

WESTERN ASSOCIATION OF SCHOOLS AND COLLEGES CONSTITUTION
As Amended, September 2, 2009

ARTICLE I.
Name and Purpose

This organization shall be named WESTERN ASSOCIATION OF SCHOOLS AND COLLEGES (the "Association"). Its purpose is to promote the welfare, interests, and development of elementary, secondary, and higher education through (1) improvement of educational programs, (2) close cooperation among the schools, colleges, and universities within the territory it undertakes to serve, (3) certification of accreditation or candidacy status, and (4) effective working relationships with other educational organizations and accrediting agencies.

ARTICLE II.
Accrediting Region and Certification

Section 1: Accrediting Region. The accrediting region of the Association consists of the states of California and Hawaii, the territories of Guam, American Samoa, Federated States of Micronesia, Republic of the Marshall Islands, Republic of Palau, Commonwealth of the Northern Marianas Islands, the Pacific Basin, and East Asia, and areas of the Pacific and East Asia where American/ International schools or colleges may apply, and such other areas as may apply to it for service, subject to approval by the Board of Directors.

Section 2: Certification. Any university, college, or school shall be certified by the Board of Directors as a candidate or accredited institution upon report of action taken by the appropriate Accrediting Commission. Any such certification shall cease whenever an institution resigns, is dropped from the accredited or candidate list of the Association, or fails to pay its annual fees by the date set by the appropriate Accrediting Commission for payment.

ARTICLE III.
Organization

Section 1: Constituency. The Board of Directors shall consist of nine persons, three to be selected for staggered three-year terms from and by each of the three Accrediting Commissions hereinafter named and described. One of each Commission's appointees shall be its Chair or Assistant/Vice Chair. The Board shall elect its Chair from among its members for a one-year term. The Chair may be re-elected for one additional one-year term. The Chair of the Board shall be the President of the Association. The Secretary-Treasurer of the Association shall be selected by the Board.

Section 2: Meetings. The Board of Directors shall meet annually at such time as may be determined by the Board, and may hold other meetings at the call of the Chair or on the request of any three members of the Board of Directors.

Section 3: Commissions. There shall be three Accrediting Commissions, as follows:

1. Accrediting Commission for Senior Colleges and Universities

This Commission shall consist of up to twenty-five (25) members, but no less than eighteen (18) members, with the exact number set by the Commission from time to time. Commission members shall serve overlapping three-(3) year terms, with a maximum of two terms (plus any partial term served as the result of the member being selected to fill a vacancy), as established by the Commission.

The Commission shall elect one of its members to serve as Chair for a three-(3) year term and one of its members to serve as Vice Chair for a one-(1) year term. In the event the Chair has served for the maximum two terms on the Commission prior to the expiration of his or her term as Chair, the Chair shall continue to serve on the Commission until his or her term as Chair shall have expired. Commission members shall be elected by the presidents of the institutions accredited by the Commission according to Bylaws approved by the Commission.

Members of the Commission shall be allowed to complete their terms upon retirement from their institutions. Non-public Commissioners who lose their institutional base for any reason shall be ineligible to serve beyond the end of

the academic year.

2. Accrediting Commission for Community and Junior Colleges

This Commission shall consist of nineteen members, all of whom are appointed by the Commissioner Selection Committee. One Commission member shall be selected from among the nominees who represent community college interests provided by the chief administrative officer of each of the following: the California Community Colleges Chancellor's Office and the University of Hawaii Community Colleges Chancellor's Office. In addition, one Commission member shall be selected from among the nominees provided by each of the other Commissions to represent the Accrediting Commission for Senior Colleges and Universities and the Accrediting Commission for Schools. These nominees shall be sitting or former members of the Senior College or Schools Commissions, or individuals with demonstrated familiarity with the policies, procedures, and operations of the Accrediting Commission for Community and Junior Colleges.

At least five of the Commission members shall be faculty, at least five members shall represent the public interest [as defined in 34 CFR § 602.3], at least three members shall be administrators, at least one member shall represent independent institutions, and at least one member shall represent institutions in the Western Pacific. Commission representatives shall serve staggered three year terms.

Commission officers shall be selected by the Commission according to Bylaws approved by the Commission.

