruiter: An individual whose professional activities are in full or part involved in the placement of physicians, administrators or healthcare providers for their own or other organizations.
31. Recruiting Firm (Firm): A for-profit company whose professional activities are in full or part involved in the placement of physicians, administrators or healthcare providers.
32. Referral: A Candidate requested by an organization or another firm or a Candidate presented in writing by an NAPR Member to an organization or another firm seeking to recruit.
33. Respondent: An organization, Firm, or individual Member, which has allegedly violated the Code of Ethics.
34. Right of Representation: A mutually signed document which ascribes the right of the recruiting organization to represent the Candidate on an exclusive basis provided the agreement does not abrogate any provisions of the Code of Ethics.
35. Ruse: A trick or scheme for achieving some purpose.
36. Seeded Name: A fictitious name with background information describing a physician, administrator or healthcare provider which does not exist in any other place or format.

37. Split-fee Arrangement: The practice of dividing a placement fee between two or more Recruiting Firms.
38. Subsidiary: Another company controlled by a Member company or NAPR which owns all or a majority of its shares.
39. Unsolicited Referral: A Referral of a Candidate to a Client or other Recruiting Firm which has not been requested by that Client or other Recruiting Firm.
40. User: An entity which is an active Member, in good standing, with the NAPR which is authorized to use NAPR Programs and which performs physician recruitment or other healthcare staffing-related services on a regular or part-time basis.
41. User Agreement: Legally binding contract between the NAPR and a Member organization outlining the terms and conditions of use for the NAPR Program(s) in which the Member is participating.
42. Username: The confidential name that identifies a User to a computer network; used in conjunction with a Password to establish the User's right to access the NAPR website or any NAPR secured site; also called Account Name or User ID.
43. Vendor: A Member of the NAPR, with limited Membership benefits, which sells or promotes products or services in part to the NAPR or its Members.
44. World Job Bank: A subscriber only, Password secured area of the NAPR website that provides Users with a venue to list practice opportunities for review by physicians, healthcare providers and administrators and which also allows those registrants to post their Curriculum Vitae for review by Users.
- IV. ETHICAL RULES**
- A. Relations with Clients and Potential Clients
1. A Member shall reasonably fulfill all agreements made with anyone with whom they conduct business or wish to conduct business.
  2. A Member shall preserve all confidences of a Client or a Potential Client regarding information concerning business practices of the Client, unless expressly directed by the Client to reveal such confidences.
  3. A Member shall not make disparaging remarks about competitors or competing opportunities, or knowingly make a false statement of fact, to a Client or another Member or non-Member. A Member shall state to the Client, as accurately as possible, a Candidate's employment history, qualifications and all pertinent data released by the Candidate (Curriculum Vitae).
  4. A Member shall not make an unsolicited referral. A Member shall not present or refer, either in person, or by Curriculum Vitae or by name, a Candidate to a Client, a Potential Client or another Firm except at the request of the Client or Firm and only if the Candidate's Curriculum Vitae is identified in writing, and only with the Candidate's knowledge and permission; however, a Member may refer a Candidate to multiple opportunities if the Candidate has given the Member expressed permission to do

so. But in no case shall a Member present the Candidate's credentials, through any medium, to locations beyond the specified Clients.

5. A Member shall thoroughly examine a Candidate's education, employment history and qualifications before referring such Candidate to a Client, a Potential Client or another Firm unless the Client, Potential Client, Candidate, or Firm has requested otherwise, and shall refer a Candidate to them only if the Candidate generally possesses the qualifications designated by the above mentioned and the Candidate expresses an interest in the opportunity.

6. A Member shall negotiate all financial arrangements with a Client or a Potential Client or another Recruiting Firm prior to any formal agreement and shall memorialize such agreement, in writing, to include, but not limited to, all conditions under which a fee may be incurred, the amount of the fee due and the terms of payment. However, an oral agreement between entities may, in some cases, be valid if irrefutable proof of this relationship can be demonstrated. Such proof may be an ongoing history of activities which demonstrate the fulfillment of the terms of the oral agreement.

7. A Member shall not initiate the performance of services for a Client if:

- a. the performance of services results in or could result in a violation of this Code or of any applicable law;
- b. the Member learns that the Client has used the Member's services in the past to commit actions that violate this Code or of any applicable law;
- c. the condition prevents the Member from performing full and fair services for a Client.

8. A Member shall comply with all federal, state and local laws.

9. A Member shall conduct its business with any Client or Potential Client utilizing reasonable standards of Professional Conduct.

10. A Member shall refrain from using tactics, lying or materially altering information which fundamentally modifies the information to bring about an outcome not reasonably possible had the data not been altered.

11. A Member shall disclose any prior personal/business or financial relationships between a Recruiter and a Candidate to avoid any possible conflict of interest.

12. A Member shall accept assignments only situations where the Client has formally agreed to a defined level of service.

13. A Member shall maintain regular contact with Candidate and Client for the purposes of updating and consummating the agreed upon service.

14. A Member shall not claim as proprietary unscreened Candidates distributed for the purpose of securing a fee.

15. A Member shall accurately represent a Candidate's education, skills and abilities when presenting such information to another person or entity.

