

## **CONFLICT OF INTEREST POLICY**

### **PURPOSE**

This policy is designed to help directors, officers, and employees of the Pipeline Association for Public Awareness (Association) identify and avoid situations that present potential conflicts of interest or actual conflicts of interest and to provide the Association with a procedure that will allow a transaction to be treated as valid and binding even though a director, officer, or employee has or may have a conflict of interest with respect to the transaction.

### **DEFINITIONS**

A *Responsible Person* is any person serving as an officer, employee or member of the board of directors.

A *Family Member* is a spouse, domestic partner, parent, child, or spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.

A *Material Financial Interest* in an entity is a financial interest of any kind that, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person's or Family Member's judgment with respect to transactions to which the entity is a party. This includes all forms of compensation.

A *Contract or Transaction* is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, the establishment of any other type of pecuniary relationship or review of a charitable organization by the Association. The making of a gift to the Association is not a Contract or Transaction.

### **CONFLICTS OF INTEREST**

The following circumstances shall be deemed to create Conflicts of Interest:

- 1) A Contract or Transaction between the Association and a Responsible Person or Family Member.
- 2) A Contract or Transaction between the Association and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative.
- 3) A Responsible Person competing with the Association in the rendering of services or in any other Contract or Transaction with a third party.
- 4) A Responsible Person's having a Material Financial Interest in; or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of, or consultant to; an entity or individual that competes with the Association in the provision of services or in any other Contract or Transaction with a third party.

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- 5) A Responsible Person accepting gifts, entertainment, or other favors from any individual or entity that does or is seeking business with, or is a competitor of the Association or has received, is receiving or is seeking to receive a loan or grant, or to secure other financial commitments from the Association under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value that are not related to any transaction or activity of the Association.

### **PROCEDURES**

- 1) Before board or committee action on a Contract or Transaction involving a Conflict of Interest, a director or committee member having a Conflict of Interest and who attends the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.
- 2) A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- 3) A person who has a Conflict of Interest shall not participate in or be permitted to hear the board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- 4) A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote on the Contract or Transaction. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the board of directors has a Conflict of Interest when he or she stands for election as an officer or for re-election as member of the board of directors.
- 5) Responsible Persons who are not members of the board of directors of the Association or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of board or committee action, shall disclose to the Chair or the Chair's designee any Conflict of Interest that such Responsible Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Responsible Person. The Responsible Person shall refrain from any action that may affect the Association's participation in such Contract or Transaction.

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- 6) In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the Chair or the Chair's designee, who shall determine whether there exists a Conflict of Interest that is subject to this policy.

### **CONFIDENTIALITY**

Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be detrimental to the interests of the Association. Furthermore, a Responsible Person shall not disclose or use information relating to the business of the Association for the personal profit or advantage of the Responsible Person or a Family Member.

### **REVIEW OF POLICY**

Each new Responsible Person is required to review this Policy and to acknowledge that he or she has done so in the online Conflict of Interest form.

Upon initial review of this policy, and annually thereafter, each new Responsible Person shall identify any relationships, positions, or circumstances in which the Responsible Person is involved that he or she believes could contribute to a Conflict of Interest arising. Such relationships, positions, or circumstance might include service as a director of or consultant to a not-for-profit organization, or ownership of a business that might provide goods or services to the Association. Any such information regarding business interests of a Responsible Person or a Family Member shall be documented in the online Conflict of Interest form. The Responsible Person's information shall generally be kept confidential and used only by the Chair, the Executive Director, and any committee appointed to address Conflicts of Interests, except to the extent additional disclosure is necessary to implement this Policy.

This policy shall be reviewed annually the Executive Director of the Association and any proposed revisions must be approved by the Board of Directors. Changes to the policy shall be communicated immediately to all Responsible Persons.