

# EXIT PLANNING INSTITUTE

## Code of Ethics & Professional Standards Effective January 1, 2009

### OVERVIEW OF STANDARDS OF ETHICAL CONDUCT

As with other recognized professional associations, exit planning professionals have an obligation to business owners, their profession, the clients they serve, and themselves, to maintain the highest standards of ethical conduct. In recognition of this obligation, the Exit Planning Institute has promulgated the following standards of ethical conduct for exit planning professionals. Members of the Exit Planning Institute agree that they shall not commit acts in violation of these standards nor, shall they condone the commission of such acts by others within their organizations.

### COMPETENCE

Members offering exit planning services have a responsibility to:

- Maintain an appropriate level of professional competence by ongoing development of their knowledge and skills.
- Perform their professional duties in accordance with relevant laws, regulations, and technical standards.
- Prepare complete and clear reports and recommendations after appropriate analyses of relevant and reliable information.

### INTEGRITY

Members offering exit planning services have a responsibility to:

- Avoid actual or apparent conflicts of interest and to advise all appropriate parties of any potential conflict.
- Refrain from engaging in any activity that would prejudice their ability to carry out their duties ethically.
- Refuse any gift, favor, or hospitality that would influence or would appear to influence their actions.
- Refrain from either actively or passively subverting the attainment of the organization's legitimate and ethical objectives.
- Recognize and communicate professional limitations or other constraints that would preclude responsible judgment or successful performance of an activity.
- Communicate unfavorable as well as favorable information and professional judgments or opinions.
- Refrain from engaging in or supporting any activity that would discredit the profession.

### OBJECTIVITY

Professional members offering exit planning services have a responsibility to:

- Communicate information fairly and objectively to all clients, prospects, and professional advisors.
- Disclose fully all relevant information that could reasonably be expected to influence an intended user's understanding of the reports, comments, and recommendations presented.

### CONFIDENTIALITY

Members offering exit planning services have a responsibility to:

- Refrain from disclosing personal and/or business confidential information acquired in the course of their work except when authorized, unless legally obligated to do so.

- Inform subordinates as appropriate regarding the confidentiality of information acquired in the course of their work and monitor their activities to assure the maintenance of that confidentiality.
- Refrain from using or appearing to use confidential information acquired in the course of their work for unethical or illegal advantage either personally or through third parties.

## **ARTICLE 100 PROFESSIONAL STANDARDS & CODE OF ETHICS**

### **101-COMPLIANCE WITH CODE OF ETHICS & PROFESSIONAL STANDARDS**

**101.1** Members shall comply with the Code of Ethics & Professional Standards ("Professional Standards") of the Exit Planning Institute ("EPI" or the "Institute ") as they may be constituted or modified from time to time, and with any order or resolution of the Board of Governors of the Exit Planning Institute except where such compliance conflicts with a Member's obligations under applicable federal or state laws, or applicable by-laws, regulations, professional standards or codes of ethics of any nationally recognized legal, securities or accounting professional association.

**101.2** Each Member shall provide a declaration as shall be requested by the Exit Planning Institute that he or she agrees to comply with the Professional Standards of the Exit Planning Institute as they may be constituted from time to time and with any order or resolution of the Board of Governors of the Exit Planning Institute.

**101.3** These Professional Standards have been prepared for the use and guidance of the Exit Planning Institute Members. It is not the intent of the Exit Planning Institute for these Professional Standards to establish legal practice standards or standards of care. The purpose of these Professional Standards is to assist the EPI Members in serving their clients, enhancing the quality of service provided to their clients, and avoiding negligence or malpractice claims, including meritless and frivolous claims. To that end, the intent of these Professional Standards is to advise Members how to conduct their practice in a manner that is well above the minimum legal standards.

### **ARTICLE 102 REPUTATION OF THE PROFESSION**

**102.1** A Member shall conduct herself or himself at all times in a manner which will maintain the good reputation of the profession and of the Exit Planning Institute.

**102.2** A Member shall not engage in conduct or perform any act relevant to the practice of the profession that, having regard to all of the circumstances, would reasonably be regarded by Members as disgraceful, dishonorable or unprofessional.

### **ARTICLE 103 INTEGRITY AND DUE CARE**

**103.1** A Member shall perform his or her professional services with integrity, good faith and due care.

**103.2** A Member has a duty, in the practice of his or her profession, to be competent, conscientious, knowledgeable, diligent, and efficient.

### **ARTICLE 104 MAINTAINING PROFESSIONAL COMPETENCE**

**104.1** A Member is encouraged to participate in the Exit Planning Institute's educational, training and certification programs as a student, instructor or administrator. Each Member is encouraged to share his/her non-confidential experience and knowledge with other Members for the betterment of the Exit Planning Institute and its Members.