3. Accrediting Commission for Schools

This Commission shall consist of up to thirty-two persons selected by the Commission's Nomination Review Committee from candidates nominated by member organizations or the Commission. Not less than one-seventh of the persons selected shall be public members. Appointment shall be for staggered three-year terms. Representatives shall be nominated as follows:

- seven by the Association of California School Administrators;
- one by the California Teachers' Association;
- one by the California Federation of Teachers;
- one by the Hawaii Government Employees' Association;
- one by the California Association of Independent Schools;
- one by the Hawaii Association of Independent Schools;
- one by the Association of Christian Schools International;
- one by the East Asia Regional Council of Overseas Schools;
- four by the Western Catholic Educational Association, one of whom must be a practicing classroom teacher and one of whom must be an Elementary Commissioner;
- one by the Pacific Union Conference of Seventh-day Adventists;
- one practicing classroom teacher on a rotational basis from the Hawaii public and private schools;
- one practicing classroom teacher from the California Association of Private School Organizations (CAPSO);
- one school board member by the California School Boards' Association;
- one parent by the California Congress of Parents and Teachers;
- one postsecondary teacher;
- non-school public members from business, community, or public organizations, one of whom to be a Hawaii public member.

The California Department of Education and the Hawaii Department of Education will each have an ex officio seat on the Commission. The Commission shall determine which organizations shall be represented by voting Commission members, and which shall be represented by non-voting ex officio members.

If a change of status, which affects eligibility for constituency appointments of any of the above appointees occurs during the term of office, the individual may at the discretion of the appointing agency, serve the remainder of the term or may be replaced. A person completing a term after a change of status may not be re-appointed.

Section 4: Commission Executive Staff. Each Accrediting Commission shall appoint a Chief Executive Officer, who in turn will be responsible for selecting the rest of the staff of each Accrediting Commission.

Section 5: Changes in Commissions Composition. The title of each Chief Executive Officer shall be determined by the affected Commission, subject to the Board ratification. Changes in the size and composition of each Accrediting Commission may be made by the Commission with the approval of the Board of Directors. The composition of each Accrediting Commission shall be published in the annual Directory of the Association, and any material changes shall be reflected in appropriate changes to this Constitution.

Section 6: Delegation to Commissions. Recognizing that the Board of Directors retains ultimate authority over administrative structures, budgets, fiscal policies, contracts and leases, including those entered into by the Accrediting Commissions, the Board will delegate actual management over such matters, including the actual review and approval of such matters, to the Commissions to the extent it deems prudent.

Section 7: Commission Sanctions. Action taken by any Accrediting Commission to deny or withdraw accreditation or candidacy shall be reported in writing to the WASC Board at its annual meeting.

ARTICLE IV. Criteria for Certification

Section 1: Commission Standards. Each of the Accrediting Commissions shall adopt its own standards and criteria, subject to the approval of the Board of Directors of the Association. The standards and criteria shall provide for the evaluation of each institution on the basis of the degree to which it is accomplishing the purposes and functions outlined in its own statement of objectives, and on the appropriateness of those purposes and functions for an institution of its type.

Section 2: Commission Actions. The actions by each Accrediting Commission, subject to its review procedures and the appeals procedures provided for in Article VI, shall be final and shall be certified by the Board of Directors.

ARTICLE V. Duties of Officers

Section 1: Chair and President. The Chair of the Board of Directors shall preside at all meetings of the Board and shall have the right to vote on all issues that come before the Board for decision. As President of the Association, he/she shall be the official spokesperson for the Association, representing the Association in accord with policies established by each of the three Accrediting Commissions and the Board.

Section 2: Secretary-Treasurer. The Secretary-Treasurer shall serve as the Secretary of the Board of Directors and shall maintain a complete file of Minutes and Board decisions. He/She shall receive from the Directors of the three Accrediting Commissions the lists of accredited and candidate institutions and shall provide for the publication of a total Association list of accredited and candidate institutions at least once each year.

Section 3: Chief Executive Officer. The Director of each of the three Accrediting Commissions shall maintain a careful record of the actions and decisions of the Commission, shall be responsible under the Commission's direction for the scheduling of accreditation visits, appointment of visiting committees, distribution of necessary accreditation materials, and for such other matters as the Commission may delegate to the Director for the effective administration of the accreditation program.

Following each meeting of the Accrediting Commission at which accreditation decisions are made, the Chief Executive Officer shall promptly notify the Secretary-Treasurer of the Board of Directors of all changes in the list of accredited and candidate institutions. At its annual meeting the Board of Directors shall certify the list of accredited and candidate institutions submitted by each Accrediting Commission.

