

CODE OF ETHICS ENFORCEMENT PROCEDURES FOR THE
PROFESSIONAL ASSOCIATION OF TRAVEL HOSTS INC.
ETHICS COMMITTEE

A. Ethics Committee Organization

1. The Ethics Committee shall be comprised of three members and shall report to the Board of Directors of PATH. The term of each member shall be for three years and the terms of the members shall be staggered so that one member's term shall expire each year. Committee member's terms shall run concurrently with the terms of the Board of Directors and Officers of PATH. All appointments to terms shall be made by the President of PATH effective on the first day of the term of the President of PATH.
2. Current Officers of PATH may not serve a member on the Ethics Committee at the same time they are serving as Officers.
3. Members may be re-appointed to successive terms without limitation. In the event a member resigns or is unable to serve, the then current President of PATH shall appoint a replacement committee member for the balance of the unexpired term.
4. The President of PATH shall designate the Chairperson or Vice-Chairperson of the Ethics Committee. The Chairperson and the Vice-Chairperson shall serve one-year terms in such capacity. The Vice-Chairperson shall perform all the duties of the Chairperson at any time that the Chairperson is unable to do so.

B. Allegations

1. Any person, including an Ethics Committee Member (the "Complainant"), may initiate a complaint regarding alleged violations of PATH's Code of Ethics (the "Code") by submitting to PATH's Chief Executive Officer a written complaint (the "Complaint"), signed by the Complainant specifying:
 - a. the identity of the Member who is alleged to have violated either the Code (the "Accused Member") or the nature of the alleged violation; or
 - b. evidence (which may include corroborating statements by other persons or specific information as to persons who may be contacted to provide such corroboration) supporting the allegation(s); and
 - c. Complainant's name, address and telephone number

2. All Complaints shall be promptly forwarded by PATH's Chief Executive Officer to the Ethics Committee Chairperson. If the complaint originates in the market area of the Chairperson, the Chairperson has a personal or professional relationship with any of the parties named in the complaint or is in anyway associated with any individual named in the complaint, PATH's Chief Executive Officer shall forward the complaint to the Vice-Chairperson. (In that circumstance, the Vice-Chairperson shall perform the functions of Chairperson for this Complaint only). Should the Vice-Chairperson have any of the same conflicts as the Chair, the complaint will then be forwarded to another Committee Member, selected on a basis of seniority until a member does not have a conflict.
3. Upon receipt of the Complaint, the Chairperson shall appoint a Review Committee of three to make such inquiries and preliminary investigations as to the matters covered by or related to the Complaint as they deem appropriate. However, allegations based on incidents occurring before the Accused Member became a member of PATH will not be considered further by the Ethics Committee.
4. Within thirty (30) days from the date on which the Complaint is received by the Chairperson, the Review Committee shall reach one of these determinations, in its sole discretion:
 - a. an additional time period of no more than thirty (30) days is needed in order for the Review Committee to determine whether the Ethics Committee should conduct an Inquiry ; or
 - b. further consideration of the Complaint, including a determination as to whether the Ethics Committee should conduct an Inquiry, should be suspended until the completion of other proceedings or the occurrence of other events specified by the Review Committee; or
 - c. the information and evidence set forth in the Complaint together with any additional information subsequently coming to the attention of the Review Committee **do not** constitute sufficient grounds for consideration by the Ethics Committee, or the Complaint contains unreliable or insufficient information or is patently frivolous or inconsequential, therefore, no further investigation shall be conducted and no sanctions shall be considered; or
 - d. the information and evidence set forth in the Complaint together with any additional information subsequently coming to the attention of the Review Committee **does** constitute sufficient grounds for the Ethics Committee to conduct an Inquiry; or
 - e. the Review Committee shall forward its determination to the Chair and/or Vice-Chair of the Ethics Committee who, following proper review and consideration, shall forward the Review

Committee's determination to the PATH Chief Executive Officer.

