

THE POINT AT LAKE JEANETTE ASSOCIATION, INC.

Policy on Director Confidentiality

Important to appropriate and effective governance of The Point at Lake Jeanette, Association, Inc., a North Carolina nonprofit corporation (the “Association”), is maintaining the confidentiality of board discussions, whether in person or by telephone or electronic means, and nurturing the atmosphere of trust and collegiality that should exist among directors. Maintaining the confidentiality of material board information, including such board discussions, is critical to prevent the corrosive effect breaches of board confidentiality have on the board’s deliberative process and the trust and confidence directors have in each other.

Pursuant to their fiduciary duties of loyalty and due care, the directors of the Association are required to protect and hold confidential all non-public information obtained due to their directorship position absent the express or implied permission of the Board of Directors to disclose such information. Accordingly,

- No director shall use Confidential Information to his or her own personal benefit or to benefit persons or entities outside the Association, and
- No director shall disclose Confidential Information outside the Association, either during or after his or her service as a director of the Association, except with authorization of the Board of Directors or as may be otherwise required by law.

“Confidential Information” is all non-public information entrusted to or obtained by a director by reason of his or her position as a director of the Association. It includes, without limitation, non-public information that might be harmful to the Association or others if disclosed, such as:

- Non-public information concerning possible transactions with other entities, information about individual residents within The Point at Lake Jeanette, or information about third parties that the Association is under an obligation to maintain as confidential, and
- Non-public information about discussions and deliberations relating to business issues and decisions between and among the directors, officers, and personnel from the management company engaged by the Association.