ARTICLE VI. Appeals

Section 1: Right to Appeal. If an institution, after availing itself of any review or appeal procedures of its Accrediting Commission, still believes itself aggrieved by that Accrediting Commission's denial or termination of candidacy or accreditation, its governing board, through formal authorization to its chair, may appeal such action

within thirty (30) calendar days of receipt of notice thereof of the final Accrediting Commission action by filing an appropriate notice of appeal to the President of the Association through the affected Accrediting Commission's Chief Executive Officer. During the period up to and including the appeal, the institution's status with the affected Accrediting Commission shall remain the same as it was prior to the decision being appealed. The form and content of the institution's notice of appeal are contained in the Association's Hearing and Appeal Procedures Manual, described in Section 4 below.

Section 2: Administering the Appeal. The task of coordinating the appeal will ordinarily be the task of the Accrediting Commission which is providing the current staff support for WASC's corporate activities. This task shifts periodically among the various Accrediting Commissions since WASC maintains no staff support independently of the three Accrediting Commissions. In the event the institution is appealing a decision of the Accrediting Commission that is providing staff support at that time for WASC corporate activities, the task or coordinating the appeal will be shifted by the President of the Association to one of the other Accrediting Commissions. The tasks assigned to the President and to the Secretary/Treasurer in this process will similarly be re-assigned by the President to a President or Secretary pro-tempore in the event such individuals are associated with the Accrediting Commission that made the decision that is being appealed.

Section 3: Hearing Panel and Hearing Board. The Association's Board of Directors shall elect annually a Hearing Panel from which shall be selected a Hearing Board established for the purpose of deciding appeals by any institution against the decision of any of the Accrediting Commissions denying or withdrawing accreditation or candidacy.

The Hearing Panel shall consist of twenty persons as follows: (1) five from elementary/secondary schools; (2) five from junior or community colleges; (3) five from senior colleges and universities; and (4) five lay members of governing boards. None of the twenty shall be a current member of an Accrediting Commission.

The Hearing Board shall consist of five persons, including at least one person from each of the above categories, selected on random basis from the Hearing Panel and appointed, after such selection, by the Association's Secretary/Treasurer. None of those selected shall have been involved in the accreditation process which resulted in the appeal. The Hearing Board shall elect its Chair from its own membership. Each member, including the Chair, shall have one vote.

Hearing Board members to replace those who are absent or have a conflict of interest shall be selected on the same random basis and appointed by the WASC Secretary/Treasurer from the remaining members of the Hearing Panel.

Section 4: Appeal Procedures Manual. The Association's Board of Directors shall establish an appeals manual, which may be revised from time-to-time, referred to as the "WASC Appeals Procedures Manual." The WASC Appeals Procedures Manual will set forth more fully the procedures for conducting the appeal. A copy of the WASC Appeals Procedures Manual will be provided to the institution when the institution receives notice of an appealable Commission decision.

Section 5: Costs. An institution bringing an appeal shall reimburse the Association for all of the incremental costs in conducting the appellate hearing, including the costs of the Commission that coordinates the appeal, any legal fees of the Hearing Board, and other costs enumerated in the WASC Appeals Procedures Manual. For this reason, an institution making an appeal will be required to include an initial deposit to cover the costs of the appeal. The Association's Board of Directors will establish the amount of the deposit and modify it from time to time at its discretion. In the event the actual costs exceed the amount of the deposit, the institution shall be responsible for the balance and may be required, during the appeal, to supplement the deposit. In the event the deposit exceeds the necessary costs, the institution shall receive a refund of the difference.

Section 6: New Financial Evidence. On one occasion only and not later than thirty (30) days prior to the date the Hearing Board is scheduled to meet and only in the event the only remaining issues following completion of the Commission review process relate to deficiencies or failure to meet Commission Standards regarding the institution's finances, the appealing institution may file in writing with the Executive Director of the Accrediting Commission whose action is being appealed (the "affected Accrediting Commission"), information which, in the opinion of the institution's chief executive officer, constitutes New Financial Evidence. Such application shall be co-signed by the chair of the institution's governing board. New Financial Evidence is evidence that (1) was unavailable to the institution until after the date upon which the Commission's policies permitted the institution to submit evidence that was considered in connection with the action being appealed (and is therefore timely), and (2) bears materially and significantly on the financial deficiencies identified by the affected Accrediting Commission.

Evidence shall be deemed to bear materially and significantly on the financial deficiencies only if such evidence is of sufficient gravity that, if proven, would be likely to cause the Commission to reverse the decision being appealed.