5. The PATH Chief Executive Officer shall provide prompt written notice to the Complainant of any determination made by the Review Committee. The Complainant shall be advised that they are not entitled to any relief or damages by virtue of this investigation process, although they will receive written notice of any actions taken.
6. In the event of an Inquiry Determination, the PATH Chief Executive Officer also shall provide prompt written notice to the Accused Member:
 - a. that the Complaint has been filed; or
 - b. of the nature of the violations that are the subject of the Complaint; or
 - c. that the Complaint has been referred to the Ethics Committee for an Inquiry; or
 - d. the name(s) of the Complainant(s) will be provided

Such notices to the Complainant and to the Accused shall include a copy of these Enforcement Procedures.

C. Inquiry

1. The Chairperson shall assign two or more Ethics Committee Member(s) ("Investigating Committee Member") the task of conducting an Inquiry as to the merits of the Complaint with the cooperation of the PATH Chief Executive Officer.
2. All inquiries shall be conducted with the utmost confidentiality, with correspondence marked "Personal and Confidential." Only the following people should be advised of an Inquiry:
 - a. the Chairperson; or
 - b. the Investigating Committee Members; or
 - c. the Accused Member(s); or
 - d. the Complainant; or
 - e. others who may have to be contacted as part of the investigation; or
 - f. the Chief Executive Officer of PATH, PATH's Legal Counsel and such PATH Board of Directors as are determined by the Chief Executive Officer of PATH to be essential in order to carry out the purposes of these Procedures.

All persons involved in the conduct of an Inquiry shall exercise their best efforts not to reveal the identity of the Complainant and to maintain

integrity, impartiality and confidentiality of the process.

3. Within sixty days after the date of the Inquiry Determination, the Investigating Committee Members shall issue a written report to the Chairperson with a copy to the PATH Chief Executive Officer. This report shall explain the steps of the investigation and the basis for the recommendation and shall include all related documents, correspondence, and other materials obtained and considered during the investigation. Included in this report must be one of the following recommendations:
 - a. no hearing is needed; or
 - b. no hearing is needed but a Letter of Warning should be sent; or
 - c. a hearing should be conducted.

In the event the report recommends conducting a hearing, the Chief Executive Officer, the Chairperson and if necessary, PATH's Legal Counsel, shall determine whether there is sufficient evidence to proceed with a hearing. If the Chairperson determines there is not sufficient evidence, the Chairperson may request the Investigating Committee Member to pursue additional information. Within thirty (30) days of receiving such a request, the Investigating Committee Member shall obtain, if possible, and submit to the Chairperson and PATH's Chief Executive Officer, such supplemental information.

4. Within thirty (30) days after his or her receipt of such report, the Chairperson shall make a recommendation to the PATH's Chief Executive Officer in writing regarding which of the three actions is warranted. If the Chairperson has requested additional information, he or she shall send the recommendation to the Chief Executive Officer within fifteen (15) days of receiving the supplemental information, or of being informed by the Investigating Committee Member that such information would not be available.
5. Within ten days after receipt of the Chairperson's recommendation, the PATH Chief Executive Officer shall provide written notice to the Accused Member indicating which of the following recommendations the committee has decided:
 - a. A letter is sent indicating there will be no Letter of Warning issued, and no sanctions will be considered with respect to the Complaint.
 - b. A Letter of Warning is sent to the Accused Member. This Letter indicates that there was or there is the potential for impropriety which does or could border on a violation of the Code. Additionally, the Letter of Warning shall stipulate that a hearing may be convened, should additional complaints be received or

further evidence be received that indicates a violation has occurred.

- c. A letter is sent indicating that there will be a hearing and it will be scheduled not less than thirty (30) days and not more than sixty (60) days following the date of the letter, unless a later date is reasonably requested by the Accused Member and agreed to by the Chairperson.