16. A Member shall not utilize a Right of Representation document to supersede another organization's properly made prior Referral.

17. A Member shall withdraw a referred Candidate's name immediately upon learning that another Recruiter has previously and properly referred the Candidate.

18. A Member shall not, in the course of making a placement, attempt to coerce a Client or Candidate.

19. A Member shall accept the information provided by a Client at face value, with clarifications as necessary to understand and accurately portray that information to prospective Candidates. The burden of information verification lies with prospective Candidates.

#### B. Relations with Candidates

1. A Member shall never accept Placement Fees or payments from Candidates.

2. A Member shall not knowingly make a false statement or representation to a Candidate and shall state to a Candidate as accurately as possible the pertinent information concerning prospective opportunities.

3. A Member shall not present a Candidate's name or Curriculum Vitae to a Client, a Potential Client or any other person, Recruiter or entity except with the consent of the Candidate and after full disclosure of the Client, person, Recruiter or entity or other Firm's name and location.

4. Firms will not fax, e-mail or otherwise distribute Curriculum Vitae of Candidates without a prior contractual agreement with a Client, Potential Client or Firm. Regardless of the contractual relationship, no Curriculum Vitae shall be distributed without first "clearing" the Candidate's name; that is, that the Client acknowledges that the Candidate is not previously known to the Client, Potential Client or Firm or is not active in the recruitment process at the time the Recruiting Firm introduces the Candidate. A name need not be "cleared" with a Client, Potential Client or Firm, if during initial discussions active Candidates have been identified or the organization has agreed in writing to accept all referred Candidates.

a. A name may not be "cleared" for the purpose of subsequently blocking a proper referral by another firm.

b. A firm clearing a name must, upon Client acceptance of that name by the Client, immediately (by end of next business day) submit the candidate's credentials and/or Curriculum Vitae to the Client. Failure to submit this information within the proscribed time period will invalidate the referral.

5. A Member which has a financial relationship with a Client shall not recruit or attempt to recruit a Candidate from them while this financial relationship exists and for a period of one (1) year following the last placement with the Client (excluding interns, residents, or fellows in training) unless the Candidate has previously notified the Client of his or her intent to seek another position.

Notwithstanding an existing contract (contingency or retainer), if no candidate referrals have been made to the Client for a period of 12 consecutive months, then, for the purposes of this section, a Candidate recruited from said Client will not be a violation of the Code of Ethics.

6. A Member shall not refer a Candidate to a Client, Potential Client or another Firm whose business practices are known to be violative of the Code or of any applicable law.

7. A Member shall not Ruse Candidates, Clients or other persons and shall not impersonate Candidates or Clients.

a. If a Member has a retainer relationship with a Client and said Client asks the Member to source for potential Candidates in the name of the Client, the firm may do so without incurring a Code of Ethics' violation if the sourcing activity has clearly been approved by the Client.

8. A Member shall preserve all confidences of the Candidate.

9. A Member shall not make disparaging remarks about competing practices or knowingly make a false statement or misrepresentation to a Candidate.

10. A Member shall conduct its business with any Candidate or potential Candidate utilizing standards of Professional Conduct.

11. A Member shall maintain as confidential all information provided by the Candidate and may only use this information for the purpose of assisting the Candidate with finding a job or practice opportunity.

12. A Member shall not make disparaging remarks about any Candidate.

13. A Member shall not coerce, intimidate or alter or attempt to alter a Candidate's decision in a manner which compromises acceptable professional behavior. (See also IV, A. 18.)

14. A Member must receive permission to refer the Candidate's information, verbally or in writing, prior to making a referral.

C. Candidate's Relations with Recruiters (Recommended):

1. A Candidate should provide references and credentials that are complete and factual.

2. A Candidate should provide data from the National Practitioner Data Bank upon request.

3. A Candidate should acknowledge whether he or she has already been presented to a Client's opportunity.

4. A Candidate should be prepared to cooperate with appropriate parties by acknowledging which Recruiter referred him or her to the position in question, including who set up the interview and assisted with interview arrangements.

5. A Candidate should be prepared to give timely and complete feedback regarding interviews to both the Client and Recruiter.

6. A Candidate should report to the NAPR any violation or infraction of the NAPR Code of Ethics.

7. A Candidate should require that Recruiters present accurate and complete information regarding practice opportunities.

8. A Candidate should be honest with the Recruiter in all communication and be responsive in a timely manner.

9. A candidate should be willing to participate in any NAPR investigation (conducted by the Ethics Committee) that they are involved in and be responsive to the investigators.

D. Advertising, Marketing and Other Communications

1. A Member shall not in the course of its advertising, marketing, or other communications make a false or misleading statement about its organization, Firm or services, or about another organization or its services.

a. Including, but not limited to those listed below, a statement will be considered false if:

i. It contains a material misrepresentation that violates the spirit of the Code of Ethics or omits a fact which would make the statement as a whole or in part misleading or inaccurate;

ii. It is likely to create an unjustified expectation about the results the Member can achieve, or states or implies promised results, which, if achieved, will violate the Code or any applicable law;

iii. It makes a comparison of the Member with another Member or with any entity that cannot be factually substantiated.

