



**Ethics Code  
of the  
American Resort Development Association**

**Adopted by the Board of Directors  
on June 9, 2021.**

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## **Ethics Code of the American Resort Development Association**

The initial Code of Standards and Ethics (“Original Code”) was adopted unanimously on February 20, 1986 by the Board of Directors (“Board”) of the American Resort Development Association (“ARDA”), and amended and re-titled as the “Ethics Code of the American Resort Development Association” and ratified by the Board on April 8, 2008, amended and ratified by the Board on June 9, 2021 (“Code”) and this current amended version ratified by the Board on July 19, 2023.

### **I. Preamble**

ARDA and its Members are committed to the highest standards of ethics in the Vacation Property community for the benefit of the public. All Members shall comply with Code Sections I through IV and Members shall not knowingly use independent contractors, agents, or any other third parties to circumvent or avoid compliance with those provisions of the Code.

The Code consists of general requirements and administrative procedures for interpretation and enforcement of the Code, followed by recommended best practices with respect to areas of particular interest to the industry. All Members shall conduct their activities honestly and fairly, in compliance with applicable laws, and with professionalism, integrity, dignity, and propriety. The Code describes the minimum standards for Member conduct, but is not a substitute for laws or regulations when they are more stringent than the Code. It is intended that compliance with the Code not conflict with applicable laws or regulations; however, it is intended that the Code apply to Member conduct when more stringent than applicable laws or in the absence of laws or regulations.

The Code applies to all Member Activity regardless of the jurisdiction or location where the Member Activity is conducted.

### **II. Definitions**

Exchange Program. The term “Exchange Program” means any method, arrangement, or procedure for the voluntary exchange of a Vacation Interest.

Member. The term “Member” means any corporation, limited liability company, partnership, joint venture, group, individual, or other entity (as well as the affiliates, principals, owners, members, managers, partners, officers, employees, and directors of such entities, to the extent engaged in Member Activities) who has been accepted by ARDA for membership and whose membership is currently active.

Member Activity. The term “Member Activity” or “Member Activities” means that activity or those activities engaged in by a Member in the conduct of its business related to Vacation Properties, Vacation Interests, and other ancillary or associated products, services or businesses.

Resale Activity. The term “Resale Activity” or “Resale Activities” means any oral or written solicitation, directly or indirectly, for consideration or in expectation of consideration,

for the resale or voluntary transfer of a Vacation Interest (excluding the Vacation Interests reacquired and resold by the developer) including, but not limited to, the following: through any print or electronic media advertising, direct mail advertising, Member literature or promotional materials, telemarketing, face-to-face personal communication, videotape or audiovisual programs, transaction description, internet listing or other transaction document description, disclosure, closing, sales or similar service.

Vacation Interest. The term “Vacation Interest” means any interest or ability to arrange reoccurring use rights in a Vacation Property, whether represented by title, ownership, partnership interest, fee interest, non-fee interest, non-deeded interest, equity or non-equity interest membership, right-to-use, club, license, lease, rental, booking, reservation, trust interest, cooperative interest, travel club, exchange, reciprocal-use right, other location use privilege, or other such right, service, or interest of any kind offered or provided to a consumer in a Vacation Property.

Vacation Property. The term “Vacation Property” or “Vacation Properties” means that portion of any resort, vacation, recreational, holiday, or community development real estate, land, property, building, structure, improvement, amenity, or facility (including lots, sites, houses, apartments, condominiums, units, townhouses, villas, cabins, ranches, shelters, pads, parking spaces, open spaces, common areas, storage areas, cruise ships, yachts, boats, recreational vehicles and other personal property) subject to a timesharing, fractional ownership, private residence club, or destination club regime, or made available through an Exchange Program and all appurtenant rights and interests.

### **III. Ethics Requirements**

#### **A. General Ethics Standards.**

1. Compliance with Applicable Law; Minimum Standards. Each Member is responsible for ensuring that its Member Activities fully comply with all applicable national, provincial, state, and local laws and regulations. The Code sets the minimum standards for Member conduct, but is not a substitute for laws or regulations when they are more stringent than the Code, in which case such laws or regulations shall be deemed incorporated herein by reference and shall apply with equal force. It is intended that a provision of the Code apply to Member Activities when such provision is more stringent than applicable law or in the absence of laws or regulations. A provision of the Code shall not apply if such provision is in conflict with applicable laws or regulations.

2. Conduct. All Member Activities with customers, clients, other Members, business or community partners, regulators, legislators or government agencies shall be honest, legal, ethical, and in accord with standards of fair business dealings, professionalism, integrity, dignity and propriety. Members shall not denigrate the Vacation Property community, but instead shall use their good faith efforts to promote the Vacation Property community.

3. Disclosure. With respect to the offer, sale, resale or marketing of a Vacation Interest, the Member shall:

- a. Provide fair, meaningful and effective written disclosure to the consumer regarding the Vacation Interest and all material terms and conditions of the offer of a Vacation Interest.

- b. Provide fair, meaningful and effective written disclosure to the consumer of all material terms and conditions of all other products offered contemporaneously with the Vacation Interest, including exchange programs, incidental benefits, financing, short-term products and exit programs.
- c. Represent that the purchase of a Vacation Interest should be based upon its value as a vacation experience or for spending leisure time, and not considered for purposes of acquiring an appreciating investment, nor assuming rental income from the Vacation Interest during any period of its usage or with an expectation that the Vacation Interest may be resold for profit.
- d. Not negotiate or solicit offers to purchase Vacation Interests from residents of any jurisdiction where registration is required, without such registration.

4. Protection of Consumers. Until such time as the Vacation Interest is delivered to the consumer as promised and in accordance with the terms of the purchase contract, the Member shall provide for the protection of the consumer's funds for the benefit of the consumer through the use of a third party escrow or reasonable alternative assurance. The Vacation Interest, including any accommodations, amenities and services, shall be delivered to consumers as and when promised and free and clear of liens and encumbrances affecting the use and ownership of the Vacation Interest (except incidental benefits) or otherwise protected so as not to adversely affect the use and ownership of the Vacation Interest for its intended and represented purpose. A timeshare instrument, declaration of condominium, or other instrument establishing or governing a component site property regime is not an encumbrance for purposes of the Code. Any incidental benefit associated with such Vacation Interest shall be delivered as and when promised.

5. Inventory Control. The Member shall not sell more use rights in a Vacation Property or a Vacation Interest plan than are available for use in such Vacation Property or Vacation Interest plan.

