

CHAPTER XII
INTERNATIONAL OFFICE & STAFF

A. LCI'S SALARY ADMINISTRATION PROGRAM

LCI administers salary administration programs in each country in compliance with their laws and/or customs. The salary administration program recognizes performance, ability, local market rates and, where appropriate, longevity. The percentage of adjustments made to the salary structure and salary increase budget will be reported to the Executive Committee and the Finance and Headquarters Operation Committee. These adjustments will be in accordance with each country's local labor laws and existing labor market rates.

1. When appropriate to a country's customs, a job description shall be written and a salary range established for each position of employment in the association.
2. Salary surveys shall be conducted at least annually to assure the salary ranges and salary increase budget figures used by the association are comparable to salaries paid by existing labor market. The salary budget figures shall be reviewed and approved by the Finance and Headquarters Operation Committee at the March/April board meeting. Appropriate adjustments to salary ranges shall be reported to the Finance and Headquarters Operation Committee.
3. Managers are responsible for instituting the process of performance review and, if merited, salary increases. A performance review shall be conducted for all employees at least annually. No salary increases shall be processed without a performance review. In the case of the administrative officers, a performance review shall be conducted annually by the Executive Committee.
4. Salary increases shall be subject to approval by management, the treasurer, and the executive director. A budget figure for salary increases for division managers shall require the approval of the Executive Committee of the International Board of Directors. Salary increases and/or bonuses for administrative officers shall be determined individually by the Executive Committee.

B. BOARD MEETINGS & CONVENTION TIME OFF

Board Meetings and Conventions – A maximum of two workdays off may be given, in the discretion of the executive director, in recognition of extra services performed by personnel at board meetings and conventions. The executive director and the president, jointly, shall also have the authority to authorize additional time off in exceptional circumstances, not to exceed two days, for a total of ten days per year.

C. DIVISION MANAGERS AND STAFF

The hiring and dismissing of division managers will be done by the executive director in consultation with the international president and executive committee. The executive director shall have the full authority to hire and dismiss all other LCI staff in accordance with local labor laws and customs.

D. LABOR LAWS

The board of directors shall and hereby does direct the executive administrative officer to take all steps necessary to place the association, as an employer, in compliance with the labor and social benefit laws of countries where it has employees.

E. TRAVEL RULES

1. Travel Rules – Division Managers

When accompanied by an adult companion to board meetings and conventions, division managers shall be allowed 25% of the companion's fare, up to a maximum of \$750, unless otherwise provided in employment agreements.

Division manager's air transportation shall be business class when scheduled flying time exceeds ten hours, not including time on the ground for connecting flights. The executive director shall have authority to approve business class fares for other staff members when job duties, excessive scheduled flying time, or other circumstances, in the opinion of the executive director, would warrant such approval.

2. Convention Travel Rules – Department Managers

When accompanied by an adult companion to convention, department managers shall be allowed 25% of the companion's fare, up to a maximum of \$500, unless otherwise provided in employment agreements.

3. Mileage Allowance

All employees of Lions Clubs International, who are authorized to use their car or cars on Lions Clubs International business, shall be paid a reasonable mileage allowance in accordance to the customary practice of their respective countries.

4. Advance for Expenses

All employee expense claims shall be submitted at least monthly. If an advance has been issued, repayment shall be settled no later than thirty days after the trip has been completed.

F. GROUP INSURANCE PLANS FOR EMPLOYEES

Lions Clubs International may provide a group insurance plan for employees in accordance with their local labor laws and customs.

G. RETIREMENT

1. Retirement Income Plan

Lions Clubs International may provide a retirement income plan for employees in accordance with the customs and/or laws of their country. Benefits and provisions of the plan for U.S. employees are detailed in the master plan document and amendments, which have been approved by the International Board of Directors.

2. Retirement Plans

The Finance and Headquarters Operation Committee has responsibility for the overall administration of the LCI Retirement Income Plan and the LCI 401(k) Savings Plan (retirement plans). The duties and responsibilities are described in Exhibit E.