2. No Member or its representatives shall knowingly or unknowingly misrepresent or malign the National Association of Physician Recruiters or its Members.

3. A Member that lists potential employment opportunities in any media or in direct mail contact with a Candidate shall ensure that such opportunities in fact exist at the time of making such listing.

Furthermore, should a Member learn that said employment opportunity no longer exists then that opportunity must no longer be presented in any form to Candidates. Reasonable effort must be made to delete any practice descriptions or jobs, which are no longer active.

4. An NAPR Member who owns, is affiliated with, or is related to a person or entity which markets or wishes to market services or products to the NAPR Membership other than physician recruitment including but not limited to a job board, web hosting, software, licensure services, financial services, insurance or malpractice services, travel services, surveys, newsletters or networks and/or alliances, must notify NAPR headquarters. The entity communicating with NAPR Members must also identify themselves by the name with which they joined NAPR.

a. Additionally, no Candidate registered with any NAPR Candidate Sourcing Programs or any future Member service, may be contacted by the Member for any purpose other than to present practice opportunities (jobs).

5. The World Job Bank, NAPR Programs or any future Member service involving Candidates are offered to participants for the sole purpose of presenting each organization's practice opportunities to registered Candidates. These Member services must be utilized strictly for their stated purpose. Members will not submit to clients or prospective clients or share registered candidate information (in whole, part or individually) with another entity for the purposes of a split or any other reason without first contacting the Candidate(s) and receiving their consent.

6. No Member or its representatives shall knowingly or unknowingly post jobs on the World Job Bank or any other NAPR Program, advertise, e-mail, or in any correspondence, or communication unlawfully

discriminate or appear to unlawfully discriminate or violate government employment laws or regulations.

7. Any Recruiter who holds an advanced degree (including but not limited to: MD, DO, DDS, DVM, PhD) entitling him or her to use the prefix “doctor” must clearly identify him or herself as a Recruiter in any contact, written or oral, with a Candidate, Client, Potential Client, or Member.

8. A Member shall not plagiarize in any form or format (in whole or in part) another entity’s advertising, marketing or any other materials.

9. A Member shall not copy or use information from another entity’s website without expressed written consent from the owner, including but not limited to: mirroring or framing or use of any material, source codes, trade secrets, right of publicity, trademark, copyright or other intellectual property.

10. A Member shall not, in any form of communication, use language which is obscene, sexually explicit, libelous, defamatory, threatening, harassing, abusive, false, inaccurate, misleading, embarrassing to any other person or entity or otherwise violate the legal rights (such as privacy and publicity) of others.

11. A Member which belongs to a “network” of organizations which recruits individuals shall not share source information derived from any NAPR contracted services unless the other network participants are also contracted by NAPR to receive this information, including but not limited to: physicians who have registered with the World Job Bank or who have responded to any other NAPR Program or have contacted the NAPR independently of these programs seeking placement services. Organizations may share Candidate information derived from these sources only after contacting the Candidate and receiving permission from the Candidate to share his or her information.

#### E. Relations with Other Members, Other Recruiting Firms, Organizations or Individuals

1. All Members must compete in a fair and honorable manner.

2. A Member shall attempt to amicably resolve any disputes with another Recruiter or Entity with a minimum amount of involvement from the Client and Candidate before seeking other remedies.

3. A Member shall report to the NAPR any violation or infraction of the NAPR Code of Ethics.

4. A Member shall honor all contractual obligations.

5. A Member shall be responsible for all actions of any person(s) employed by or under its organization's authority.

6. A Member shall never discredit the reputation of any person or organization.

7. A Member shall honor agreements made among Members and refrain from defaming, maligning or falsely accusing any person or other organization.

8. A Member shall refrain from intentionally misrepresenting any person, opportunity or information to a Candidate or Client or another Firm.

9. A Member shall act professionally and in a businesslike manner.

10. A Member shall not engage in deceptive or misleading activities.

11. A Member shall not engage in any activity, which brings dishonor to the industry.
12. A Member shall adhere to all EEOC, state, local or Federal laws and regulations.
13. A Member shall negotiate all financial arrangements with another Recruiting Firm, Client or Entity with whom they intend to do business prior to any formal agreement and shall memorialize such agreement in writing.
14. A Member shall not make an unsolicited Candidate referral to another Firm.
15. A Member shall only present or refer, either in person, or by Curriculum Vitae or by name, a Candidate to another Firm at the request of the Firm and only if the Candidate's Curriculum Vitae is identified in writing, and only with the Candidate's knowledge and permission.
16. A Member, on a timely basis, shall keep the referring Firm apprised of all activities related to the referral including Candidate telephone interviews, site visits, employment offers and receipt of placement fees.
17. A Member who accepts a Candidate for the purpose of splitting a fee, can refer that Candidate with the Candidate's permission to other Firms only with the permission of the Firm, which initiated the Referral. In addition, the firm receiving the Candidate referral can obtain other Candidate referrals from the Candidate and can make referrals of those candidates without having to split a fee.
18. A Member shall promptly remit monies owed to the split-fee Firm upon receipt of the fee and must include a copy of the Client's check with the Firm's payment.
19. A Member shall maintain the confidentiality of Client information provided to them by the Firm originating the split-fee referral.
20. A Member participating in a Split-Fee Arrangement shall honor refund or replacement guarantees made in writing to the Client by the originating Firm.
21. A Member, which refers a Candidate, for the purpose of splitting a fee, shall not, for a period of one year, contact the originating Firm's Client for the purpose of establishing a business relationship.
22. A Member shall not place or enroll any Candidate in a formal or informal split-fee network without first receiving permission to do so from the Candidate.
23. A Member referring a Candidate referral to another firm shall not, at any time, contact the referring firm's Client unless expressly approved by the receiving firm.
24. A Member shall not knowingly make a statement that is false.
25. A Member shall not ruse others.
26. If a Member is involved with another entity in a business-related dispute, the Member must respond in a timely manner to the firm attempting to resolve the problem or dispute.
27. A Member shall not use the NAPR Ethics Complaint Process to file nuisance or retaliation complaints against employers, former employers, employees or partners. NAPR will not adjudicate employer or employee or internal organization issues.