6. Management. In connection with the management of a Vacation Property or a Vacation Interest plan, the Member shall act at all times, taking into account the best interests of all parties with an interest in the Vacation Property or Vacation Interest plan as a whole and in accordance with good management practices.

7. Rescission. The Member shall provide rescission rights to consumers upon the sale of any Vacation Interest, excluding a membership in an Exchange Program, through an affirmative written disclosure at the time of execution of a purchase and sale contract, and the Member shall promptly honor all proper and timely exercise of rescission rights by a consumer.

- a. The disclosure shall provide in clear and conspicuous written terms:

- (1) That rescission rights exist;

- (2) That the funds will be returned upon rescission;
- (3) If applicable law does not provide for any rescission right, the rescission period shall be not less than three (3) calendar days following the date on which the purchaser signs the purchase contract and receives a copy of the public offering statement or other offering document describing the Vacation Interest plan offering; and
- (4) A clear and accurate statement of the procedures by which such rescission rights are exercised.

b. Rescission rights may not be waived.

8. Avoidance of False and Deceptive Statements. Statements made by the Member in connection with Member Activity shall not:

- a. Convey false, untrue, deceptive, or misleading information through any means; or
- b. Omit material information without which the information provided would be rendered deceptive or misleading.

9. Resales. All Members engaged in Resale Activities that involve the resale of Vacation Interests previously purchased by a consumer shall abide by the following:

- a. Clearly, conspicuously, and accurately disclose to consumers the services to be provided and the costs associated with such services prior to accepting any consideration from the consumer;
- b. Clearly, conspicuously, and accurately represent the Member's business performance, services, licenses, endorsements or affiliations, fees and commissions, and the nature and value of a Vacation Interest: and
- c. Not knowingly participate in any plan or scheme, a purpose of which is to transfer a Vacation Interest to a transferee that the Member knows does not have the ability, means or intent to pay all assessments and taxes associated with such Vacation Interest. There is a rebuttable presumption that a Member (the "Transferring Member") is in violation of the terms of this provision if such Transferring Member, after having received written notice from ARDA or another Member (with a copy to ARDA) that such Transferring Member has transferred Vacation Interests to a specific transferee that has failed to pay assessments and taxes on previously transferred Vacation Interests (a "Defaulting Transferee"), transfers additional Vacation Interests to i) the Defaulting Transferee, or ii) another transferee formed by, or in any manner related to the

Defaulting Transferee. This provision does not apply to a developer or management entity for, or owners' association of, the Vacation Property at which the Vacation Interest is located or to any affiliate of such entity or third party acting on behalf of such entity.

**B. Failure to Comply or Circumvention.** All Members shall comply with Code Sections I through IV and Members shall not knowingly use independent contractors, agents, or any other third parties to circumvent or avoid compliance with those provisions of the Code.

#### **IV. Administrative Procedures**

##### **A. Administrative Structure and Indemnification.**

1. The Committee. The Ethics Committee (the "Committee") shall be composed of at least seven ARDA Members in good standing, appointed jointly by the ARDA Chair and ARDA CEO/President to serve renewable two-year terms. Committee members shall be appointed from ARDA Members that have been in good standing for at least five continuous years prior to appointment. The ARDA Chair and ARDA CEO/President shall jointly make appointments that balance the Committee's composition as to the experience and knowledge of the appointees with respect to various aspects of the Vacation Property community. The ARDA CEO/President, Administrator and ARDA General Counsel shall be ex officio, non-voting members of the Committee. The Committee is responsible for:

- a. Reviewing and recommending amendments to the Code as necessary from time to time, or as required by the ARDA Bylaws;
- b. Reviewing Inquiries regarding the Code, and where appropriate, drafting proposed Interpretive Guidelines which it shall, upon approval of those Interpretive Guidelines by the Board, issue to the Members; and
- c. Reviewing Challenges regarding the Code and, where appropriate, issuing Sanctions that have been approved in advance by the Board.

2. The Ethics Chair. One member of the Committee shall be appointed as its Chair ("Ethics Chair") as determined jointly by the ARDA Chair and ARDA CEO/President.

3. The Administrator. One ARDA staff member shall be appointed Administrator as determined by the ARDA CEO/President. The Administrator will manage the review, interpretation, and enforcement of the Code, subject to the direction of the Committee as well as manage communications with all Members, including Members of the Committee, regarding issues related to the Code and its administration.

4. The Appellate Board. The Chair and CEO/President shall appoint an Appellate Board pursuant to the Code consisting of three (3) or more members who meet the qualifications to serve on the Ethics Committee whose function it shall be to hear appeals under



the Code. Recommendations by the Appellate Board shall go to the Board of Directors to make the final determination with respect to the appeal.

5. Indemnification and Insurance. All Committee and Appellate Board members and designated ARDA staff, as well as other individuals engaged in Inquiries, are indemnified, defended and held harmless by ARDA against liability arising from Committee-related or Appellate Board-related activities to the extent otherwise provided for all ARDA Directors, Officers, employees, and agents. ARDA shall seek to maintain indemnification insurance for individuals that protects against all past, present and future liability.

6. Removals and Replacements. The Committee members, the Ethics Chair, the Administrator and the members of the Appellate Board shall serve at the reasonable discretion of, and may be removed or replaced upon joint action by, the ARDA CEO/President and ARDA Chair.

## **B. Requests for Interpretive Guidelines and Challenges.**

1. Submission. Any Member may initiate a “Request for Interpretive Guideline” (a request for issuance of guidelines interpreting the Code) or “Challenge” (a request for a determination that a Member has failed to comply with the Code) pursuant to the Code. In the case of Challenges, the person initiating the Challenge shall be designated the Complainant, and the Challenged person or firm shall be designated the Respondent. Submissions will only be considered if made in writing. The Administrator may, but without obligation, also initiate a Request for Interpretive Guideline or Challenge upon information provided from any source, including, but not limited to, consumer complaints that evidence a pattern of business practices to which the Code is applicable.

2. Preliminary Review. The Administrator shall conduct a preliminary review of each submission and determine whether it is a Request for Interpretive Guideline or a Challenge. Regardless of what a submission is designated, it may be considered as either at the Committee’s reasonable discretion. The Administrator and the Committee are not empowered to mediate or redress individual consumer complaints, but the Administrator and the Committee may, but without obligation, investigate any complaint and determine whether a Member has engaged in conduct in violation of the Code.

