

TITLE **EMPLOYEE CODE OF CONDUCT**

SUBJECT **AZTEC SHOPS, LTD. POLICIES AND PROCEDURES REGARDING CODE OF CONDUCT, HOSPITALITY, EMPLOYEE RELATIONS, PUBLIC RELATIONS AND CONFLICT OF INTEREST.**

GENERAL ISSUES CONCERNING ETHICS

This statement of Aztec Shops Corporate policy is set forth in order to establish standards for personal behavior within the organization and to provide guidance to all employees who:

- Regularly purchase supplies, services, equipment, materials and merchandise for resale on behalf of Aztec Shops Ltd.
- Are offered a gift by suppliers and vendors.
- Negotiate for services and goods or who work with vendors who provide services or goods to Aztec Shops.

Aztec Shops employees are expected to conduct themselves at all times in an exemplary manner while observing the highest degree of ethical standards in carrying out their assigned duties. Activities that are not verifiable or have the appearance of lacking the strictest degree of honesty must be avoided in every circumstance.

Questions that may help in the evaluation of an employee's behavior or activity are:

- Is it legal?
- Is it moral?
- Does it present or give the appearance of a conflict of interest?
- Is it good business over the long run?

It is an employee's responsibility and obligation to ensure that Aztec Shops maximizes full value derived from every transaction with respect to quality, price, and other benefits and terms. This may be restricted or impaired when suppliers attempt to either influence or affect the transaction by spending disproportionate sums of money upon entertainment, gratuities, gifts and the like. Acceptance of any of these, or even the appearance of such, may constitute a "quid pro quo" and, therefore, must be refused.

Fraternization at/or outside the workplace with regular suppliers and/or their representatives should be avoided when possible.

The following is guidance for **personal conduct** for Aztec Shops employees:

1. Gifts

The root issue with the giving and receiving of gifts is the creation of influence or obligation that may affect an employee's judgment in a later business transaction. Gifts are offered for a reason. Even token gifts or advertising, such as pens and calendars, are given with the expectation that they will yield a result for the giver.

No Aztec Shops employee or member of the employee's immediate family shall accept (or receive) any gifts or accommodations of more than nominal value from anyone with whom the employee does business on behalf of Aztec Shops. **Nominal value** is considered that which is so small as to avoid compromising the integrity of the employee and which would not place him or her in a difficult, prejudicial or embarrassing position or interfere in any way with the impartial discharge of his or her duties.

It is prudent to:

- Make suppliers aware of Aztec Shops' Code of Conduct policy before major holidays occur to avoid embarrassment.
- Send letters of appreciation acknowledging nominal gifts to suppliers to document what has occurred.
- Keep a record of the disposition of all premiums and gifts received by each buyer and/or office.
- Aztec Shops employees may wish to share such gifts with others in their department. When in doubt employees shall always consult with their department director.

2. **Hospitality, Employee & Public Relations**

Is defined as the provision of meals (catered or restaurant) or light refreshments (beverages, hors d'oeuvres, pastries, cookies), entertainment services, promotional items, awards, and service recognition. Hospitality includes expenses for activities that promote the university to the public, usually with the expectation of directly or indirectly benefitting the university.

Departmental budgets may be established for hospitality/employee & public relations expenditures provided they are in accordance with the policy established by San Diego State University regarding the expenditure of funds by auxiliary organizations for hospitality and public relations (**Page 6**).

PROHIBITED EXPENDITURES

- Company paid employee celebrations such as birthdays, weddings, anniversaries, showers, etc.
- Employee farewell gatherings that are not an official Aztec Shops function (official Aztec Shops' functions do **not** include off-site parties, dinners, or similar events organized by co-workers and friends). Designation of a farewell event as an official Aztec Shops function requires approval by the Director of Management Services. (**Retirement events** are distinct from "farewell gatherings" and **are** allowed. See "Allowable Expenditures and Activities".)
- Hospitality expenses that are of a personal nature, not related to the active conduct of official Shops business or with personal benefit derived by the official host or other employees.
- Memorial services, celebrations of retirement, and farewell gatherings for any employee separating with less than 5 years of service.
- Hospitality expenses for membership in social organization, activities or entertainment service that discriminate based on race, color, national origin, religion, sex (including pregnancy, childbirth, and related medical conditions), disability, age, citizenship status, genetic information, marital status, sexual orientation and identity, medical condition, or political activities or affiliations, and/or military/veteran status.
- Employee business meals or entertainment expenditures that are considered taxable under IRS regulations will not be reimbursed or paid by Aztec Shops. An employer's reimbursement of an Employee's business meal or entertainment expense may be considered taxable income to an employee if:
 - o The activity is not directly related to the employee's job
 - o The expense is lavish or extravagant under the circumstances
 - o The expense is not substantiated with supporting documentation

ALLOWED EXPENDITURES /ACTIVITIES

- Official Aztec Shops functions promoting employee morale, such as Staff Awards and retirement receptions for full time employees who retire with at least 5 years of service.
- Food and beverages when hosting non-Aztec Shops persons for the purpose of promoting the Aztec Shops organization. These employee business meals or entertainment expenses must conform to IRS regulations in order to be paid or reimbursed by Aztec Shops and be considered non-taxable income to the employee. Luncheon engagements during regular working hours shall be for the primary purpose of conducting business or with the approval of a department director in advance, for the promotion of employee morale.
- Meetings for business purposes attended by employees.
- Activities, other than dining, may be used as venues for establishing and building relationships with individuals or corporations, which are of benefit to Aztec Shops (i.e. golf or sporting events). **Documentation** for the expenditure must address and support the benefit to Aztec Shops and must be approved by the Director of Management Services.
- Promotional items (those bearing the San Diego State University or Aztec Shops Ltd. logo) that are of **nominal** value.