**F. Relationships between In-House Recruiters (The Client) and Recruiting Firms**

1. In-house Recruiters shall maintain an accurate tracking system to record the submission of Candidates by Recruiting Firms and shall respond to the Firm as to the acceptability of the Referral within one (1) business day.
  2. The submission of a Candidate to a Client, which utilizes a physician database, shall be deemed unacceptable if the Client has been in contact with the referred Candidate within the past thirty (30) days AND has scheduled or is in the process of scheduling an interview.
  3. Clients shall inform the Recruiter prior to establishing a formal working relationship that they subscribe to a databank, match service, or other Candidate listing service which could directly or indirectly affect the Firm's eligibility to receive its fee.
  4. In-house Recruiters shall not accept unsolicited Curriculum Vitae and shall notify the Recruiting Firm immediately of the invalid Referral (preferably in writing).
  5. In-house Recruiters may not refer a Candidate presented to them by a Member to any other person or entity without written permission from the original referring Member, except for Referrals made to practices owned by the Client whose physicians are employed by or who are on the active staff of the organization and for which the contracted entity will pay the contracted fee to the original referring entity.
  6. In-house Recruiters should not accept a Referral from any Member whose activities are believed to be in violation of the Code of Ethics.
  7. In-house Recruiters will only accept a Referral from the Firm which reasonably demonstrates that they have obtained pertinent information from the Candidate, have received permission from the Candidate to refer his or her Curriculum Vitae and can, on an on-going basis, demonstrate the ability to provide critical information which continuously contributes to and enhances the process leading to a prospective placement (See Definition of Procuring or Substantial Cause).
  8. An In-house Recruiter who accepts a Referral and as such has "cleared" the Candidate's name, must receive the referred Candidate's Curriculum Vitae or appropriate Curriculum Vitae information by the end of the next business day in order to validate the referral.
- G. Relations with Vendor Members**
1. NAPR Members and Vendor Members shall maintain NAPR's ethical standards when conducting business or in any professional interrelated activity. Members shall:
    - a. Make payments in a timely manner for services purchased, utilized or contracted.
    - b. Abide by Vendors' "terms of use" agreements.
    - c. Keep confidential all data obtained from a Vendor, unless data is otherwise authorized to be released by the Vendor.

d. Be truthful and honest with Vendors when inquiring about or registering for products and services. This includes providing correct company name and contact information.

e. Refrain from using information and data obtained from any NAPR Vendor to assist a competitor to compete with the contracted Vendor's other services.

2. NAPR Vendor Members shall observe all ethical standards when dealing with other Vendors and Recruiting Firms and shall conduct business with them in a professional manner.

3. A Vendor Member shall not, in the course of its advertising, marketing, or other communications, make a false or misleading statement about its organization, Firm or services. A statement will be considered false if by way of example and without limitation:

a. It contains a material misrepresentation that implies an unauthorized endorsement by the NAPR; or

b. It is likely to create an unjustified expectation about the results Members can achieve or expect when using the Vendor's services.

4. Vendors shall be professionally courteous when marketing their services to NAPR Members and shall honor all requests from Members to be removed from contact lists, which in part include e-mail, fax, and other marketing lists.

5. Vendors shall not have the right to vote, hold office, have direct or indirect access to the World Job Bank, nor participate in any NAPR Programs or services offered or provided now or in the future by the Association that are not specifically approved for Vendors' use.

#### H. Member Obligations to NAPR

1. A prospective Member shall list accurate information on any NAPR application or User Agreement.

2. A Member is responsible for reviewing the accuracy of information provided on subsequent renewals of any application or User Agreement.

3. A Member must notify NAPR if the Member is or becomes a subsidiary, a franchise, or a division of another corporation.

4. A Member must notify NAPR if the Member has created a DBA (Doing Business As) or owns a DBA and must provide complete details of said business or entity.

5. A Member which owes NAPR monies (dues, fees or Liquidated Damages, etc.) and whose Membership is terminated, may not re-join NAPR under another company name, as another entity or as a Vendor, unless the outstanding monies are paid in full prior to the Membership application being processed.