3. Preliminary Disposition. Upon completion of the preliminary review of a submission, the Administrator shall determine whether it:

- a. merits further administrative review (“Inquiry”);
- b. contains insufficient information on which to base further Inquiry; or
- c. does not constitute a valid and actionable Request for Interpretive Guideline or Challenge.

If the Administrator concludes that the submission contains insufficient information on which to base an Inquiry, or does not constitute a valid and actionable Request for Interpretive Guideline or Challenge, the Administrator shall advise the Committee of the results of the preliminary review. The Committee may direct reconsideration of the submission upon request of at least three (3)



Committee members. The Administrator shall give written notice to the Complainant if the submission contains insufficient information on which to base an Inquiry or does not constitute a valid and actionable Request for Interpretive Guideline or Challenge.

4. Inquiry. For each submission that merits further review, the Administrator shall undertake an Inquiry to clarify, expand, or corroborate the information provided by the Complainant. The Administrator shall either supervise or conduct each Inquiry. In the case of a Challenge, one or more Committee members may be appointed by the Ethics Chair to assist the Administrator in the Inquiry. In both Requests for Interpretive Guidelines and Challenges, the Administrator, with the consent of the ARDA CEO/President, may also be assisted by additional Committee members, ARDA staff, or by any Member. The Administrator shall report the results of the Inquiry to the Committee as well as to the ARDA CEO/President and ARDA General Counsel.

5. Immediate Suspension. If the Administrator has a reasonable belief that a material violation of the Code has occurred or is ongoing, the Administrator may notify the Member(s) by a written communication that their membership is suspended, along with the effective date and duration of such suspension. The Member will still have the opportunity to appeal this decision as provided for in the Code. Within a reasonable period of time after the Administrator has suspended a Member's membership pursuant to this paragraph, the Administrator shall notify the Ethics Chair and Committee, the ARDA CEO/President, the ARDA General Counsel, and the Board, in writing, of such action, which communication shall include the name of the Member and the effective date of the suspension.

### **C. Proceedings on Requests for Interpretive Guidelines.**

1. Recommendation on a Request for Interpretive Guideline. Once the Administrator has completed an Inquiry regarding a Request for Interpretive Guideline, the Administrator shall submit the results of the Inquiry to the Committee, the ARDA CEO/President and the ARDA General Counsel, whereupon the Committee may either issue an Interpretive Guideline or dispose of the Request for Interpretive Guideline by means of a written explanation. The Administrator is responsible for preparing any proposed Interpretive Guideline or written explanation, which shall be submitted to the Committee along with a summary of the record of the Administrator's Inquiry for approval by a majority vote of the Committee.

2. Issuance of Interpretive Guidelines. If the Committee proposes to issue an Interpretive Guideline, the proposed Interpretive Guideline shall be submitted to the Board for its approval. Upon approval by the Board, the Interpretive Guideline shall be published to the ARDA membership. Interpretive Guidelines shall be compiled by the Administrator and published periodically. Interpretive Guidelines may be redrafted or rescinded only by action of the Board. At the discretion of the Board, Interpretive Guidelines may be incorporated into the Code.

### **D. Proceedings on Challenges.**

1. Procedure. If the Administrator determines that a Challenge merits further review, the Administrator shall advise the Ethics Chair, the ARDA CEO/President and the ARDA General Counsel of such determination. Subject to the advice and consent of the ARDA CEO/President and ARDA General Counsel, the Administrator shall then promptly



notify the Respondent in writing as to the nature of the Challenge, the Respondent’s obligation to cooperate fully in the Inquiry, and the Respondent’s opportunity to address the Challenge with the Committee in executive session.

- a. All Inquiries shall be conducted with confidentiality. All persons involved in the conduct of any Inquiry must use their best efforts not to reveal the identity of the Respondent. Only the following people shall be advised of an Inquiry:
  - (1) the ARDA Chair and ARDA CEO/President;
  - (2) the Administrator, Ethics Chair, and any Committee member assigned to assist in the Inquiry;
  - (3) the Complainant;
  - (4) the Respondent;
  - (5) others who may have to be contacted as part of the Inquiry.
  
- b. Since the nature and seriousness of alleged violations will vary, the Administrator shall use professional judgment regarding the degree of Inquiry required. The Inquiry may include, but is not to be limited to, such actions as:
  - (1) telephone conversations and personal interviews with anyone involved;
  - (2) requests for written or published materials; and
  - (3) visits to the location(s) involved.

2. Recommendation on a Challenge. Upon completion of an Inquiry regarding a Challenge without resolution by Alternative Disposition, the Administrator shall submit the results of the Inquiry to the Committee, in writing, together with a recommendation whether the Committee should or should not make a Determination of Failure to Comply with the Code. If the Administrator recommends that the Committee make a Determination of Failure to Comply with the Code, the Administrator shall recommend one or more sanctions to be applied. The Administrator’s recommendations shall be submitted to the Committee along with a summary of the record of the Inquiry.

3. Executive Session. All deliberations of the Committee relating to a Challenge shall be conducted in executive session. If requested by the Committee or Respondent, the Respondent may attend an executive session for the sole purpose of addressing the Committee in regard to the Challenge. All communications and information disclosed in executive session shall be considered confidential and shall not be disclosed to any third parties other than the Board. The Administrator shall attend the executive session in a nonvoting capacity. The Complainant, unless the Complainant is the Administrator, and the Respondent

shall not be present during the deliberations and voting regarding the case before the Committee. However, the participants may be called back to answer questions during deliberations.

4. Failure to Comply. Once the executive session has concluded, if the Committee makes a Determination of Failure to Comply with the Code, it shall inform the Board of its conclusion and its recommendation with respect to sanctions, if applicable, along with the basis of the recommendation. If the Committee makes a Determination of Failure to Comply with the Code, the Administrator shall issue the decision of the Committee to the Complainant and Respondent in writing within thirty (30) business days following ratification by the Board.