Entertainment of vendors must be carefully executed in order to avoid giving the appearance to other vendors of implied impartiality. Entertainment of vendors to solicit donor support should be restricted to those situations where:

- Aztec Shops already has, through contract or purchase order, established the business relationship with the vendor.
- Meals and social activities paid for by a vendor or supplier, whether they attend or not, shall take the form of what is usual and customary in business transactions and comparable to that received by enterprises of a similar nature to Aztec Shops.

Aztec Shops employees shall exercise discretion with respect to entertainment conducted in conjunction with trade shows, conferences, conventions and similar events. Normally, entertainment provided for all the registrants of the event is allowable. Entertainment for its own sake provided outside the official conference agenda which serves no business purpose is not authorized.

DOCUMENTATION

Aztec Shops employees must provide the following documentation for reimbursement of authorized expenditures:

- Original detailed receipts or invoices are required (establishes audit trail for type of expenditure and number of employees). If detailed receipts cannot be obtained or have been lost, a signed statement to that effect is required.
- Credit card receipts along with detailed itemized receipts are required (establishes that expense were incurred *and paid* for by the employee and not some other individual). **Payment in cash** is to be on an **exception basis** only because there is no proof that the individual requesting reimbursement actually was the payer of the expense.
- All expenditures must have the written approval of an Aztec Shops Director with authority over the individual submitting the request for expenditure or reimbursement.
- When declaring an expenditure, the name of the recipient for whom the expenditure was made **must** be included on the form and/or written on the credit card receipt in accordance with the appropriate account number, i.e.:

- o Entertainment: Account # 8672
- o Incentive: Account # 8679

See Financial Services for additional appropriate account numbers.

- The following forms are pertinent for expenditures and can be found at www.aztecshops.org:
 - o Travel: Overnight Pre-Authorized Travel www.aztecshops.org, FORMS
 - o Travel Expense Report www.aztecshops.org, FORMS
 - o Purchasing Card Forms www.aztecshops.org, P-CARD

CONFLICT OF INTEREST

A Conflict of Interest is defined as a relationship, transaction or other circumstance that enables, potentially enables, or appears to enable an individual to personally benefit from his/her association with Aztec Shops.

- A conflict of interest may arise whenever an Aztec Shops employee has a stake in the advancement of another company and may be offered extra discounts or benefits as an individual rather than to the company.
- Such vested interest may be a consequence of stock ownership, relatives employed with the other company, Shops' employee employed by the company as a consultant, employees who are reporting directly to a relative, or serving in the capacity of an officer or committee person of a club or association.
- In any dealings with Shops' suppliers or contractors, it should be made explicitly clear that all such dealings are conducted solely as business transactions for Shop. It is prudent to avoid such potential conflicts whenever possible.

In order to avoid the misconception that it would be acceptable for an individual to pass on knowledge to others from which they might benefit there from, the term "personally benefit" shall include any Aztec Shops employee, family or friends.

Avoiding Potential Conflicts

While in the employ and under the direction of Aztec Shops, any procedure, system, plan, etc. developed or invented by an employee of Aztec Shops shall remain the sole property and ownership of Aztec Shops.

In order to avoid situations that potentially give rise to a conflict of interest, Aztec Shops personnel shall not engage in any of the following activities, except as may be authorized by prior, written approval of the Director of Management Services:

1. Use their position as an employee of Aztec Shops, or any knowledge or information obtained from their position, for personal gain.
2. Directly or indirectly engage in any activity (whether as director, manager, supervisor, employee, agent, or consultant) or directly or indirectly own an ownership interest in any entity (whether as shareholder, member, partner, or sole proprietor) which competes with the existing, planned or potential business of Aztec Shops.
3. Have any ownership interest either directly (whether as a shareholder, member, partner or sole proprietor) or indirectly (whether through an immediate family member, trust or other arrangement) in any entity which supplies goods or services to Aztec Shops; provided, however, that stock ownership in a publicly traded corporation shall be permitted if the ownership does not exceed five percent of the outstanding stock of the corporation.