6. Any monies paid by a Member to NAPR will first be applied to any outstanding monies owed, including Liquidated Damages prior to being applied to dues or NAPR Program fees.

7. A Member may not sell or lease, in any form, the names of Candidates/Registrants from any NAPR Program.

8. A Member, which owns or is financially affiliated in any way with an entity, which sells a service competing with any NAPR Program (including, but not limited to a job bank or mailing program), may not participate in NAPR Programs except as outlined in the Proprietary Interest Policy. The Proprietary Interest Policy, as adopted by the Board of Directors in April 2016, shall be made part of this document and is presented below.

a. Proprietary Interest Policy: Because the information comprising NAPR's Candidate Generation Programs is proprietary to NAPR, such programs will not be made available to Member companies that co-mingle databases and also offer to sell or sell these competing services. A Member company, which expands or merges with another business to offer such services, must verify that the new business will not have access to NAPR's Candidate Generation Programs. Registrants' information from Candidate Generation Programs is proprietary to NAPR and may not be incorporated into a competing database, career center or used for the purposes of sale to other entities.

9. A Member shall abide by the terms and conditions of any contract involving services or programs offered by the NAPR and/or its subsidiaries.

10. A Member must represent to NAPR an accurate number of recruiters in its organization in order for NAPR to determine the appropriate NAPR Program User fees.

11. A Member shall cooperate fully, personally, directly and in a timely manner with NAPR Headquarters regarding the clarification of information on applications or any other written information submitted by a Member.

12. A Member shall include or represent only recruiters from its own firm, not independent contractors who own their own firms or other unaffiliated firms, in order for NAPR to accurately charge the appropriate program fee to the Member.

## V. ETHICS COMMITTEE

A. There shall exist an Ethics Committee, which will consider any Complaint, first reviewed by the President of the NAPR and the Ethics Committee Chairperson.

B. The Ethics Committee shall consist of the Chairperson and a minimum of three (3) Members, including the Chairperson. The Chairperson is appointed by the President of NAPR for a three-year term, which includes Membership on the NAPR Board of Directors. The appointee for the Chairperson of Ethics must be approved by the Board of Directors. The Members shall be individuals employed by active Member organizations of NAPR and are appointed for a three-year term by the Ethics Committee Chairperson with Board of Directors approval. A Vice-Chairperson shall be appointed by the Ethics Chairperson and approved by the Board of Directors and shall perform the duties of the Ethics Chairperson in the event of his or her temporary disability or absence from meetings.

C. The Ethics Committee shall be responsible for reviewing and acting upon reported violations of the NAPR Code of Ethics or may, on its own initiative, file a Complaint.

D. Cooperation with Investigations and Enforcement

1. Ethics Committee

a. An Ethics case will not be considered by the Committee Chairperson or the Committee unless the Complainant has attempted to resolve the conflict directly with the other entity, unless an attempt to do so will potentially lead to further disagreement or the violation is so blatant as to warrant immediate action.

b. A Member under investigation by the Ethics Committee shall cooperate fully, personally, directly and in a timely manner with the Ethics Committee and its investigator or Board of Directors concerning the alleged violation of the Code (and must honor requests for documentation, testimony, or explanation of the facts and circumstances).

c. A Member that reasonably believes that another Member has committed a violation of the Code shall inform the NAPR Headquarters Office and/or the Chairperson of the Ethics Committee or President of the NAPR who will make an initial determination as to the validity of the potential violation after consultation with the President of the NAPR.

d. A Member accused of a Code violation must respond to all procedural requirements of the investigative process and communicate and cooperate directly with the investigator.

## VI. GRIEVANCE PROCEDURES

### A. Complaints:

1. Those disputes, which arise from the dissolution of some formal or informal relationship, will be excluded from consideration as an Ethics Complaint.

2. The Ethics Committee shall review and adjudicate only those issues or events, which are deemed to be in violation of the Code of Ethics. Not included in this jurisdiction are disputes between entities involving the payment of fees wherein the involved parties require the Ethics Committee to enforce the payment of said fee(s); those which involve disputes between employers and employees unless some aspect of those Referrals, fees and disputes outside the jurisdiction of the employer/employee relationship involve a violation of the Code; and,

3. A Complaint may be filed with NAPR by anyone who has a Complaint against an NAPR Member. All Complaints must be received within twelve (12) months of the alleged violation. Complaints arising from violations beyond the twelve (12) month period will be reviewed by and acted upon by the Ethics Committee if it is determined that extenuating circumstances prevented timely submission of the Complaint.

4. Submitting an Ethics Complaint (All activities, information and outcomes relating to Ethics Complaints shall be confidential.)

a. When a Complaint is submitted, the Chairperson of Ethics must consult with the President of the NAPR to review the circumstances and evaluate whether the Complaint is actionable by the NAPR.

b. Complainant may call the Ethics Chairperson or NAPR Headquarters to initiate the Complaint process.

c. Complainant shall provide his or her name, address, company (if applicable) and telephone number and the name, address, company and telephone number of the entity about which the Complainant is filing a Complaint.

d. The Complainant shall be asked to provide a brief written explanation of the circumstances, and the Complainant may choose to list the sections of the Code of Ethics believed to have been violated. The complainant shall be advised that the written explanation will be the basis of the investigation and that it will be shared with the respondent.

e. An Ethics Committee Investigator shall be assigned.

f. The Ethics Committee Investigator shall contact the Complainant and the Respondent (the Entity against which a Complaint has been filed) to obtain information.