H. PAID TIME OFF POLICY

All U.S. and non-U.S. LCI full-time employees will be given paid time off (i.e. vacation, holidays, sick leave, bereavement leave, etc.) in accordance with local labor laws and customs as administered by the Human Resources Department. Any significant changes would be reviewed with the Finance and Headquarters Operation Committee.

I. OTHER FRINGE BENEFITS, HOURS, ETC.

1. 401K Savings Plan

U.S. LCI employees may be eligible to participate in a 401K savings plan. Non-U.S. LCI employees will receive benefits in accordance with their local labor laws and customs.

2. Service Recognition

LCI employees will be given service recognition awards after 5 years and at 5-year intervals thereafter.

3. Headquarters Hours of Operation

With the exception of staff necessary to operate services required before 8:00 am or after 4:30 pm as approved by the executive director, the headquarters office hours of business shall be 8:00 am to 4:30 pm CST.

4. Employee Training Program

Lions Clubs International shall have a program whereby U.S. employees hereafter shall have the opportunity to attend job-related seminars and schools with full reimbursement, subject to rules and procedures hereinafter (see EXHIBIT A).

In-house and external seminars and workshops may be presented based on association needs as determined by management subject to rules and procedures hereinafter (see EXHIBIT B).

5. Employment of Relatives

With regards to U.S. LCI employees, it is Lions Clubs International's policy not to hire the relatives of any current employee for any full-time position within the organization. Additionally, the relatives of any current employee may not be employed in a part-time position in the same department. For the purposes of this policy, "relatives" are defined to include spouses, children, parents, siblings, grandparents, grandchildren, or corresponding in-law or "step" relation.

In the event that an employee becomes related to another employee during their employment with the association, the employees must notify the Human Resources Department with as much advance notice as possible. In such a situation, Lions Clubs International will not permit related employees to work in the same department and will not allow any employee to be supervised by a relative at any level in the direct chain of

command. In order to avoid any actual or potential conflicts of interest or favoritism, Lions Clubs International may, at the discretion of its management: (a) require one or both of the related employees to transfer to a position in another department, if an alternate position is available and the employee is qualified for that position, or (b) require one or both of the related employees to resign from their employment with the association. Lions Clubs International does not guarantee that alternate positions will be available for employees who become related during their employment with the association. Non-U.S. LCI employees will comply in accordance with their local labor laws and customs.

6. Medical Checkups for Administrative Officers and Division Managers

The association shall pay the cost for annual medical checkups for administrative officers and division managers. Such payment shall be limited to reasonable and customary rates as obtained annually by the Human Resources Department and shall not include any medical expenses provided under the group insurance plan for employees.

J. GENERAL

1. Reimbursement of Salaries and Expenses in Local Currency

Reimbursement to employees for salaries and expenses shall be made in the currency of the country in which they are employed.

2. Gifts From Commercial Licensees

The International Board of Directors hereby prohibits all employees of the association from accepting gifts of any kind from both the commercial licensees of the association as well as those who seek to become such licensees.

3. Staff Candidacy for International Office

Any member of staff intending to seek election or otherwise announce his/her candidacy for the offices of vice district governor, district governor, council chairperson, international director, or international executive officer, must resign his/her employment with the association at least two years prior to the date of the convention where he/she intends to seek election.

4. **Speaking Assignments**

Except in extraordinary circumstances approved by the president and executive director, international headquarters staff shall not be assigned as speakers representing Lions Clubs International at Club, District or Multiple District functions.