Upon receipt of the New Financial Evidence, the affected Accrediting Commission's Chair shall form a committee of no fewer than three (3) Commissioners from the affected Commission (the New Financial Evidence Committee) to review the New Financial Evidence. The membership of the New Financial Evidence Committee may include Commissioners who have acted as readers or for other reasons are familiar with the issues affecting the institution, but may not consist of any Commissioners who have a conflict of interest with respect to the institution as defined by the Commission's conflict of interest policy. The New Financial Evidence Committee shall conclude prior to the date the appeal hearing is scheduled to commence. The decision of the New Financial Evidence Committee shall be communicated in writing to the appealing institution, to the Chief Executive Officer of the affected Accrediting Commission, and to the President of the Association. The decision of the New Financial Evidence Committee shall not be subject to any further review or appeal, except as herein provided. If, in the sole judgment and discretion of the New Financial Evidence Committee, acting by majority vote, the New Financial Evidence is found not to have been raised in a timely manner or is found not to bear materially and significantly on the financial deficiencies of the appealing institution, the appeal hearing shall continue without interruption, and the New Financial Evidence shall not become part of the record on appeal.

If, in the sole judgment and discretion of the New Financial Evidence Committee, the New Financial Evidence is found to have been raised in a timely manner and to bear materially and significantly on the financial deficiencies which served as the basis of the affected Accrediting Commission's action, the President of the Association shall immediately postpone the hearing until after the date of the next affected Accrediting Commission meeting at which time the affected Accrediting Commission will reconsider the decision being appealed. The affected Accrediting Commission shall independently review the New Financial Evidence and make its own determination regarding whether such evidence was timely and was significant and material. If, in the sole discretion of the affected Accrediting Commission, the New Financial Evidence is found to have been raised in a timely manner and to bear materially and significantly on the financial deficiencies which served as the basis of the decision that is being appealed, the affected Accrediting Commission shall render a new decision which shall act to remove the previous sanction of termination or denial of candidacy or accreditation, as the case may be. It may, in its sole discretion, impose any other lesser sanction and conditions which it deems appropriate, and the affected institution shall not be able to seek further appeal or review from such lesser sanction, if any is imposed. In such instance, the affected Accrediting Commission shall instruct the President of the Association to dismiss the appeal.

If, in the sole discretion of the affected Accrediting Commission, the New Financial Evidence is not found to have been raised in a timely manner or if it is found not to bear materially and significantly on the financial deficiencies which served as the basis of the decision that is being appealed, such Commission shall instruct the President of the Association to take the necessary steps to resume the appeal hearing. In all events, the decision of the affected Accrediting Commission shall include findings on the timeliness, materiality and significance of the New Financial Evidence. Such decision shall not be subject to consideration by the Hearing Board. Such decision in all instances shall be communicated in writing to the appealing institution, to the President of the Association, and to the Hearing Board's Chair.

Section 7: The Appellate Hearing.

The President of the Association shall arrange the appellate hearing at the earliest practicable date. Those testifying shall not be placed under oath. The Accrediting Commission whose decision is being appealed will ordinarily have legal counsel present, and the institution may, but is not required, to have legal counsel present. The institution will be expected to notify the Association of its selection of its legal counsel as soon as possible, ordinarily, at the time the institution files its notice of appeal.

At least sixty (60) calendar days before the time set for the appellate hearing of such an appeal, the President (or Secretary-Treasurer) of the Association shall cause notice of the time and place of the appellate hearing to be delivered, by a means that will assure a written receipt, to the Chair or to the President of the governing board of the institution with a copy to its chief executive.

Section 8: Grounds for Appeal. The grounds for appeal shall be limited to the following: (1) there were errors or omissions in carrying out prescribed procedures on the part of the evaluation team and/or the Accrediting Commission which materially affected the Accrediting Commission's decision; (2) there was demonstrable bias or prejudice on

the part of one or more members of the evaluation team or Accrediting Commission which materially affected the Accrediting Commission's decision; (3) the evidence before the Accrediting Commission prior to and on the date when it made the decision which is being appealed was materially in error; or (4) the decision of the Accrediting Commission was not supported by substantial evidence. The "decision" referred to in this Section refers to the Accrediting Commission's action which served as the basis for the appeal and any modification to that action that might have occurred as the result of the review or appeal process afforded by the Accrediting Commission. The appellate hearing is designed as a review of the record of the previous actions of the institution and the Accrediting Commission. Accordingly, except as may be permitted under the WASC Appeals Procedures Manual, an institution may not raise any ground or site any reason in support of that ground unless the institution raised the same ground and the same issue before the Accrediting Commission as part of the Accrediting Commission's review or appeal process prior to noticing its appeal to WASC. When the term "materially" is used in this section it means that the issue to which it relates, either signally or with other issues, is of sufficient gravity that it could reasonably be said to cause a reversal of the decision being appealed.