5. Sanctions. The following sanctions may be imposed on any Member upon a Determination of Failure to Comply with the Code, at the recommendation of the Committee and with the approval of the Board:

- a. Alternative Disposition. The Committee can recommend that the Administrator offer the Respondent the Alternative Disposition of submitting a written Letter of Assurance to ARDA guaranteeing that the challenged business activity has been terminated and will not recur. The decision on whether to offer such an opportunity is entirely within the discretion of the Administrator and the Committee, subject to the approval of the Board. If the Alternative Disposition is offered, the Respondent shall submit the required Letter of Assurance within fifteen (15) days after delivery of the offer. Any Letter of Assurance will be accepted only if it is submitted on terms that are acceptable to the Committee. At the discretion of the Committee, the Respondent may not be required to concede or admit failure to comply with the Code. The Administrator shall notify the Respondent in writing if the Letter of Assurance is acceptable. The Complainant will also be given written notice that the Challenge has been resolved by means of an Alternative Disposition.
- b. Private or Public Admonishment. The Committee can instruct the Administrator to issue a letter of private or public admonishment to the Respondent indicating the specific Code provisions violated and the consequences of subsequent violations. Copies of the letter shall also be sent to the Complainant, the ARDA Chair, ARDA CEO/President, ARDA General Counsel and the Board.
- c. Letter of Censure. The Committee can instruct the Administrator to issue a letter to the Respondent condemning the Respondent's actions. Copies of the letter shall also be sent to the Complainant, the ARDA Chair, ARDA CEO/President, ARDA General Counsel and the Board.
- d. Probation. The Committee can place the Respondent on probation pursuant to which the Respondent retains full membership, but if the Respondent fails to comply with the terms and conditions of such probation as outlined by the Committee, the Committee can immediately suspend or terminate the Respondent's membership.

Written notice of the probation shall be delivered to the Respondent. Copies of the notice shall also be sent to the Complainant, the ARDA Chair, ARDA CEO/President, ARDA General Counsel and the Board.

- e. Suspension. The Committee can suspend the Respondent’s ARDA membership. Written notice of the suspension shall be delivered to the Respondent. Copies of the notice shall also be sent to the Complainant, the ARDA Chair, ARDA CEO/President, ARDA General Counsel and the Board.
- f. Termination. The Committee can terminate the Respondent’s ARDA membership. Written notice of the termination shall be delivered to the Respondent. Copies of the notice shall also be sent to the Complainant, the ARDA Chair, ARDA CEO/President, ARDA General Counsel and the Board.

6. Effect of Termination or Suspension. No Member whose ARDA membership has been terminated or suspended may use their ARDA membership in any fashion following termination or during the term of any such suspension, including but not limited to the following (collectively, “ARDA Services”): (i) use of ARP, RRP, and other ARDA-issued designations; (ii) use of ARDA logos or emblems of any type; (iii) participation in the Board, any Council, or any Committee; (iv) advertising in ARDA publications; or (v) exhibiting at ARDA trade shows or attending ARDA-sponsored events.

7. Resignation or Settlement. If the Respondent resigns from ARDA membership while a Challenge is pending at any time prior to the Committee’s decision to issue a Determination of Failure to Comply with the Code, the Administrator or Committee may, but is not required to, dismiss the Challenge without any further action. The Committee, with the advice and consent of the ARDA CEO/President and ARDA General Counsel, shall decide whether or not to publish a summary explanation of the conduct involved along with a summary of essential facts, and whether the names of any Members should be disclosed. Additionally, in place of the imposition of any sanctions, the Committee may determine to recommend acceptance of other arrangements in the nature of a settlement proposed by the Respondent.

8. Appeal. A sanctioned Member may appeal any Determination of Failure to Comply with the Code by filing a written Notice of Appeal with the Administrator within thirty (30) days after issuance by the Administrator of the notice of Determination of Failure to Comply with the Code. Upon such request an Appellate Board shall be formed. The Appellate Board shall consider the appeal based on the evidence provided to the Committee during the investigation, unless extenuating circumstances exist to consider new evidence, and shall make a recommendation to the Board. The recommendation to the Board made by the Appellate Board shall include any justification or rationale for the Appellate Board’s decision. The Board shall make the final determination with respect to the appeal.

9. Transmittal of Information. Information obtained by the Committee may be transmitted as follows:

- a. If the Respondent resigns its ARDA membership while a

Challenge is pending at any time prior to the Committee's decision to issue a Determination of Failure to Comply with the Code, the Committee may direct the Administrator to transmit any information it obtains to any state, federal or other regulatory or enforcement entity.

- b. If no appeal is requested by a sanctioned Member, or upon conclusion of an appeal adverse to a sanctioned Member, the Committee may direct the Administrator to transmit any information it obtains in the course of the proceeding to any state, federal or other regulatory or enforcement entity as well as a statement of the finding and any sanctions.
- c. At the option of the Committee, an announcement of any sanction (other than a private admonishment) imposed on a Member may be published in any ARDA publication as well as listed on ARDA's web page. As directed by the Committee, the announcement may identify the Member, the practices or activities giving rise to the sanction, the type of sanction imposed, and the sections of the Code that were violated.

#### **E. Failure to Cooperate.**

Failure to cooperate with ARDA in any Inquiry or proceeding under the Code may be considered by the Committee as a violation of the Code and may subject the non-cooperating Member to any of the sanctions contemplated by the Code.

#### **F. Conflicts of Interest.**

Each Committee member and Appellate Board member shall fully disclose all potential conflicts of interest. When a conflict of interest is raised, the Committee or Appellate Board (except for the member with the potential conflict) shall determine the existence and the effect of the conflict and shall have the option of excusing the conflicted member, allowing the member to participate in the executive session but not the decision, or allowing the member to both participate and vote on the matter. For purposes of the Code, a "conflict of interest" means any matter in which a person has a direct or indirect personal or monetary interest in the outcome of the hearing or any relationship with the Complainant or the Respondent that could create a meaningful perception of bias or partiality.

## **Recommended Best Practices**

### **According to the American Resort Development Association**

#### **I. Preamble**

To provide guidance to ARDA and its Members on complying with and interpreting the Ethics Requirements set forth in Article III of the Code, the following are recommended best practices regarding areas of particular interest to the industry. If a Member has not followed a recommended best practice, the Member is not necessarily in violation of the Code. A rebuttable presumption exists, however, that a Member has complied with a particular Ethical Requirement of the Code if the Member can show evidence of adherence with the related best practice.

#### **II. Best Practices**

##### **A. Information, Descriptions and Disclosures.**

1. Conspicuous Type. Information, descriptions, or disclosures required by any applicable law, regulation or the Code, or otherwise provided to consumers, whether oral, written, or graphic, should be accurate, clear and conspicuous, and understandable with respect to all material information.