1. The Complainant must provide the Investigator with a detailed account of the circumstances.

2. When possible or practicable, the Complainant shall be asked to provide the Investigator with copies of any and all pertinent documents regarding the allegation of unethical acts.

3. The Investigator shall also interview the Respondent who will be provided any and all substantiating documents.

g. Following the investigation, the Ethics Committee will convene by teleconference or in person to discuss the Investigator's findings and render a decision.

1. The Ethics Committee can find there is no violation of the Code of Ethics, or

2. The Ethics Committee can find that sections of the Code have been violated by the Respondent and will impose a sanction against the Respondent.

h. The Complainant and Respondent shall be notified in writing of the decision.

i. All activities, information and outcomes relating to Ethics Complaints shall be confidential.

a. The Ethics Committee shall use only the information gathered during its investigation to adjudicate the Ethics Complaint unless circumstances warrant an independent investigation.

b. The Ethics Committee shall reconvene on a telephone conference call to review the facts presented and their applicability to the Code of Ethics. A decision is then rendered and sent to the Complainant and Respondent.

c. In the event that a case is brought before the Ethics Committee, which involves either a director or a Member of the Ethics Committee, that Member will not participate in the decision process.

## B. Ethics Committee Complaint Process

1. If the Complaint is referred to the Ethics Committee, the Chairperson of the Ethics Committee, through NAPR Headquarters, shall notify the Respondent by e-mail or fax and Federal Express that a Complaint has been filed and the Ethics Committee will investigate the Complaint. The letter will be sent to the Respondent with a copy to the Complainant as quickly as possible. The letter will:

a. contain a copy of the Complaint;

b. contain a copy of the NAPR Code of Ethics with all pertinent documents available at the time the Complaint is sent;

- c. advise Respondent of the right to respond to the Complaint and the procedure for responding;
- d. advise the Respondent of the right to offer evidence in written form;
- e. outline what areas of the Code are deemed in violation.

#### C. Appeal to Board of Directors Regarding Ethics Committee Decisions

1. Following a decision of the Ethics Committee, a Respondent has the right to Appeal the decision to the Board of Directors. A Respondent wishing to Appeal shall file a written statement stating the basis for his or her Appeal within fourteen (14) days of the date of the receipt of the written decision by the Ethics Committee (No additional evidence will be permitted after the Ethics Committee's ruling unless requested and approved by the Board of Directors.) The basis for Appeal, as adopted by the Board of Directors in June 2006, shall be made part of this document and is presented below. The written statement must follow the Appeals Hearing Policy. The Board of Directors shall, within forty-five (45) days of receipt of the written statement, review that statement and either grant or deny the request for the Appeal. The decision and any sanctions imposed by the Ethics Committee will stand until the Board of Directors makes its determination. The Appeal hearing by the Board of Directors will be held by teleconference on a mutually acceptable date.

##### a. Appeals Hearing Policy (Adopted June 2006)

i. Requests for Appeal to the NAPR Board of Directors (Board), by a person or corporation appealing a decision (Appellant), must be made in writing to the Board within 14 days of the User's receipt of the Ethics Committee's decision.

(a). The request must contain every basis on which the Request for Appeal is made along with all arguments supporting the Basis for Appeal. Failure to timely raise a Basis for Appeal forecloses the Appellant from raising that Basis for Appeal at a later date or during Oral Argument.

(b). The recognized Basis for Appeal include:

- (i). The evidence in the case does not support the factual findings;
- (ii). The factual findings do not support the liquidated damages assessment, duration of suspension, or expulsion; and
- (iii). The User was denied due process of the rules and/or bylaws.

2. The Basis for Appeal shall be Appellants only reason(s) for the appeal and, except as provided below, no new matters shall be considered after the deadline for the Request for Appeal.

3. The Board will not consider new evidence, unless such evidence is clearly exculpatory, not considered by the fact finder, and not available to Appellant at any time prior to the initial decision giving rise to the appeal. Upon finding that the new evidence should be considered, the Board shall remand the case back to the initial fact finder for further consideration.

4. The Board shall not consider mitigating or aggravating factors in reviewing a decision. The Board should review the decision only for error. For example, the Board will not consider mitigating factors, such as:

a. Defenses by the Appellant, which include:

- i. "I did it, but I'm sorry;"
- ii. "I did not mean to do it;"
- iii. "I did not know it was a violation;"

b. Defense-based on a plea of nolo contendere (no contest); or

c. Defense based on a lack of awareness of the violative actions of another person/employee under the control of the Appellant; or, aggravating factors, which would otherwise tend to show culpability beyond that which was found in the initial factual findings.

5. The Board shall not modify or otherwise amend the decision of a fact finder unless Appellant's Basis for Appeal and argument shows clear error in the decision being appealed. Upon a finding of error, the Board may: overturn the decision being appealed; modify the damages assessment based on the guidelines; or remand the case back to the fact finder for further proceedings. The Board's decision is final.