Section 9: Decision of the Hearing Board. The Hearing Board shall make its decision by a vote of the majority on the basis of the admissible evidence and arguments presented to it at the hearing. The Hearing Board's decision may act to affirm, modify, or reverse the decision being appealed and the reasons that were cited in its support. The Hearing Board shall issue its decision and the reasons therefore within thirty (30) calendar days and will inform the President of the Association, the chair or president of the governing board of the institution, and the Chief Executive Officer of the affected Accrediting Commission of such decision. Such decision shall not be subject to any further appeal.

If the Hearing Board finds for the institution on one or more of grounds (1) through (4) of Section 8 above, the Hearing Board's decision will have the effect of reversing the denial or termination of the candidacy or accreditation of the institution. Its decision may recommend, but shall not dictate, any terms or conditions to be imposed on the accreditation or candidacy of the institution by the affected Accrediting Commission when it implements the Hearing Board's decision. The affected Accrediting Commission shall thereafter implement the Hearing Board's decision and, in doing so, shall retain the discretion to impose conditions, including a sanction which is less than the denial or termination of candidacy or accreditation, on the candidacy or accreditation of the institution. The affected Accrediting Commission's implementation action shall be consistent with the Hearing Board's decision. Such implementation action by the affected Accrediting Commission will be communicated to the institution and shall not be subject to further review or appeal.

If the Hearing Board finds against the institution on any of the four grounds in Section 8 above, it shall deny that portion of the appeal which is based on that ground. If the Hearing Board finds against the institution on all grounds appealed, its decision shall act to affirm the decision of the affected Accrediting Commission which was appealed.

ARTICLE VII. Financing

Financial support for the work of the Board of Directors of the Association shall be obtained by equal assessment on each of the three Accrediting Commissions.

ARTICLE VIII. Amendments

Proposed amendments to this Constitution may originate with any of the Accrediting Commissions or with the Board of Directors. Such proposed amendments, except those relating to the size and composition of an Accrediting Commission (See Article III, Section 4), shall become effective upon approval by a two-thirds vote of each of the three Accrediting Commissions and of the Board of Directors.

ARTICLE IX. Indemnification

The Association does hereby grant indemnification to any officer, director, commissioner, or other agent, or former officer, director, commissioner, or other agent, including but not limited to the Association's employees and team

members, for claims or actions asserted against said person arising out of acts or omissions alleged to have occurred in connection with, or as a result of his or her activities as an officer, director, commissioner, or agent, of this Association, to the fullest extent permitted by law; provided, however, as follows:

- a. If any claim or action is asserted or threatened to be asserted, as described in such statutes, the person requesting indemnification must give timely notice thereof to the President of the Association;
- b. If the person requesting indemnification is not successful on the merits of the action, the Board of Directors, the members, or the court must determine that the person acted in good faith, in a manner he or she reasonably believed to be in the best interests of the corporation, and without reason to believe his or her conduct was unlawful; and
- c. Indemnification shall be provided herein only to the extent that valid and collectible insurance coverage under all existing policies of insurance held by the Association has been exhausted.

PROCEDURES AND INTERNAL POLICIES

I. Oversight by the WASC Board Over Commission Activities

Recognizing that the Association's Board of Directors (the "Board") retains the ultimate responsibility for the affairs of the corporation while at the same time recognizing the wide latitude which has been historically granted to the three Accrediting Commissions, the Board establishes the following rules with respect to its oversight responsibilities. These rules are not intended to preclude the Board from taking further actions as it deems necessary in a particular instance to discharge its responsibility to govern the affairs of the corporation:

1. Each Accrediting Commission shall be audited annually by an outside certified public accountant of the Accrediting Commission's choice. Copies of the full audit report, including any "management letter" shall be provided by each Accrediting Commission to the Board.
2. Each Accrediting Commission shall annually develop and adopt an operating and, when necessary, capital budget. The budgets shall be reported to, reviewed by, and ratified by the Association's Board. Prior ratification shall not be necessary in order for an Accrediting Commission to begin to implement its budget. Significant variances in expenses or revenues from the budget shall also be reported to the Board.
3. All Accrediting Commission Manuals, Handbooks, Policies and amendments thereto shall be presented to the Board by the respective Commission for ratification. Prior ratification shall not be necessary in order for an Accrediting Commission to begin to implement any policy, Manual, or Handbook.
4. Each Accrediting Commission shall present for prior approval of the Association's Board any proposed capital expenditure larger than the reserves of that Commission.

