

CONFLICT OF INTEREST

Procedures to address potential conflicts

Conflict of Interest Policy

3.0 Management of Conflict of Interest

The Board of Directors or its conflict of interest sub-committee is charged with the responsibility of managing conflict of interest, and determining and implementing the appropriate course of action. This management system is based on disclosure and all disclosures constitute confidential information that will be available to the Board, or a sub-committee thereof, for the evaluation and resolution of any conflict of interest or allegations of conflict of interest brought before the Board or its conflict of interest sub-committee.

While it is recognized that it may be difficult to completely avoid situations of potential, apparent or actual conflict of interest, complete avoidance or divestment may be required in certain cases. Such divestment should not consist of a sale or transfer of assets to family members or other persons for the purpose of circumventing the conflict of interest compliance measures as directed by the Board.

3.1 Principles

An individual who is involved with, or has an interest in, or deals in any manner with a third party which might cause a conflict of interest, will not be present and participate in any decisions, including committee decisions, if the declared potential conflict of interest could influence the decision or actions of the organization. It is the obligation of the individual to declare such potential, apparent or actual conflict of interest before discussions take place so that the committee or Board of Directors is aware of the situation in order to ensure that the individual is out of the room when the discussion and decision process on the item in question are taking place. This course of action should be recorded in the minutes of the meeting.

Any question raised by an individual or company regarding the potential conflict of interest of an individual will be raised at the Board of Directors level and must be documented in writing. The Board of Directors will determine the extent to which the question should be pursued and in such cases will consult the individual in question. If necessary, the individual will be asked to respond in writing.

3.2 Non-compliance

If an individual is discovered to be in conflict of interest where disclosure and prior approval have not been sought or granted, the Board of Directors will require the individual to:

- account to the network for any gain or benefit made directly or indirectly, arising from an involvement with, or an interest in, or from dealing in any manner with a third party that gives rise to a conflict of interest; **and**
- withdraw from the involvement; **or**

- withdraw from the organization; **or**
- take appropriate action as determined by the Board of Directors.

4.0 Review Process

An individual may request in writing, within 30 days, a review of a Board of Directors' decision on conflict of interest. In certain circumstances, the Board of Directors may arrange for an independent third party appointed by mutual agreement to act as an intermediary. The intermediary would provide an opinion on the overall merit of the review, without divulging specifics of a proprietary nature. The ultimate decision on the resolution of the review rests with the Board of Directors.

In cases where there is a concern with respect to decisions or actions of the Board of Directors itself, this concern should be submitted in writing to the Chair.

Conflict of Interest

Dealing effectively with actual or potential conflicts of interest is a shared responsibility of the individual and the organization. The individual and organizational roles and responsibilities with regard to conflicts of interest follow.

General

1. All individuals who serve in positions of responsibility need not only to avoid conflicts of interest, but also to avoid the appearance of a conflict of interest. This includes Officers, Directors, Committee Chairs, and other elected or appointed leaders, and staff. Decisions must be based solely on the interest of the organization and its membership. Decisions must not be influenced by desire for personal profit or other extraneous considerations.
2. Officers, Board members, Committee Chairs, and the President shall annually sign a statement acknowledging their fiduciary responsibility to the organization and pledge to avoid conflicts of interest or the appearance of conflicts of interest. The issue of conflict of interest with regard to the remainder of the staff shall be the responsibility of the President.
3. Officers, Board members, Committee Chairs, and the President shall annually complete a form disclosing pertinent financial and career related information and will update that information as necessary to continuously keep it current and active.
4. Officers, Board members, Committee Chairs, and the President shall annually sign a statement acknowledging that they sometimes have access to confidential information and pledge to protect the confidentiality of that information.
5. Officers, Board members, Committee Chairs, and the President shall annually pledge to clarify their position when speaking on their own behalf as opposed to speaking on behalf of the membership as a whole, or as an officer or member of the Board of Directors or senior staff member.

6. Officers, Board members, and the President will periodically review the conflict of interest disclosure statements submitted to the organization to be aware of potential conflicts that may arise with others.
7. When an Officer, Board member, or the President believes that an individual has a conflict of interest that has not been properly recognized or resolved, the Officer, Board member, or President will raise that issue and seek proper resolution.
8. Any member may raise the issue of conflict of interest by bringing it to the attention of the Board through the President. The final resolution of any conflict of interest shall rest with the Board of Directors.
9. Officers, Board members, and the President will ensure that proper disclosure and actions taken in regard to those disclosures are a matter of record.

Disclosure Form

Officers, Board members, Committee Chairs, and the President shall annually complete a form that shall disclose the following.

1. Other Board of Director positions, including a brief description of the nature and purposes of the organization.
2. Positions of employment, including the nature of the business of the employer, the position held, and a description of the daily responsibilities of the employment.
3. Relationships that involve holding a position of responsibility or a substantial financial interest (other than a less than 1% interest in a publicly traded company), or the receipt of any unusual gifts or favors from an outside entity or person, from which the organization obtains substantial amounts of goods or services, or which provides services that substantially compete with the organization.
4. Substantial financial interests or positions of responsibility in entities providing goods or services in support of the organization, other than owning less than a 1% interest in a publicly traded company.
5. Any other interest the member believes may create a conflict with the fiduciary duty to the membership of the organization or that may create the appearance of a conflict of interest.