D. Member's Ethics Hearing

1. Unless the Chairperson and the PATH Chief Executive Officer decide otherwise, a single hearing will be conducted regarding the same or similar complaints.
2. Notice of the Hearing shall be issued to the Accused Member(s), the Complainant and the members of the Hearing Panel (the "Parties"). The Hearing Panel shall be composed of the Chairperson and/or Vice-Chairperson of the Ethics Committee and at least two other individuals selected by the Chairperson, who have not been involved in the Inquiry and do not have a conflict of interest with the Complainant or the Accused Member. Included in this notice will be:
 - a. the date, location and times of the hearing; (telephone conference is allowed).
 - b. the names and addresses of the Parties;
 - c. copies of all written evidence pertaining to the Complaint that has heretofore been obtained by PATH in the course of the Inquiry, including the Complaint, and the report of the investigating Committee Member;
 - d. a statement that the Accused Member is entitled to submit a written statement or any other written materials to the Ethics Committee prior to the Hearing; and
 - e. a statement that all participants, including PATH, are entitled to legal counsel and may bring further written evidence or materials to the Hearing; and
 - f. a statement that the Accused Member has been asked to appear and must notify PATH, in writing, not less than fourteen days prior to the hearing whether they will attend. In the absence of such notice, the Hearing Panel may conduct a telephone hearing in which the Accused Member may participate. Should the Accused Member not respond or participate in such a telephone hearing, the Hearing Panel shall act without his or her involvement.

3. A recording secretary or stenographer shall record the Hearing and a transcript of such record shall be provided to each Party, upon request and payment to PATH for costs.
4. Three members of the Hearing Panel, including the Chairperson or Vice-Chairperson, shall qualify as quorum with a majority of those present necessary to reach any decision.
5. The Hearing shall be conducted under the following procedures:
 - a. hears Complainant and/or other witnesses outlining the allegations; receive any written evidence; or
 - b. hears the report of the Investigating Committee Member(s); or
 - c. hears the Accused Member(s) and/or witnesses called by him/her, and then receive any written evidence; or
 - d. hears the Complainant's rebuttal; or
 - e. hears any final comments from the Investigating Committee Member(s); or
 - f. hears the Accused Member's rebuttal to any charges.

All Hearing Panel members are able to question or seek additional clarification at each of these steps in the presence of the Accused Member.

6. Immediately following the Hearing, the Hearing Panel shall reconvene in executive session to reach a decision.

The Investigating Committee Member(s), the Complainant and the Accused Member shall not be present during the deliberations and voting. These individuals may be called back to answer questions during deliberations.

The decision shall be issued in writing by the Chief Executive Officer within thirty (30) days after the Hearing. All Parties involved shall be advised in writing of the decision.

The Hearing Panel can generally reach one of these two decisions:

- a. dismiss the charges, in which event, there is no further recourse within PATH; or
- b. determine the Accused Member has committed a violation of one or more of the sections of the Code and is subject to sanction.

E. Sanctions

If the Hearing Panel determines an Accused Member has violated one or more provisions of the Code of Ethics and a sanction is required, the following sanctions are available:

1. **Admonishment** --- The Hearing Panel can instruct the PATH Chief Executive Officer to issue a letter to the Accused Member admonishing his or her actions and warning of the consequences of subsequent violations.
2. **Censure** --- The Hearing Panel can instruct the PATH Chief Executive Officer to issue a letter of censure to the Accused Member.
3. **Suspension** --- The Hearing Panel can recommend to the PATH Officers that the designation or designations of the Accused Member be suspended for one year. If such recommendation is approved by a vote of the majority of the Board of Trustees, such suspension shall become effective as of the date of that meeting.

If majority vote is not obtained, the Accused Member shall be censured. The PATH Chief Executive Officer shall send a written notice of any suspension or censure to all parties.

4. **Revocation** --- This sanction is reserved for the most serious of offenses. The Hearing Panel can recommend to the Board of Directors the PATH membership of the Accused Member be revoked. If such recommendation is approved by a vote of the Directors, such revocation shall become effective as of the date of the meeting.

If revocation is not obtained, a second vote shall be taken with respect to a one-year suspension in accordance with Section F.3 hereof. If the required majority vote is not obtained, the Accused Member shall be censured. The PATH Chief Executive Officer shall send a written notice of any revocation to all Parties.