II. Meeting by Conference Call

A special meeting of the Board may be requested for any reason by the chairs of at least two (2) of the Commissions of the Association. The Board may also meet and act by a meeting conducted by conference call.

III. Satisfying Extraordinary Litigation Expense

The Association recognizes the possibility that the organization may at some time in the future incur substantial costs rising from litigation against the Association. Such costs might involve substantial legal defense expenses or an adverse judgment with resulting damages, or both. The Association maintains liability insurance to protect the Association and its Accrediting Commissions from such a possibility. However, defense costs might be incurred or an adverse judgment might occur which would not be covered by insurance. This might occur if: (1) insurance becomes unavailable in the future; (2) the adverse judgment or defense costs are in excess of insurance limits; or (3) the nature of the liability precludes coverage from the insurance policy. In such an instance, the Association would have to depend on its own internal financial resources to satisfy all or part of the defense costs or judgment. The purpose of this Policy is to set forth the manner in which the assets of the Association and its Accrediting Commissions would be made available in this event.

1. The Accrediting Commission responsible for the action giving rise to the litigation would be responsible to pay for all costs of defense, including legal expenses, and to satisfy the judgment through whatever means it might have at its disposal.
2. To the extent that the assets of the affected Accrediting Commission were insufficient to satisfy the Accrediting Commission's obligation under paragraph I above, the assets of the remaining Accrediting Commissions would be available on an equal basis to cover these costs. To the extent that the assets of the three Accrediting Commissions were insufficient to pay for these costs, any assets controlled by the Association's Board would become available.
3. To the extent that the assets of the Accrediting Commissions not responsible for the adverse decision or of the Association's Board were employed as described of Association's insurance in paragraph 2 above, the Accrediting Commission responsible for the adverse judgment would be responsible to reimburse the other Accrediting Commissions and the Association's Board of Directors for all such costs. Such reimbursement

IV. Term of the Chair of the Board

At its annual meeting, the Board of Directors shall elect its Chair from among its members for a one-year term. The Chair may be re-elected for one additional one-year term. The Chair's term will run from August 1 to July 31.

V. Conflict of Interest

WASC, a non-profit public benefit corporation organized under the laws of the State of California and tax exempt under section 510(c)(3) of the Internal Revenue Code, enacts the following policy to in order to assure that the decisions of the WASC Board, its three Commissions, the Accrediting Commission for Schools, the Accrediting Commission for Community and Junior Colleges, and the Accrediting Commission for Senior Colleges and Universities and their staffs are free from conflicts of interest and the appearance of conflicts of interest.

1. Each of WASC's three Commissions shall at all times maintain in effect a conflict of interest policy which shall have been approved by this Board. Any material changes in a Commission's conflict of interest policy shall be presented to this Board for approval. The Commission's conflict of interest policies shall deal with conflicts of interest on the part of Commission members, volunteers that assist the Commissions, such as visiting team members, and members of the Commissions' staffs, including but not limited to any Commission staff members meeting the IRS definition of a "key employee."
2. The members of this Board and the Officers, its President, Treasurer, and Secretary, shall comply with the following conflict of interest rules:
 - A. New Board members and officers shall complete the Conflict of Interest Statement which is attached to this Policy, as Exhibit A, prior to commencing their duties; annually thereafter, each Board member and officer shall update the statement. Copies of all such statements shall be maintained by the Sec. in the books and records of WASC.
 - B. Board members and Officers will strive to avoid any activity or involvement which is in conflict with their duties as Directors and Officers.
 - C. In the event a Director or Officer identifies a matter which such Director or Officer believes presents a conflict of interest involving either that Director or Officer or another Director or Officer, such Director or Officer shall disclose such conflict by bringing it to the attention of the Chair of the Board and the Secretary as soon as possible.
 - D. Depending on the nature of the conflict of interest, the Director or Officer presented with the conflict of interest may be asked to refrain from voting on a matter, recuse himself or herself from deliberations on the matter, or even, under rare circumstances, resign from the Director or Officer position. Ordinarily, the appropriate conduct will be decided by the Chair of the Commission who may check with WASC legal counsel before making a decision. The Director or Officer who presents a possible conflict of interest may always appeal the matter to the full Board which shall have the authority to make a final decision (without the vote of any Director in potential conflict being counted). Conflicts involving the Chair shall be decided by the remainder of the Board members.
 - E. Examples of conflicts of interest shall include, but are not necessarily be limited to the following:
 1. *Having a material financial interest in a matter before WASC.* A Director or Officer will have a material financial interest in a transaction before WASC, including matters before the Board, if such Director or Officer has a 5% or greater equity interest in, or a salary, stipend, or other form of compensation from the other organization involved in the transaction. For example, if a Director owns 10% of the stock in a bank, and WASC is considering commencing a business relationship with that bank, that Director has a material financial interest in any transaction involving WASC and that bank.