2. Consistency. Information, descriptions, or disclosures required by any applicable law, regulation or the Code, or otherwise provided to consumers, should be consistent with one another (oral sales presentations or transaction descriptions, for example, should not conflict with sales literature or transaction documents).

**B. Avoidance of False and Deceptive Statements.** Members should not convey false, untrue, deceptive or misleading information with regard to other Members or their Member Activities, through statements, testimonials, photographs, graphics or other means.

**C. Solicitation.** Members engaged in solicitation activities should consider the following:

1. Originations or Endorsements.

- a. Solicitations should not state or imply that they are made by or originate from a government or other public agency.
- b. Solicitations should not state or imply that they are from bill collection firms, credit reporting agencies, law offices, or public utilities.
- c. Solicitations should not lead persons, by text, graphics, or otherwise, to conclude that the materials are issued by or on behalf of a recognized mail, delivery, or communications service in interstate commerce with which the soliciting Member is not related.
- d. Solicitations should not misrepresent the relationship with a



specific hotel or hotel brand, cruise ship or cruise line, exchange company, theme park or any other facility or brand in connection with an offer and should accurately represent the relationship that actually exists by contract, agreement or otherwise.

- e. Solicitations should not disparage a person's existing vacation interests or encourage them to terminate or default on any existing fee obligations.
- f. Solicitations should not contain any offers of legal services with regard to a person's existing Vacation Interest.

2. Contests or Misleading Statements.

- a. Fictitious "contests" or similar schemes should not be used by Members for any purpose.
- b. Solicitations should not convey a false sense of urgency through reference to or use of false conditions, restrictions or time limits.
- c. Solicitations should not refer to consumers as "winners," or state that the consumer has "won" a prize or award, or use terms such as "free" unless these statements are true in all material respects. All of the terms, conditions and obligations should appear in close conjunction with the offer of a prize, award, or "free" merchandise or service.
- d. Lengthy delays, onerous procedures, or other inhibitions that have the purpose or effect of discouraging redemption or use of a Premium should not be imposed.

3. Information. In addition to any information required by applicable law or regulation or the Code, solicitations should clearly and conspicuously disclose to the consumer all material information, restrictions, limitations, or eligibility requirements, such as the purpose of the solicitation, the nature of the product offered, additional costs associated with the offer, the requirement to participate in a sales presentation or tour, and the name and contact information of the Member or the entity acting on behalf of the Member.

4. Premiums. The term "Premium" includes any gift, award, prize, or anything of value offered or distributed to a consumer by a Member in connection with the solicitation or the sale of a Vacation Interest. Solicitations in which a Premium is offered should: (i) clearly outline any eligibility and other requirements to obtain the Premium or restrictions or limitations on the use or benefits of the Premium; (ii) disclose whether a purchase or a tour is required in connection with obtaining the Premium; (iii) avoid any description or statements that tend to mislead or deceive the consumer as to the nature, value, or size of the Premium; (iv) set forth the right to substitute a different Premium for the one offered and provide substitutes of equal or greater value; (v) reflect fair market value of the Premium; and (vi) clearly and conspicuously set forth any restrictions or limitations or



qualifiers with respect to the Premium.

**D. Sales.** Sales-related practices should conform to the following:

1. Limited Time Offers. Representations should not be made that the current terms of an offer will not be available at a future time unless those representations are truthful.

2. Verbal Representations. Verbal representations should be consistent with information contained in sales documents, contracts and written disclosures.

3. Contract Documents.

- a. Contract documents should be written in clear and understandable terms.
- b. Contract documents should provide the material terms of the purchase and include all financial and payment obligations of the consumer.
- c. Contract documents should be consistent with information and disclosures provided in the sales presentation in all material respects.
- d. The consumer should be provided with a reasonable opportunity to review the contract documents before signing.
- e. Contract documents should clearly and conspicuously disclose applicable consumer rescission rights.
- f. Consumers should be provided with a copy of all contract documents signed at the sales presentation.
- g. Consumers should be afforded the opportunity to sign an acknowledgment that they have received a copy of the rescission rights disclosure.

4. Completion, Owners' Associations, Rules, Post-Sale Management, and Fees. The following information regarding aspects of the Vacation Property, if applicable, should be disclosed at or before closing:

- a. Owners' Association. The existence or non-existence of any owners' associations formed and structured to preserve and protect the Vacation Property and the consumer's interests in it, as well as the consumer's obligations with respect to the Owners' Association.
- b. Property Management. Arrangements for responsible providers of Vacation Property management, including disclosure of the identity of the management entity; whether the development Member has a financial interest in the management company; the

duration of the management contract; and whether new management may be selected and, if so, how and when.

- c. Rules and Regulations. Current rules and regulations applicable to the use of aspects or facilities of the Vacation Property and Vacation Interests such as recreational facilities, common areas, parking areas, lighting, sidewalks, and landscaping, and procedures for changing such rules and regulations.
- d. Fees and Assessments. The current level of membership use fees or assessments, the methods for collecting and adjusting assessments, and the amount of any developer subsidy and length of time that subsidy will be in effect and material conditions to any developer subsidy.
- e. Capital Reserves. Any provisions for establishing and maintaining capital reserves and the amount contained in such reserve accounts, if any.

#### **E. Off-Premise Contact Programs.**

1. Public Areas. If conducted in a public area and not on private property, Off-Premise Contact (“OPC”) programs should be conducted from and in the immediate vicinity of a fixed OPC location (i.e., an OPC booth). For purposes hereof, the immediate vicinity of an OPC location means within fifteen feet (15) of such OPC location, unless further restricted by applicable law, local ordinance or regulation.

2. Effect on Traffic. OPC programs should not adversely affect either pedestrian or vehicular traffic in the area.

3. Unprofessional Conduct. “Streetwalking” and similar unprofessional OPC programs should not be conducted.

4. Untrue Statements. Persons engaged in OPC programs should refrain from the use of any false, deceptive or misleading statements about any unrelated Vacation Property, developer, owner, owners’ association or employees.

#### **F. Vacation Packages.**

1. Definitions. A “Vacation Package” is any offer transmitted to consumers by any means, offering one or more components of a pre-arranged vacation, at one or multiple price points. The pre-arranged vacation may include provision of lodging or accommodations, cruise reservations, or transportation.

2. Terms and Conditions. In the offering of a Vacation Package, the terms and conditions of the offer should be presented in a clear and conspicuous manner, not intended to confuse the consumer. Further, the terms and conditions should not be obstructed by the background against which they appear, or by their location within a lengthy disclosure of nonmaterial information. The terms and conditions should clearly and conspicuously disclose (i) any right of the offeror to change any component of the Vacation Package and (ii)

any requirement that the consumer attend a sales presentation or tour as a condition of the consumer's receiving the Vacation Package as represented.