## **ARTICLE 105 FALSE OR MISLEADING DOCUMENTS AND ORAL REPRESENTATIONS**

**105.1** A Member shall not:

- (i) Sign or associate himself or herself with any letter, report, statement or representation which he or she knows, or should know, is false or misleading, whether or not such letter, report, statement or representation is subject to a disclaimer of responsibility, or
- (ii) Make any oral report, statement or representation which he or she knows, or should know, is false or misleading.

## **ARTICLE 106 COMPLIANCE WITH PROFESSIONAL STANDARDS**

**106.1** A Member shall perform her or his professional services in accordance with the generally accepted standards of the practice of the profession, including the Professional Standards, as may be adopted or modified by the Exit Planning Institute from time to time.

## **ARTICLE 107 ABIDE BY CODE**

**107.1** A Member shall encourage a professional partnership or company with which the Member is associated as a partner, principal, director, officer or employee to abide by the Professional Standards of the Exit Planning Institute.

**107.2** A Member who employs or retains and directly supervises non-members in the provision of professional services shall be responsible for the compliance by such nonmembers with the Professional Standards of the Exit Planning Institute.

## **ARTICLE 108 CONFIDENTIALITY OF INFORMATION**

**108.1** Pursuant to the terms of the engagement agreement with the Client, a Member shall hold in strict confidence all information concerning the business and affairs of a client acquired in the course of the professional relationship. Such confidential information shall not be used by the Member to the detriment of the Client during the engagement. No such confidential information shall be disclosed to others except with the consent of such Client, where required by law to do so, or where made public through other means.

**108.2** Notwithstanding Rule 108.1, it is not a violation of these Professional Standards for a Member to disclose information which is otherwise confidential to the Client in order to defend the Member or her or his associates, partners or employees against alleged professional misconduct, or in any legal proceeding for recovery of unpaid professional fees and disbursements, but only to the extent necessary for such purposes. It is recommended that the terms of the engagement with the Client include provisions for such disclosures.

## **ARTICLE 109 DUTY TO REPORT BREACH OF RULES OF PROFESSIONAL CONDUCT**

**109.1** A Member is encouraged to notify the Board of Governors of the Exit Planning Institute, or its designee, of any apparent significant breach of the Professional Standards or any significant event which places in question the competence, reputation or integrity of a Member; provided however that this rule shall not apply to a Member who is under a specific legal requirement or any order of a court or other authority which would preclude the disclosure of confidential information.

## **ARTICLE 110 FEES OR REMUNERATION**

**110.1** A Member shall not, in connection with any service provided to a client or transaction involving a client, hold, receive bargain for, become entitled to or acquire any fee, remuneration or benefit without the client's knowledge and written consent. Written consent shall consist of consent given in writing or given via electronic means.

## **ARTICLE 111 ADVERTISING AND ENDORSEMENTS**

**111.1** A Member shall not advertise or solicit, directly or indirectly, in any manner

- (i) Which the Member knows, or should know, is false or misleading,
- (ii) Which contravenes professional good taste or fails to uphold professional courtesy
- (iii) Which reflects unfavorably on the competence or integrity of the profession, the Exit Planning Institute or any Member thereof, or
- (iv) Which involves a statement the Member cannot substantiate.

## **200 EXIT PLANNING INSTITUTE IDENTIFICATION PROTOCOLS**

### **ARTICLE 201 USE OF LOGOS, DESCRIPTIONS, WEBSITE LINKS AND MEMBERSHIP STATEMENTS**

**201.1** Upon achieving membership in the Exit Planning Institute and during the term of membership, Members are allowed to utilize the following data (the "Data") in conjunction with their business operations:

- (i) The Exit Planning Institute authorized logos (Schedule "A").
- (ii) Authorized descriptions of the Exit Planning Institute (Schedule "B").
- (iii) Links to the Exit Planning Institute website, and specific Member profiles in the directory section of the Exit Planning Institute website (Schedule "C").
- (iv) Membership identification statements (Schedule "D").

### **ARTICLE 202 CERTIFIED EXIT PLANNING ADVISOR (CEPA)**

**202.1** If a Member has undertaken the requisite training program, has achieved the mandatory passing grades, and has been awarded the certification of Certified Exit Planning Advisor ("CEPA"), the Member is also authorized to use both the "Certified Exit Planning Advisor" and the "CEPA" certifications in conjunction with their business operations.

**202.2** The designations "CEPA" and "Certified Exit Planning Advisor" attach to an individual Member and not to a partnership, corporation or other business entity. A Member with such certification may use the certifications on letterhead, business cards, reports, articles or other promotional and advertising material only in connection with her or his name.

### **ARTICLE 203 TERMINATION OF MEMBERSHIP**

**203.1** Once a Member ceases to maintain membership status, for any reason, she or he shall immediately cease to utilize any and all Data or certifications related to the Exit Planning Institute.