2. *Holding a position of influence, with or without compensation, such as a directorship or officer position, with another organization that is involved in a potential transaction before WASC. In addition, owning a membership interest in a non-profit organization, which affords the Director or Officer 5% or more of the voting power in that organization, presents a conflict if WASC is considering a transaction involving that organization.*

F. Most members of the Board and Officers will be associated with an institution that is a candidate or accredited by WASC. From time to time, the Board will be asked to ratify actions of the Commissions which will have made accreditation or candidacy decisions involving an institution with which a Board member will be associated. A Board member's association with an institution means that he will be considered an "interested director" within the meaning of this Policy but does not, in and of itself present a conflict of interest that will prevent such Director or Officer from voting to ratify the decisions of the appropriate Commission that concern the candidacy or accreditation of such institution; however, such association shall be disclosed and noted on the minutes of the Board meeting when a vote is taken, and there must have been, at all times, a sufficient number of affirmative votes, not counting the vote of the interested Director, to carry the motion or resolution as it applies to that institution, without counting the vote of the interested Director; so that, if, for example, all five Board member are present and voting; one Board member is associated with Institution A, and Institution A is on a list of institutions which the Board is being asked by the responsible Commission ratify in a single consent action; all five Board members, including the interested Board member, vote to ratify the Commission's actions. The association of the interested Board member will be noted on the minutes of the Board meeting, and the minutes will record that all five Board members voted affirmatively to ratify the entire list of institutions, including Institution A. The vote to ratify is appropriate since the affirmative vote of four votes (not counting the vote of the interested Director) was sufficient to pass the motion as to Institution A.

3. WASC does not employ a staff separate from the staffs that are employed by its three Commissions, and, for that reason, WASC addresses the issue of having a Conflict of Interest Policy cover "key employees," as the IRS defines that term, by requiring its Commissions to maintain in effect conflict of interest policies that include all members of their paid staffs, including but not limited to their "key employees."

Adopted June 30, 2009

VI. Executive Compensation

This Policy applies to the procedures by which WASC and its Commissions will follow in establishing the compensation of WASC's Executive Staff. All WASC Executive Staff members are to be paid at compensation levels that are reasonable and consistent with those in comparable positions throughout the accreditation, nonprofit, and education communities. Each of WASC's three Commissions shall be delegated the authority to function as a compensation committee for the WASC Board for the purpose of reviewing and approving the compensation of all Executive Staff that work for that Commission. Each Commission may serve as a compensation committee of the whole or, at its discretion, may form a committee, which must consist entirely of Commission members, to serve this function. In approving such compensation, each Commission (or a committee thereof) shall, to the extent feasible, review and rely on comparable external data in order to assure that compensation paid to Executive Staff is consistent with compensation being paid to positions of comparable responsibility within the accreditation, nonprofit and educational communities. The compensation decisions and the reasons for such decisions shall be documented contemporaneously in the minutes of the Commission (or a committee thereof). The Commissions shall each assure that all Commission members involved in reviewing and approving compensation decisions for Executive Staff are "independent" and without conflict of interest within applicable IRS regulations and guidelines.

The approval of compensation decisions for Executive Staff positions shall be made, to the extent feasible, (1) in advance of the hiring of a new member of the Executive Staff or the creation of a new employee position that will result in the hiring of a new member of the Executive Staff, and (2) in advance of changes in the compensation of current members of the Executive Staff. Approval of compensation for an individual or a position may be at a fixed level or may include a range of compensation. Changes in the level of compensation of existing members of the Executive Staff require approval of the Commission (or a committee thereof). Changes occur when the

compensation levels of members of the Executive Staff or positions that will be filled by Executive Staff members are adjusted in a manner which falls outside of the compensation level or range that has previously been approved for that person or position. Adjustments that are automatic, as in the case of a multi-year employment agreement that includes annual preset increases in compensation, do not have to be separately approved, provided the terms of the original employment agreement was approved.