6. The Board will adhere to strict rules of confidentiality.

7. The Board will not discuss the merits and/or facts of an appeal prior to the Board's consideration of the appeal.

a. All Appeal proceedings to the Board of Directors shall be recorded and are confidential.

b. In the event a case is brought to Appeal before the Board of Directors and involves a Member of the Board or if the Board Member is also a Member of the Ethics Committee, that Member will be recused from participating in the adjudication of the case.

D. The Board of Directors within forty-five (45) days following the hearing of the Appeal will report its final decision to Complainant and Respondent by Federal Express. The decision will be reported, in writing, to each party by the President of the NAPR.

E. Effective Date: Any Sanction imposed shall be effective on the date of the Ethics Committee's decision and shall be considered final on the date the Appeal time has expired following the Ethics Committee's decision, or if a Respondent Appeals to the Board of Directors, the date that the Board has rendered its decision on the Appeal.

F. Member In Good Standing: A Member shall maintain its status of "good standing" until one of the following events has occurred: the Member's failure to pay the membership dues of the Association in the amounts of and at the times established by the NAPR Board of Directors; a Member has violated the Code of Ethics and has received a sanction of Probation, Suspension or Expulsion or a Member has breached its User Agreement(s) and owes NAPR Liquidated Damages' monies.

Should a Member fail to pay its current year's dues while an Ethics Investigation is pending, its status shall be "resigned pending the outcome of an alleged Ethics Code Violation Investigation." Regardless of such resignation, NAPR shall continue with and complete such Ethics Investigation and shall issue appropriate sanctions. If a sanction of Probation (six (6) months or more) is imposed after due process and the Member resigns or has resigned from the NAPR, its status shall be "resigned, not a Member in

good standing." Further, if a former Member who has been sanctioned reapplies for Membership and is ultimately approved, the Member must fulfill the requirements of the Sanction imposed at the time its association with the NAPR was terminated. Alternately, upon reviewing the reapplication, the Board of Directors may waive any outstanding obligations and admit the Member with the status "In Good Standing."

G. If a Member fails to pay its Membership dues or resigns when it owes NAPR for Liquidated Damages, it shall be deemed "Not in good standing." Further, the Member must pay the outstanding Liquidated Damages prior to reapplying for NAPR Membership or may be waived (see above).

## VII. SANCTIONS AND DEFINITIONS

A. Caution: A private written warning to the Respondent indicating a minor violation of the Code has occurred and that future similar or cumulative violations will result in a more severe sanction.

B. Reprimand: A private written communication to the Respondent for conduct in which the Respondent repetitively violates the Code or in which the severity of a first-time violation warrants such action.

C. Probation: The revocation of a Member's privileges for a period of up to 12 months. During this period, should additional violative conduct occur, the Member shall be suspended or expelled. During a period of Probation, the organization on Probation may not state that it is a Member of NAPR in good standing in any written or oral communications. It may not have use of the NAPR logo or access to any services offered by the NAPR and its Subsidiary companies.

D. Suspension: The revocation of a Member's privileges for a period of up to 18 months during which time a suspended Member may not state that it is a Member of NAPR in good standing in any written or oral communications. It may not have use of the NAPR logo nor access to any services offered by the NAPR and its Subsidiary companies. Furthermore, it will not be allowed to attend any NAPR meetings. At the conclusion of the suspension period, the Board of Directors shall review the organization's Membership to determine whether it should be reinstated as a Member.

E. Expulsion: The termination of an organization's Membership. The expelled organization may reapply for Membership after a 3-year period, which commences on the date the organization, has been notified of the final disposition. Furthermore, they will not be allowed to attend the NAPR meetings.

F. Corrective Action(s): In addition to the appropriate sanction(s) for Code violations, the Respondent will be notified by the Ethics Committee of supplemental corrective action(s) which may be required. Non-compliance with these corrective actions could result in more severe sanctions.

G. Publication: Periodically, the Board of Directors may publish a brief summary of the outcome of an Ethics' case. In doing so, the violators will have their corporate and individual names omitted as well as any identifying traits, which might reasonably disclose the names of the organization.

H. Confidentiality: All information gathered in the course of investigations shall be confidential and shall remain known only to those entities and individuals specifically involved in the investigation, their Members or employees involved in the Complaint.

I. DISCLOSURE: When contacted by an outside Entity or Member of the NAPR, the NAPR will give the Membership status of a Member and, if asked, will state whether that Member is or has ever been in

violation of the Code of Ethics that has resulted in Probation of six (6) months or more, Suspension or Expulsion. No other sanctions will be disclosed nor will the details of such actions be revealed except as noted previously.

J. Forfeiture: A Member sanction resulting in Suspension or Expulsion will not be allowed to attend any NAPR meetings and convention monies paid will be refunded. There will be no refund of monies previously paid, and the organization sanctioned will lose access to all NAPR Service Programs as well as forfeit any candidate responses from the programs in which they are enrolled during the period of their sanction.