3. Delivery of Accommodations. If the consumer is not required to attend a sales presentation or tour as a condition of the consumer's receiving the Vacation Package as represented, but is solicited to attend a sales presentation or tour by the offeror or any affiliate of the offeror before or during the consumer's use of the Vacation Package, the offeror or third party must deliver the Vacation Package as originally promised to the consumer in the event the consumer declines to attend the sales presentation or tour.

4. Cancellation and Refund Rights.

- a. Notification. The Vacation Package offeror should provide to consumers complete, clear and conspicuous notification in writing of the consumer's rights of cancellation and refund prior to the sale of a Vacation Package.
- b. In-Person Sales. In any sale of a Vacation Package conducted in-person, written notice of the consumer's rights of cancellation and refund should be provided to the consumer at or before the time of sale.
- c. Telephone Solicitation Sales. In any telephonic sale of a Vacation Package, written notice of the consumer's rights of cancellation and refund should accompany a notice of confirmation of agreement to purchase the Vacation Package, or be attached to information or products sent to the consumer in response to the consummated telephonic sale, unless previously provided in writing to the consumer, and should be done so that the notice is delivered in a timely manner that allows the consumer a fair opportunity to exercise such right.
- d. Non-Refundable Purchase. If the Vacation Package purchased by the consumer is nonrefundable, the Vacation Package offeror should so state in writing to the consumer in a clear and conspicuous manner before the purchase occurs.
- e. Cancellation Requests. The Vacation Package offeror should promptly honor cancellation and refund requests timely made pursuant to the Vacation Package offeror's cancellation and refund policy.
- f. Mandatory Timeshare Tour. A mandatory timeshare tour should be clearly and conspicuously disclosed in writing to the purchaser of a Vacation Package.
- g. Optional Timeshare Tour. If a Vacation Package includes an optional or invitational timeshare tour (as opposed to a mandatory timeshare tour), whether the tour is offered with or without a separate inducement, then such tour would not need to be disclosed.

- h. Mandatory Charges. In the offering of a Vacation Package, any stated or advertised price of the Vacation Package should include all mandatory charges. The Vacation Package offeror should disclose clearly and conspicuously the purchase price and the existence of any other charges that the consumer would bear. .
- i. Additional Services. In the offering of a Vacation Package that would require transportation, meals, or lodging, the Vacation Package offeror should disclose whether or not the Vacation Package includes transportation (including airfare), meals or some category of meals, and/or accommodations or some category of accommodations, as applicable.

### G. Exchange Programs

1. Additional Benefit to Purchase. Exchange Programs and all other programs in which other-location use rights or privileges of any kind (collectively “Program” or “Programs”) are offered as an additional benefit to the buyer in the solicitation or sale of a Vacation Interest should be represented accurately, clearly and conspicuously.

2. Ability to Exchange. The seller of the Vacation Interest and the Program’s operator (“Exchange Company”) should not represent to the buyer that the likelihood of any specific exchange opportunity is greater than is probable for that buyer’s Vacation Interest.

3. Information Provided to the Buyer. The seller of the Vacation Interest or the Exchange Company, as applicable should provide the buyer with information on the Program at or prior to:

(i) the execution of a contract for the sale of a Vacation Interest, or (ii) the execution of a contract to join a Program when the transaction is subsequent to and not part of the purchase of the Vacation Interest by the buyer. In each situation the information provided should meet the requirements of all applicable laws and generally should include the following:

- a. the name and address of the Exchange Company;
- b. a statement that the buyer’s contract with the Exchange Company is a contract separate and distinct from the buyer’s contract with the seller of the Vacation Interest;
- c. a statement as to whether the buyer’s participation in the Program is dependent upon the continued affiliation of the Vacation Property with the Program;
- d. a statement as to whether the buyer’s participation in the Program is voluntary or mandatory;
- e. a complete and accurate description of the terms and conditions of the buyer’s contractual relationship with the Program and the

procedure by which changes to the contract may be made;

- f. a complete and accurate description of the procedure to qualify for and effectuate exchanges, reciprocal uses, or similar rights or privileges under the Program;
- g. a complete and accurate description of all limitations, restrictions, or priorities used in the operation of the Program, including limitations based upon seasonality, unit size, or level of occupancy; and, if limitations, restrictions, or priorities are not uniformly applied by the Program, a clear description of the manner in which they are applied;
- h. a statement as to whether exchanges, reciprocal uses, or similar rights or privileges are arranged on a space-available basis and whether the Program makes any guarantees of fulfillment of specific requests;
- i. a statement of the fees, range of fees, or fees for various levels of participation by buyers in the Program; a statement whether any such fees may be altered by the Program; and the circumstances under which alterations may be made or elected; and
- j. a statement as to whether and under what circumstances a buyer, in dealing with a Program, may lose the use and occupancy of the buyer's Vacation Interest in any properly applied for exchange without being provided with substitute accommodations by the Program.

4. Additional Disclosures. The seller of the Vacation Interest or the Exchange Company, as applicable should also provide the buyer with the following information, which should be independently audited by a certified public accountant or internationally recognized accounting firm in accordance with the international accounting standards and reported annually:

- a. The number of purchasers who are currently enrolled in the Program.
- b. The number of accommodations and facilities with current affiliation agreements with the Program.
- c. The percentage of confirmed exchanges, which is the number of exchanges confirmed by the Program, divided by the number of exchanges properly applied for, together with a complete and accurate statement of the criteria used to determine whether an exchange request was properly applied for.
- d. The number of timeshare periods for which the Program has an

outstanding obligation to provide an exchange to a purchaser who relinquished a timeshare period during the year in exchange for a timeshare period in any future year.

- e. The number of exchanges confirmed by the Program during the year.

## H. Resales and Rentals.

1. Representations regarding Resale and Rental Value. If representations are made regarding the potential resale or rental value of the Vacation Interest, they should be presented truthfully, and clearly and conspicuously, and should be supported by adequate independent data.

2. Rental and Resale Company Disclosure. Rental or resale companies and their brokers or agents should clearly and conspicuously disclose to potential clients any contractual relationship with the Member that originally sold or currently manages the Vacation Interest, including if they have any economic interest in or own any inventory owned by the Member.