At the annual meeting of the WASC Board, each Commission shall report to the WASC Board, substantiating its compliance with this Policy. The WASC Board shall accept the Commissions' reports and ratify the actions of the Commissions that were taken in accordance with this Policy.

Adopted June 30, 2009

VII. Gift Acceptance

WASC, a non-profit corporation organized under the laws of the State of California and tax exempt under 510(c)(3) of the Internal Revenue Code, encourages the solicitation and acceptance of gifts and grants to WASC and to its Commissions for purposes that will help WASC further and fulfill its mission. The following policy governs acceptance of gifts and grants made to WASC and to its Commissions.

The mission of WASC, as stated in its Articles of Incorporation, encompasses the promotion of the welfare, interests, and development of elementary, secondary, and higher education through (1) improvement of educational programs, (2) close cooperation among the schools, colleges, and universities within the territory it undertakes to serve, (3) certification of accreditation or candidacy status, and (4) effective working relationships with other educational organizations and accrediting agencies.

The Board of Directors of WASC and its staff, and each of WASC's Commissions may solicit current and deferred gifts from individuals and other entities and grants from foundations in order to assist WASC in fulfilling its mission. These policies and guidelines govern the acceptance of gifts and grants by WASC and provide guidance to prospective donors and their advisors when making gifts to WASC. The provisions of these policies shall apply to all gifts and grants received by WASC and by any of its Commissions.

All gifts and grants must be accepted either by the WASC Board (or its delegate) or by the Commission to which the gift is intended (or its delegate) in accordance with this Policy. By resolution, the WASC Board may delegate authority to accept gifts to any corporate officer, and, by resolution, a Commission may delegate acceptance of gifts to that Commission to its chief executive officer. WASC or the Commission receiving the gift or grant shall be responsible for maintaining an accurate record of the gift or grant. No gift or grant may be accepted which includes restrictions that appear to be inconsistent with WASC's stated mission, nor impose restrictions which are deemed too restrictive or too burdensome by the WASC Board or by the Commission to which the gift or grant is intended. All gifts and grants that have not been formally approved by the WASC Board prior to their acceptance shall be ratified by the WASC Board following their acceptance.

Gifts and grants are generally divided into "standard" and "non-standard." A non-standard gift or grant may only be accepted by the WASC Board after consultation with legal counsel. Non-standard gifts and grants include,

- Closely held stock transfers that are subject to restrictions or buy-sell agreements;
- Documents naming WASC or any of its Commissions as Trustee;
- Gifts involving contracts, such as bargain sales or other documents requiring WASC or any Commission to assume an obligation;
- Transactions with potential conflict of interest that may invoke IRS sanctions;
- Gifts of more than \$100 in value that are in a form other than in cash;
- Any other instance in which the Board of Directors deems the nature of the gift to require approval as a non-standard gift or grant.

All gifts and grants that are within WASC's mission and do not fit within the above definition of "non-standard gifts and grants" are considered "standard gifts and grants" under this Policy. Standard gifts and grants are accepted and administered as follows: The WASC Board will accept and administer all standard gifts and grants, restricted and unrestricted, that are directed only to WASC and not to one of its Commissions. Standard gifts and grants,

unrestricted and restricted, that are directed to a Commission shall be accepted and administered by that Commission.

Adopted June 30, 2009

VIII. Whistleblower Policy

Each Commission shall incorporate this Whistleblower Policy into its Employee Manual, which shall provide as follows:

WASC requires its employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of WASC, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable federal and state laws. WASC encourages its employees to report a good faith suspicion or credible information regarding a violation of federal or state law.

No employee who in good faith makes such a report shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation of federal or state law in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the WASC organization prior to seeking resolution outside the organization.

Employees should share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, the Commission's President or Executive Director is in the best position to address an area of concern. If the area of concern involves a President or Executive Director, the employee should report the matter to the relevant Commissions' Chair.

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

The Commission's President or Executive Director is responsible for investigating and resolving all reported complaints and allegations covered by this Whistleblower Policy and, at their discretion, shall advise the respective Commission's Chair or the Board of Directors of WASC.

Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Adopted June 30, 2009