## **VIII. IN THE EVENT OF BREACH**

Any breach of NAPR Program User Agreement(s) is a breach of the Code of Ethics.

1. The Ethics Committee shall be responsible for reviewing and acting upon alleged breaches of any User Agreement and may take the following action if a User is found in breach of its User Agreement:
  - a. Suspend the User from utilizing the NAPR Program for a specified period of time, and/or,
  - b. Recover Liquidated Damages from the User.
2. Confidentiality: All information gathered in the course of investigations shall be confidential and shall remain known only to those Users, employees or specific NAPR Members, including Board of Directors Members, who are involved in the Investigation, or who are in a "need to know" position.
3. A User under investigation by the Ethics Committee shall cooperate fully and communicate personally, directly and in a timely manner with the Ethics Committee and its Chairperson or Investigator concerning an alleged breach of any User Agreement (and will honor requests for documentation, testimony, or explanation of the facts and circumstances).
4. When an NAPR Program (World Job Bank, NAPR Connect, NAPR Services, etc.) alleged breach occurs, the Ethics Committee Chairperson contacts the NAPR President to discuss whether the situation merits an investigation. If the alleged facts so indicate, an investigation will begin with the ensuing process:
  - a. The User is suspended from the NAPR Program from which the alleged breach occurred until the investigation is complete and the Ethics Committee has made its final determination.
  - b. Concurrent with the suspension, the User is sent written notice from NAPR, signed by the Ethics Committee Chairperson, outlining the alleged breaches of the User Agreement(s) and the Code of Ethics, citing the sections of the User Agreement(s) and Code of Ethics allegedly violated.
  - c. An Ethics Committee Member (Investigator) is assigned to investigate.

- d. Any User under investigation by the Ethics Committee must cooperate fully and communicate personally, directly with the Ethics Committee Chairperson or Investigator concerning an alleged breach of the User Agreement(s) (and will honor requests for documentation, testimony, or explanation of the facts and circumstances). The User will have one week after speaking with the Ethics Committee Investigator to provide any written documentation which supports the verbal information provided to the Ethics Committee Investigator.
- e. Upon completion of the investigation, the Ethics Chairperson sets a meeting date to hear the case and determine if there has been a breach of an NAPR Program User Agreement(s) and/or violation of the Code of Ethics.
- f. Following the Committee's determination, the User is notified, in writing, by NAPR Headquarters.
- g. If the Ethics Committee determines no breach has occurred, the User's NAPR Program access will be restored and an amount of days equal to the length of time the organization was on suspension will be credited to the User. The User will be notified, in writing, by NAPR Headquarters. Under no circumstances will the User be entitled to compensatory monies in lieu of days credited.
- h. If the Ethics Committee determines a breach has occurred, and the User receives a Suspension, the Suspension will commence from the date the User was initially suspended from the NAPR Program and User will be credited with those days spent on suspension while the investigation was in process for the purpose of determining the correct amount of time or suspension.
- i. The User may request an Appeal of the committee's decision. The User must follow the "Appeals Hearing Policy" (see VI., C., a.) adopted June 20, 2006, by the NAPR Board of Directors to be considered for an Appeal. The User will be notified, in writing, by NAPR Headquarters whether an Appeal has been granted.
- j. If the User appeals the Committee's decisions, the decisions of the Committee will remain in effect until the Board of Directors Appeal has been adjudicated.
- k. If the Board of Directors upholds the Ethics Committee's decision and Liquidated Damages are involved and the User refuses to pay, the User is deemed "Not In Good Standing" and will be suspended from the NAPR as well as remain suspended from the NAPR Program until the Liquidated Damages are paid (Code of Ethics, III. Definitions, 18. Member). Reapplication for Membership will not be considered until all owed monies are received by NAPR.
- l. If the User does not pay the assessed Liquidated Damages, the User may not rejoin NAPR through any other company.
- m. If the Board of Directors overturns the Ethics Committee's decision that the User breached its User Agreement(s), the User's NAPR Program access will be restored and an equal amount of days of the Suspension during the investigation will be credited to

the User. The User will be notified of the Board of Directors' decision in writing by NAPR Headquarters. No compensatory monies will be paid to said User.

- n. If the Board of Directors upholds the Ethics Committee's decision, the User will be notified of the Board of Directors' decision in writing by NAPR Headquarters.
- o. If a User which has access to NAPR Programs expands its services or merges with another business to offer services that compete with NAPR Programs, User must notify NAPR immediately and access to the NAPR Programs will be terminated. A pro-rata refund for services will be given to the User.
- p. If the User fails to notify NAPR of an expansion of services or merger, which includes offering services which compete with NAPR Programs, and it continues to access NAPR Programs, no refund will be given and the action will be subject to the terms of the User Agreement(s).
- q. If the User fails to remit the Liquidated Damages within the specified time, NAPR may take legal action and expel the User from the NAPR as well as collect all monies not remitted.
- r. If the User fails to remit the Liquidated Damages within the prescribed 10 business days, and the User's NAPR Program subscription runs out, the User will not be credited for any days it had remaining on its subscription when the Liquidated Damages are eventually paid.
- s. NAPR is not required to refund any portion of the User fee paid.