5. **Resignations or Other Settlement** --- In lieu of the imposition of any sanctions, the Board of Directors may, by a majority vote, determine to accept the resignation of the Accused Member or to accept other arrangements in the nature of settlement proposed by the Accused Member. The terms of any such resignation or other settlement arrangements shall be as determined by the Board of Directors. If the Accused Member submits a resignation in lieu of accepting sanctions as determined by the Ethics Hearing Panel, the Accused Member will not be permitted to request reinstatement.

The Board of Directors reserves the right to review the decision of the Hearing Panel regarding any SUSPENSION or REVOCATION. This review is initiated by the Chief Executive Officer of PATH appointing three Directors (all independent of the Complainant or Hearing Panel) whose sole focus is to determine if the Hearing Panel recommendation was inappropriate either because of material errors of fact or because the Panel failed to substantially conform to PATH's published criteria, policies, or procedures or upon request of the accused Member.

An announcement of a suspension, revocation or other sanction considered severe by the Ethics Committee shall be published in travel industry periodicals.

The announcement shall include the name(s) of the Member(s), the type of sanction(s) and the section(s) of the Code which were determined to have been violated.

F. Special Situations

1. State or Regulatory Body Revocation --- If any state or regulatory body requiring a certificate, license, permit or other type credential to act as a Host Travel Agency revokes such credential of a PATH Member for cause, then such PATH membership shall be revoked by PATH automatically.
2. Non-Payment of Members Fees --- In the event a Member has not made timely payments of member's fees after reasonable notices and attempts to contact the member, the membership may be suspended.
3. Conviction of a Felony --- If a Member is convicted of a felony or enters a "no contest" or "guilty" plea regarding any felony, the Member shall be revoked immediately by the PATH Chief Executive Officer. Notice of such action shall be provided to the Member, and the Ethics Committee.
4. Failure to Cooperate --- If a Member fails to cooperate in an Inquiry by not providing or withholding requested documents, destroying documents, refusing to answer questions or cooperate with the investigation or inquiry, the Chairperson after consultation with PATH's Legal Counsel and Chief Executive Officer, shall suspend the member(s) immediately until such time as the requested information is provided or a final decision is reached. Should the Member's actions of withholding information or documents, impede or obstruct the investigative process, thereby prohibiting the appropriate investigative body from accomplishing their task, then PATH shall have the right and privilege to revoke the membership.

G. Reinstatement Provisions

1. A sanctioned individual or company (“Former Member”) may apply to PATH for reinstatement, subject to the provisions contained herein. The Former Member understands that PATH gives no assurance of reinstatement by accepting a request.
2. The standing PATH Ethic’s Committee or Review Board which recommends the initial designation (that was sanctioned) will review and recommend approval or rejection of a reinstatement request, taking into consideration these factors:
 - a. the original cause(s), facts and circumstances surrounding the decision to suspend or remove the Member; and
 - b. the Former Member’s current situation; and
 - c. how the Former Member has addressed the original reason(s) for Member removal.
3. No reinstatement request will be considered unless:
 - a. the Former Member meets all the current qualifications for re-designation, as if no loss of membership had occurred; and
 - b. all past and current unpaid PATH membership fees must be paid; and
 - c. the request is received in writing at the PATH office, on or before the fifth anniversary of the date of the letter informing the Former Member of the Member’s removal.
4. PATH has no obligation to issue reminders regarding reinstatement requirements or time limits. Each Former Member shall have received a copy of these Procedures and therefore is appropriately advised. Should a Former Member request reinstatement after the one-year limit and before the five year anniversary, the appropriate Committee or Review Board will determine the requirements for reinstatement.

H. Application of Procedures

1. A Member is subject to the Code of Ethics Procedures in effect when the Complaint is received.
2. A Former Member is subject to the reinstatement provisions in effect when a request for reinstatement is received.
3. PATH reserves the right to amend these Procedures as it determines is appropriate.
4. Should a court determine that one or more of these Procedures are unenforceable, the rest of the Procedures remain in force.