3. General Provisions. The following provisions apply to Members engaged in Resale Activities.

- a. Member Information.

- (1) A Member should maintain a commercial business location with a physical address accessible to the general public and disclosed in any contract or agreements and on any Member website and promptly notify and keep its customers and clients informed of the current physical location and telephone number of its place of business;
- (2) A Member should prior to the execution of any contracts or other legally binding agreements, make full written disclosure to all parties in a resale transaction when the Member acts as an agent, purchaser or seller of a Vacation Interest in the resale transaction; and
- (3) A Member should not accept compensation from more than one party to a Vacation Interest resale transaction unless written disclosure of the compensation arrangement is made to all parties to the transaction prior to the execution of any binding contracts or agreements.

- b. Disclosure. Statements made in connection with Resale Activity, including all solicitations, should not convey false, unfair, deceptive or misleading information, including with regard to any of the following:

- (1) information that would materially and adversely affect

- prospective buyers' or prospective sellers' decision-making;
- (2) information about the resale market value or availability of buyers, sellers or renters of a Vacation Interest;
  - (3) the steps that will be taken by the Member to promote the sale or rental of the seller's Vacation Interest or any other services provided by the Member;
  - (4) information concerning the Member's experience, performance, services, fees or commissions, availability of refunds and endorsements by or affiliations with any other Member or other party;
  - (5) whether or not the Member or its affiliates, employees or agents hold in any state or jurisdiction a current real estate sales or broker's license or other government required license;
  - (6) the ability of (and the method used by) the Member to find a bona fide transferee or buyer for the consumer's Vacation Interest and the Member's obligations, if any, to pay the consumer's costs of ownership for the Vacation Interest;
- c. Advance Fee. A Member engaged in Resort Resale Activity should, prior to accepting any such advance fee or other consideration:
- (1) Provide to the Vacation Interest owner a written statement and explanation of the purpose of any advance or upfront fee and an estimate of any other additional fees or costs that the owner may incur.
  - (2) Clearly and conspicuously disclose in writing any conditions or requirements that may exist for any refund of any monies to the consumer to occur, such as whether the refund is based on the final selling price of the Vacation Interest.
  - (3) Clearly and conspicuously disclose in writing all services to be provided.
- d. Transaction Records. A Member engaged in Resale Activity should maintain records of completed resale transactions, including, but not limited to, advertising and listing agreements, rental and sales agreements, and the actual sale prices paid.
- e. Approval, Endorsement, and Affiliation. A Member engaged in Resale Activity should neither state nor imply that the Member is approved, endorsed or in any way affiliated with a Vacation Property,



resort, resort management company or a resort's owners' association or its Board of Directors unless such approval, endorsement or affiliation is rendered in writing by the approving, endorsing or affiliating entity. A Member engaged in Resale Activity should not convey or imply that the Member or Vacation Property is affiliated with a recognized or specific hotel or hotel brand, exchange company, cruise ship or cruise line, theme park or any other facility or brand unless by contract, agreement or otherwise, such an affiliation actually exists. A Member engaged in Resale Activity should neither state nor imply that the Member is approved or endorsed by ARDA, nor in any way affiliated with ARDA other than by payment of ARDA membership dues.

- f. Appraisals. A Member engaged in Resale Activity should not require an appraisal of the Vacation Interest as a condition of accepting any listing and should not label an advance fee as an appraisal fee when no actual appraisal is performed.
- g. Escrow Accounts. Escrow accounts should be maintained by any Member engaged in Resale Activity according to all applicable laws.
- h. Closing Company Disclosure. When requested by the buyer or the seller of a Vacation Interest, a Member engaged in Resale Activity should promptly disclose the title company, escrow company, attorney or other party who will be conducting the closing and recordation of transaction documents and any actual or estimated costs therefor.
- i. Resort Information Disclosure. Prior to or simultaneously with execution of transaction documents, a Member engaged in Resale Activity should notify the seller in writing if the seller has an obligation under any applicable law or regulation to state or identify any specific conditions or circumstances at the Vacation Property that may affect the purchaser's decision to purchase that specific Vacation Interest, and the nature of what should be stated or identified.
- j. Occupancy.
  - (1) A Member engaged in Resale Activity should not accept either the use or occupancy rights to a Vacation Interest for any purpose without first providing the owner of the Vacation Interest from which such use rights are derived a full written disclosure of all applicable terms and conditions relating to such acceptance of use or occupancy rights from the owner.
  - (2) The sales contracts used by a Member engaged in Resale Activity should clearly and conspicuously state the first year in which the purchaser will receive the actual use rights and

occupancy of the unit as determined by the Vacation Property, Vacation Interest, resort management firm, as well as any Exchange Company.

- (3) The Exchange Company, the Vacation Property, and the resort management firm should cooperate with the Member engaged in Resale Activity in providing pertinent documentation and the Vacation Property's use and occupancy criteria promptly to a Member requesting the information provided it is legally permissible to do so, and does not otherwise compromise any other legal or other obligation that the Exchange Company, Vacation Property, and the resort management firm may have.

- k. Resort Documents. To facilitate and expedite the negotiation, contracting, closing and funding of timeshare resales, Members engaged in Resale Activity should provide the Vacation Interest resale purchaser the following Vacation Property information: the current actual maintenance fee; yearly ad valorem real estate taxes if billed or collected separately, and any other documents relating to the Vacation Property that are provided to a purchaser of a Vacation Interest in connection with the sale and purchase of a Vacation Interest from the developer. Additionally, all Members engaged in Resale Activity should disclose any limitations placed on the use or occupancy of any Vacation Interest by the developer if such Vacation Interest is resold. For purposes of this paragraph, a Member engaged in Resale Activity may reasonably rely upon information about the Vacation Property provided in writing by its management company or its owners' association (or the Board of Directors of the owners' association) or provided in writing by the seller of the Vacation Interest.

- I. **Professional Resort Management.** These best practices apply in any relationship between a resort manager ("Management") and the Vacation Interest owners, an association and the association's governing board (collectively "Client") where Management provides professional management services to the Client.

1. Competence. Management should accept only those engagements that Management can reasonably expect to perform with professional competence.

2. Service. Management should ensure that all staff have proper job descriptions and are properly and adequately trained in service standards. Management should have sufficient qualified staff, or a formal arrangement with consultants or contractors, to ensure the capable handling of a Client's interests.