EXHIBIT A

REIMBURSABLE U.S. EMPLOYEE TRAINING PROGRAM – RULES AND PROCEDURES

	ALL EXEMPT EMPLOYEES	ALL OTHERS
Eligibility	All full-time	All full-time
Restrictions to kinds of Seminars or courses	Must be job-related	Must be job-related
Annual limit to individual reimbursement	US\$1300 (effective July 1, 2006) including fees and materials, but not travel	US\$650 (effective July 1, 2006), including fees and materials, but not travel
Reimbursement agreement	100% for passing grade 0% for failing grade	100% for passing grade 0% for failing grade
Approval Sequence		
Budget Control and Record Keeping	Human Resources Department	Human Resources Department
Acceptability of school, Sponsor and/or instructor	Human Resources Department	Human Resources Department
Approval or non-approval of individual request for participation	For Department Managers and Other Non-Management Exempt Staff By Division Manager and Executive Director, or in his/her absence, the Treasurer, with advice of Human Resources Department For Division Managers: By Executive Director, or in his/her Absence, the Treasurer, with advice Of Human Resources Department	For All Non-Exempt Staff: By Department Manager, Division Manager, and Executive Director, or, in his/her absence, the Treasurer, with advice of Human Resources Department

EXHIBIT B

HEADQUARTERS' TRAINING PROGRAM – RULES AND PROCEDURES

	ALL EXEMPT EMPLOYEES	ALL OTHERS
Eligibility	All full-time	All full-time
Expense	Association pays all in advance	Association pays all in Advance
Approval Sequence:		
Budget Control and Record Keeping Department	Human Resources Department	Human Resources
Acceptability of school, sponsor and/or instructor	Human Resources Department	Human Resources Department
Approval or non-approval of requests	For Department Managers and Other Non-Management Exempt Staff By Division Manager and Executive Director, or in his/her absence, the Treasurer, with advice of Human Resources Department	For All Non-Exempt Staff: By Department Manager, Division Manager, and Executive Director or In his/her absence, the Treasurer, with advice of Human Resources Department

EXHIBIT C

ETHICAL CONDUCT CODE

Ours is a business of service, and the manner in which the service is rendered is fully as important as the service itself. Our members, the International Board, officers, co-workers and communities expect honest and ethical conduct from each of us every day. No act or request on the part of the members, officers and the clubs within our association to whom and for whom we render services can justify the breach of this guideline. Honest and ethical conduct is defined by four core values that serve as the foundation for our Ethical Conduct Code:

Integrity – Lions Clubs insists on the highest standards of personal and professional integrity. We must all make every possible effort to safeguard the association’s assets. We must also comply with all association policies and applicable laws.

Accountability – Lions Clubs expects all employees to honor the commitments made on behalf of the association and take individual responsibility for all actions and outcomes. We have a zero tolerance policy for ethical violations.

Teamwork – Lions Clubs seeks to maintain a work environment that encourages innovation, creativity and positive results through teamwork. We must all practice leadership to train, inspire and promote full participation and career development for all employees. We encourage open and effective communication and interaction.

Excellence – Lions Clubs is dedicated to fair treatment, mutual respect, diversity and trust. We must challenge each other to improve our services, our processes and ourselves. We must strive together to serve our membership and help the association achieve its goals.

Your job here begins with understanding of Lions Clubs’ core values and Ethical Conduct Code; however, your role in the association demands an ongoing vigilance to maintain these standards of honest and ethical conduct. Additionally, this handbook contains other policies that are part of Lions Clubs’ Ethical Conduct Code, such as: Employment Policy, Anti-Discrimination Guidelines, Alcohol & Drug Guidelines, PC Hardware/Software Guidelines, Internal E-Mail Policy, Disciplinary Policy, Conflict of Interest Policy, Fraud Policy, Gifts Policy, (other policies and policies contained in the Management Personnel Policy Manual). If any ethical or legal compliance issue arises that raises a question in your mind, you have a responsibility to bring that issue to the attention of management. As set forth in Lions Clubs’ Conflict Resolution Procedure, you should bring ethical or legal compliance issues to the attention of your immediate supervisor, your Department Manager, your Division Manager, or the Human Resources Department. You may also bring any ethical or legal compliance issues to the attention of the Administrative Officers (the Executive Director, Treasurer, or Secretary) or the Legal Division.

Lions Clubs’ Ethical Conduct Code, along with the policies contained in this handbook provide a guide to help you understand what is expected from you and to help you make good decisions. Please join us in continuing Lions Clubs’ tradition of honest and ethical practices in serving millions of people in need.