4. Accept any gift of goods or services which is intended to, or which may, influence or affect the judgment of any director, manager, supervisor or employee concerning Aztec Shops affairs.
5. Avoid utilizing company financial advisors for personal business dealings if the employee has fiduciary responsibility or is a member of the Oversight Committee.
6. Engage in any other activity, or take any other action not enumerated herein where the interests of the Aztec Shops employee may compete or conflict with the interest of Aztec Shops.
7. Enter any contests that are held for promotional purposes, which are sponsored by Aztec Shops, or sponsored by any of its vendors through Aztec Shops facilities.
8. Gratuities and service charges are part of our point-of-sale system in certain venues such as Snapdragon Stadium, Viejas Arena, Open Air Theatre, and Tony Gwynn Stadium. Management in those venues will provide procedures and guidance as to how gratuities and service charges are collected and distributed to employees. Our systems do not allow for tips and service charges in other areas primarily serving the students of San Diego State University. In instances for these other areas such as, but not limited to, dining halls, quick-serve-restaurants on the main campus, convenience stores on the main campus, catering on the main campus, and campus store operations where a customer may insist on leaving a gratuity, such gratuity belongs to the employee(s) who received it, but must be reported to your direct supervisor and to Human Resources.

PERSONAL PURCHASES

Buyers and other employees of Aztec Shops may not make personal purchases of any items discounted to cost or below cost from vendors, suppliers, and purveyors of goods with which Aztec Shops conducts business. Delivery of any item from a supplier to a buyer's home or off premises address is forbidden.

TRAVEL

Buyers and other employees of Aztec Shops shall seek approval from their supervisor/manager for any travel being provided by or paid for by vendors /suppliers.

SAMPLES AND PRIZES

All sample merchandise provided by the vendor is the property of Aztec Shops. Unwanted samples will be collected and used for promotions or employee raffle prizes at company events.

Should a buyer win a significant gift as the result of a drawing or raffle sponsored by one of his/her vendors, suppliers or purveyors, the prize may become the property of the recipient subject to the prior approval of his/her director.

RESPONSIBILITY

Buyers, managers, and all Aztec Shops employees need to be aware of:

- The primary ethics questions regarding the release of information as to whether and with whom it is appropriate to share a piece of information.
- Trust, integrity, and good business judgment are fundamental guides to the sharing or withholding of information regarding the business plans, forecasts, and financial activities of Aztec Shops.
- An area of particular concern is the quotation process. The primary issue is that price information submitted by one vendor may be used to help another vendor to unfairly obtain an order unfairly.

- No agreement or understanding may be made to fix or control prices, to allocate products or to boycott certain vendors or supplies.

Compliance with this policy shall be considered as an element of each employee's performance. Violations noted by any employee shall be reported to a director and/or other Human Resources.

DISCIPLINARY ACTION

Aztec Shops employees who violate the policy may be subject to disciplinary action up to and including termination.

ACKNOWLEDGMENT SIGNATURE

All employees are required to sign the "Code of Conduct" section of the *Policy Acknowledgement* form, which is administered annually, and reviewed at time of an employee's New Hire Orientation.

HOSPITALITY PAYMENT / REIMBURSEMENT OF EXPENSES

The following maximum rates are established to allow for hotel catered banquet style events and VIP entertaining. Departments are to use discretion when hosting routine or departmental events.

Maximum per Person Rates for Hospitality

Meal type	Routine/Departmental Events	Hotel Catered Banquets/VIP Entertaining
Breakfast	\$20	\$50
Lunch	\$30	\$75
Dinner	\$75	\$120
Hord'oeuvres	\$30	\$30
Light Refreshments	\$30	\$30

Attachment A



ACKNOWLEDGEMENT
EMPLOYEE CODE OF CONDUCT

As an employee of Aztec Shops Ltd., I understand that I _____,
Print Name

1. **Will not** accept any financial gratuity, products, or merchandise gratuities from vendors.

For service charges and customer gratuities in venues that are part of our point-of-sale system such as Snapdragon Stadium, Viejas Arena, Open Air Theatre and Tony Gwynn Stadium , I agree to follow service charge and tip pool procedures and guidance provided by management of those venues. For other areas, such as but not limited to, dining halls, quick-serve-restaurants on the main campus, convenience stores on the main campus, catering on the main campus, and campus store operations where a customer may insist on leaving a gratuity (even though gratuities are not requested), such gratuity belongs to the employee(s) who received it, but must be reported to your direct supervisor and to Human Resources.

2. **Will not** use my employee badge to enter Concessions or Catering events for which I am not scheduled to work.
3. **Will not** go backstage, on stage, on the floor of an event, or anywhere else deemed off limits to Aztec Shops employees before, during, or after a work shift.
4. **Will not** use video cameras, point and shoot cameras or cell phone cameras during work time.
5. **Will** be responsible for ensuring that all customers purchasing alcohol at a Concessions or Catering event have had their identification (ID) checked, and has a hand stamp or wrist band prior to being served alcoholic beverages.
 - o If there is no hand stamp or wrist band I must ask the customer if they are “21 years old or over”, and check their ID, validating their picture and date of birth (noting any alterations). If not of age, **I will notify** the Concessions Stand Lead/ Catering Event Manager.

I have read and agree with the above policies/regulations. I understand that failure to comply with the above policies/regulations will be cause for disciplinary action up to and including termination of employment.

Employee Signature

Employee #

This signed agreement form will be placed in the employee’s personnel file.