3. Continuing Education. Management should provide continuing professional education and training for its staff in all aspects of resort management through attendance at professional courses and self-study courses and other similar professional association conferences and seminars related to the practice of resort management.

4. Compliance. Statutes and regulations governing the resort industry may vary from jurisdiction to jurisdiction and Management should comply with all applicable laws, ordinances and project documents applicable to the Vacation Property and the Client.

5. Management Services. Unless otherwise authorized by the Client or except as otherwise provided in the applicable project documents, Management may include the following professional services:

- a. Fiscal management (budgeting, banking, accounting and audits, and collection)
- b. Resort property maintenance (interior and exterior)
- c. Reservations for owners, guests and exchanges
- d. Check-in and check-out services
- e. Hospitality and other guest services
- f. Housekeeping
- g. Legal compliance
- h. Maintenance of adequate reserves
- i. Safety and security of owners and guests
- j. Continuing communication with owners and guests
- k. Administration of owners' association functions as directed by the Client.

6. Fiscal Management – Budgeting, Accounting and Audits. Management is responsible for handling Client funds properly and may under applicable law have a fiduciary duty to the Client in this regard.

- a. Management should utilize the AICPA Common Interest Realty Association (CIRA) Accounting Guidelines in the preparation of the operating, capital and reserve budgets.
- b. Management is responsible for assuring that all accounting functions are performed in accordance with Generally Accepted Accounting Principles (GAAP).
- c. Management should provide that the Client's financial records are reviewed or audited as required by law or the project documents but in every case reviewed or audited in accordance with Generally Accepted Accounting Principles (GAAP) by a qualified third party or as required by law or the project documents, but at least once every two years.

7. Management's Relationship with the Client.
- a. General Rule. Management should not make any false, deceptive, or misleading statements about the Vacation Property or the status of the association and the association's financial matters.
  - b. Informing the Client. Management should keep its Client reasonably informed about the status of the Vacation Property, promptly respond to reasonable requests for information from the Client, and explain matters to the Client to the extent reasonably necessary for the Client to make informed decisions regarding the Vacation Property.
  - c. Diligence. Management should act with reasonable diligence and promptness in representing the Client's interests and in performing management duties.
  - d. Duty of Loyalty – Avoiding Conflicts of Interests. All potential or actual conflicts of interest should be fully disclosed by Management in writing and with sufficient notice to all potentially affected Clients so that the Clients may be permitted to explore suitable alternatives. The duty of Management is that of full disclosure of the possibility of a conflict of interest, but the Client may still elect to support an act by Management despite such a conflict.
  - e. Duty of Confidentiality. Management has a duty to keep financial records and other records concerning the Client's operations confidential, including any personal information of individual owners. Therefore, measures should be taken to assure that employees of Management will adequately protect the owners' security, privacy and confidentiality of their personal records concerning the resort property, except as may otherwise be provided by applicable law.
  - f. Owners Association Meetings. Management should have the responsibility for the following: soliciting and tallying proxies from any officers, directors and other owners of the association who cannot attend; conducting, or advising those who are conducting association meetings of the requirements of applicable law or the project documents governing the conduct of the meeting, including the quorum requirements; preparing an agenda for the annual meeting and distributing it to all owners along with the proxy solicitation; arranging for the physical setup of the meeting room or virtual meeting technology for the

comfort and convenience of those attending; keeping meeting records; and all other requirements defined in the association's legal documents relating to owners' meetings or as required by law.

- g. Association Fees. Management should use commercially reasonable efforts as permitted by applicable law and the project documents to ensure prompt assessment and payment of association fees by owners. Management should expeditiously pursue any and all available remedies to recover delinquent payments from owners as directed by the Client and to the extent permitted by law.

### III. Protection of Consumers.

1. Lien-Free Title. If the Vacation Interest, including any accommodations, amenities and services (except incidental benefits), cannot be delivered to consumers free and clear of liens and encumbrances affecting use and ownership of the Vacation Interest for its intended purpose, then such liens and encumbrances should be fully subordinated or non-disturbed or the rights of the consumers otherwise protected through a security such as a surety bond or letter of credit from an independent source.
2. Purchaser Funds. Until such time as the Vacation Interest is delivered to the consumer as promised and in accordance with the terms of the purchase contract, the Member should provide either for the escrowing of 100 percent of all funds received from the consumer with an independent third-party escrow agent or for the protection of such funds through a substitute security, such as a surety bond or letter of credit from an independent source in lieu of escrow.

(End of Code of Ethics)



**[THE FOLLOWING IS NOT A PART OF THE CODE]**

The following provisions are in the ARDA Bylaws:

**ARTICLE XII. THE ARDA CODE OF ETHICS**

**SECTION 1. ADOPTION OF THE ARDA CODE OF ETHICS.** The Board of Directors previously adopted the ARDA Code of Ethics, last amended and ratified June 9, 2021 (the “Code”), which may be further amended from time to time.

**SECTION 2. ENFORCEMENT.** The Board of Directors shall adopt and promulgate procedures for suspension or termination of membership privileges, or the availability of programs, activities, and services to non-members, and such other penalties as it may deem appropriate for any determination of failure to comply with the Code.

**SECTION 3. ADVISORY COMMITTEES.** The Board of Directors may dissolve any Advisory Committee (whether denominated a Special Unit, State or Regional Committee, or otherwise) if it finds that it has been the policy or practice of that Advisory Committee to condone or encourage failure to comply with the Code.

**SECTION 4. ETHICS COMMITTEE.** The members of the Ethics Committee shall be appointed by the Chair and CEO/President pursuant to the Code, whose function shall be to review proposed changes and interpretations of the Code. The Ethics Committee shall also undertake enforcement responsibilities as may be assigned to it under the Code. The Chair of the Ethics Committee shall provide a report to the Board at its regular meetings.

**SECTION 5. APPELLATE BOARD.** The Chair and CEO/President shall appoint an Appellate Board consisting of three (3) or more members who meet the qualifications to serve on the Ethics Committee, whose function it shall be to hear appeals under the Code. Recommendations by the Appellate Board shall go to the Board of Directors to make the final determination with respect to the appeal.

**SECTION 6. PERIODIC REVIEW.** The Code shall be reviewed at least every five (5) years. The Code shall be reviewed by a committee consisting of the Chair of the Ethics Committee and such additional members as deemed necessary, but not less than two (2) members appointed jointly by the CEO/President and the Chair. The reviewing committee shall report their recommendations to the Board of Directors.