### **ARTICLE 204 EXCLUDED DATA**

**204.1** No Member has the right to utilize any data excluded for use by the Board of Governors of the Exit Planning Institute, and specifically any of the logos, descriptions, website links, or affiliation statements with any of the Exit Planning Institute corporate sponsors ("Sponsors"). Any reference to Sponsors must be made in the context of the relationship of the Sponsor to the Exit Planning Institute, and not to individual Members or Member firms.

### **ARTICLE 205 VIOLATIONS OF IDENTIFICATION PROTOCOLS**

**205.1** Use of any reference to the Exit Planning Institute, or membership in the Exit Planning Institute, other than those authorized in the Exit Planning Institute Identification Protocols is prohibited.

## **300 RELATIONS WITH MEMBERS**

### **ARTICLE 301 COURTESY AND CONSIDERATION**

**301.1** A Member shall treat other Members with the courtesy and consideration due between professional colleagues and which, in turn, the Member would wish to be accorded by the other Members.

### **ARTICLE 302 FALSE OR MALICIOUS STATEMENTS**

**302.1** A Member shall not injure or attempt to injure by false or malicious statements, directly or by innuendo, the professional reputation or prospects of any Member, or other professional providing similar services.

## **400 CONDUCT OF PROFESSIONAL PRACTICE**

### **ARTICLE 401 TERMS OF ENGAGEMENT**

**401.1** Prior to providing exit planning services, Members are encouraged to have a written engagement agreement or contract between the Member and client, covering the nature of the assignment, the subject matter of the assignment, scope of work, and amount or basis for the fees.

### **ARTICLE 402 DISCHARGE OR WITHDRAWAL OF SERVICES**

**402.1** A Member shall not withdraw his or her services except for good cause and upon such notice as is appropriate for the circumstances. Upon discharge or withdrawal, the Member should transition the matter, including all papers and property to which the Client is entitled, to the Client or the Client's designee, give the Client all information which may be required in connection with the matter, and promptly render an account for outstanding fees and disbursements.

### **ARTICLE 403 RETENTION OF DOCUMENTS AND WORK PAPERS**

**403.1** If required by applicable law, a Member shall retain documentation and working papers which reasonably evidence the nature and extent of the work done in respect of any professional engagement after completing the engagement.

## **405 CONFLICT OF INTEREST**

**ARTICLE 405.1** A Member shall take appropriate steps to ensure that he or she does not accept engagements on behalf of a current Client which result or could be perceived to result in a conflict of interest with another current Client. A conflict of interest would exist where a Member's responsibilities to one Client would be inconsistent with the Member's responsibilities to another Client unless both Clients have waived the conflict through disclosure and consent.

**405.2** A Member engaged to provide exit planning services to one party of a transaction (the "Client") shall disclose to the Client any influence, interest or relationship the Member has with the other parties which, in respect to the engagement, would reasonably be perceived to affect the Member's professional judgment.

## **500 DISCIPLINE PROCEDURES**

### **ARTICLE 501 VIOLATION(S) OF BY-LAWS, CODE OF ETHICS, OR PROFESSIONAL STANDARDS**

**501.1** Disciplinary action against any Member may be taken in the event of any violation of specific provisions of the Exit Planning Institute's Professional Standards or of the spirit and intent of these provisions.

**ARTICLE 502 JURISDICTION OF THE PROFESSIONAL STANDARDS COMMITTEE**

**502.1** The implementation and monitoring of these Professional Standards and the implementation of the Discipline Procedure falls under the jurisdiction of the Professional Standards Committee as delegated by the Board of Governors of the Exit Planning Institute who shall retain responsibility for the review of any disciplinary actions taken by such committee.

**Explanatory Notes:**

1. In filing a charge of an alleged violation of the Code of Ethics by a Certified Exit Planning Advisor, (CEPA), the charge must read as an alleged violation of one or more Articles of the Code.
2. The EPI Code of Ethics was adopted in 2008.

**Schedule "A"**

Authorized Logos



**Schedule "B"**

Authorized Description

The Exit Planning Institute is the premier provider of learning, knowledge, and future-oriented research for exit planning professionals. The Institute delivers innovative learning experiences, performance-enhancing resources, and strategic tools designed to advance the exit planning profession.

The Institute is made up of accountants, financial advisors, investment bankers, business brokers, valuation advisors, commercial lenders, insurance advisors, and management consultants in the United States, Canada, the United Kingdom, and China. The common thread that unites these different professionals is their commitment to helping clients exit their companies successfully.

**Schedule "C"**

Authorized Website Links

[www.exit-planning-institute.org](http://www.exit-planning-institute.org)

**Schedule "D"**

Authorized Member Statements

Member of the Exit Planning Institute

[Member's name], a Member of the Exit Planning Institute

[Member's name], is a Member of the Exit Planning Institute

Certified Exit Planning Advisor

[Member's name], CEPA

[Member's name] is a CEPA

[Member's name] is a Certified Exit Planning Advisor