EXHIBIT D

FRAUD

Lions Clubs International considers acts of fraud, misrepresentation or any other form of dishonesty committed by its employees to be reprehensible and such conduct will subject offending employees to strict disciplinary actions, up to and including termination of employment and possible civil and/or criminal action. While no list can identify all forms of fraud or dishonesty, some examples include submitting false expense reports, falsifying time sheets, association records, association financial reports or other association documents, abuse of sick time, theft, forging or altering checks, misappropriating association assets or funds, misusing association property and unauthorized handling or reporting of transactions. These are just a few examples. If you experience or witness any activities you think may be fraudulent, you have a *responsibility* to bring those activities to the attention of management. As set forth in Lions Clubs' Conflict Resolution Procedure, you should bring fraud or legal compliance issues to the attention of your immediate supervisor, your Department Manager, your Division Manager, or the Human Resources Department. You may also bring any fraud or legal compliance issues to the attention of the Administrative Officers (the Executive Director, Treasurer, or Secretary) or the Legal Division.

EXHIBIT E

Lions Clubs International Retirement Plans

The following applies to the oversight of The Retirement Income Plan for Employees of the International Association of Lions Clubs and The International Association of Lions Clubs 401(k) Savings Plan (i.e. retirement plans).

Retirement Plans Oversight

Oversee the retirement plans administration and management of assets. This responsibility includes the following:

- Ensure compliance with all Employee Retirement Income Security Act (ERISA) fiduciary requirements
- Periodically review and approve the structure of the retirement plans
- Monitor compliance with investment policies and guidelines
- Ensure that the investment performance objectives are being met
- Periodically review the plan's investment policy statement to ensure their appropriateness
- Oversee the administration of the plan

Retirement plans administrative duties. The Finance & Headquarters Operation Committee delegates the day-to-day administrative duties of each plan to the Administrative Officers to ensure the plans are being administered in accordance with the terms and conditions of the plan documents.

Finance & Headquarters Operation Committee Duties and Responsibilities Pension

Plan:

- Review provisions of the plan
- Develop and maintain investment policy and investment guidelines/objectives
- Determine asset allocation
- Monitor investment manager performance
- Establish funding policy
- Approve any recommendation to change vendors / providers / fund managers / investment consultants, etc.

Retirement plans administrative duties. The Finance & Headquarters Operation Committee delegates the day-to-day administrative duties of each plan to the Administrative Officers to ensure the plans are being administered in accordance with the terms and conditions of the plan documents.

401(k) Plan:

- Review provisions of the plan
- Develop and maintain investment policy statement
- Ensure compliance with the Department of Labor regulations under code Section 404(c), which defines the employer's and participant's responsibilities and liabilities
- Monitor the performance of recordkeeper and funds
- Review provider fees periodically for reasonableness
- Approve any recommendation to change vendors / providers / fund managers / investment consultants, etc.

The Administrative Officers in conjunction with Human Resources staff will be responsible for the following:

Pension Plan and 401(k) Plan:

- Evaluate and select investment managers within the Investment Policy Statement Guidelines.
- Interpret and apply the plans' eligibility requirements
- Determine eligibility for a benefit
- Determine the amount of a benefit
- Establish procedures and monitor compliance with procedures
- Qualified Domestic Relations Order Claims and Appeals coordination with vendors/outside counsel
- Employee communication/education
- Internal Revenue Service, Department of Labor, and Pension Benefit Guaranty Corporation reporting compliance
- Initiate and execute routine plan amendments necessary to keep the plan document in compliance with government regulations (i.e. Pension Protection Act of 2006, Economic Growth & Tax Relief & Reconciliation Act of 2001, etc.) as advised by Human Resources Department and/or legal counsel
- Review performance of investment managers and investment funds quarterly and report results to the Finance & Headquarters Operation Committee at least quarterly

The Administrative Officers are authorized to sign routine documents relative to the The Retirement Income Plan for Employees of the International Association of Lions Clubs and The International Association of Lions Clubs 401(k) Savings Plan on behalf of Lions Clubs International.