The completed disclosure forms shall be provided to the President and the President. In addition, the forms will be made available to other Board members and placed in the General Reference Notebook available at each Board meeting for review by Officers and members of the Board of Directors.

Additional Rules of Conduct

Whenever a potential transaction or agreement with the organization is presented for consideration at a meeting or other deliberation involving the participation of an Officer, Board member, Committee Chair, Section Chair, or the President, **such person shall disclose any position of responsibility or significant relationship to the person or organization involved in the potential transaction or agreement.** This disclosure shall be made even if the position or relationship has otherwise been disclosed in the documents filed with the company. If the discussion includes consideration of confidential information that

should not be disclosed to the outside person or organization, **the individual involved shall be absent from the portion of the discussion involving the confidential information.** When a motion is made for approval of a transaction or agreement with the organization, the appropriate course of action in such cases is to disclose the conflict and recuse oneself, i.e., to remove oneself from the deliberations and the vote on the issue.

Sample Conflict Policy

Procedures.

- A. Prior to 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 is in attendance at the meeting **shall disclose all facts material to the Conflict of Interest.** Such disclosure shall be reflected in the minutes of the meeting.
- B. 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.
- C. **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.
- D. 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 and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. 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 of [ORGANIZATION NAME] has a Conflict of Interest when he or she stands for election as an officer or for re-election as a member of the Board of Directors.
- E. Responsible Persons who are not members of the Board of Directors of [ORGANIZATION NAME], 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 [ORGANIZATION NAME]'s participation in such Contract or Transaction.

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.

Conflict of Interest Policy

For the Board of Directors:

Complete the form "Potential Sources of Bias and Conflict of Interest -- Acknowledgment and Certification" prior to installation as a Director or Officer. Participate in a closed session discussion by the entire Board that is conducted at least annually.

Voluntarily and immediately disclose to the Board of Directors any circumstance or relationship that could be a real or apparent conflict of interest.

Questions on an individual board member's real or apparent conflict of interest will be referred to the Board Chair for resolution.

For Committee Chairs:

Complete the form "Potential Sources of Bias and Conflict of Interest -- Acknowledgment and Certification" prior to initial appointment as Committee Chair. Conduct a closed session discussion by the entire committee at least annually and ensure all committee members participate.

Recommend action by the Board of Directors to appoint or terminate membership on a committee.

Voluntarily and immediately disclose to the Board of Directors any circumstance or relationship that could be a real or apparent conflict of interest.

Questions on a Committee Chair's real or apparent conflict of interest will be referred to the Board of Directors for resolution.

For Committee Members:

Complete the form "Potential Sources of Bias and Conflict of Interest -- Acknowledgment and Certification" prior to appointment to the committee. Participate in a closed session discussion by the entire committee that is conducted at least annually.

Voluntarily and immediately disclose to the Committee Chair any circumstance or relationship that could be a real or apparent conflict of interest.

Questions on a Committee member's real or apparent conflict of interest will be referred to the Committee Chair for resolution.

Adhere to any supplemental bias and conflict of interest procedures established for the committee.

Conflict of Interest Policy

Appearances can be as important as reality in the appropriate standard of ethical conduct. Since no list can take into account every situation, our Code of Ethics is based on the

exercise of conservative good judgment. It is the obligation of all Employees, Officers and Directors to know and understand the Code of Ethics and other policies and procedures **and to consult with the General Counsel regarding any questions. Employees, Officers or Directors who discover any Employee, Officer or Director engaging in an illegal or unethical act (other than accounting, accounting controls or auditing matters - see the next paragraph), have the responsibility to promptly notify:**

_____ General Counsel
[address or contact information]

Any phone notification should be followed up with a written report. These reports can be submitted anonymously or on a confidential basis. If these reports are submitted on a confidential basis, the reporting Employee, Officer or Director's name will not be disclosed in any investigation, but company may be required to disclose the person's name to government entities. There will be no retaliation against a person making good faith reports or complaints.

If an Employee, Officer or Director has a complaint or a concern about any accounting, accounting control, or auditing matters at THE COMPANY (for example, if it is believed that an accounting or auditing practice is questionable or incorrect), the Employee, Officer or Director must submit a complaint or concern to:

Audit Committee of the Board of Directors
[contact information]

As an Employee, Officer or Director of THE COMPANY your first duty of loyalty is to THE COMPANY. Conflicts of interest are to be avoided. A "conflict of interest" occurs when an individual or private interest interferes in any way with the interests of THE COMPANY as a whole. These rules apply to the individual and members of his or her family. A conflict can arise when you take any action or have interests that may make it difficult to perform your job at THE COMPANY objectively and effectively. Buying supplies from a company you have an interest in is a conflict of interest. Borrowing money from a customer is a conflict of interest. Taking employment from a customer is a conflict of interest. Buying a product on normal terms and conditions from a customer is not a conflict of interest. **If a question arises, get a written interpretation from THE COMPANY's General Counsel. Any actual or potential conflicts of interest must be disclosed to the Board of Directors.**

Receiving improper personal benefits from THE COMPANY, either for yourself or your family, is a conflict of interest. You may not: (a) take for yourself personally any business opportunities discovered through the use of THE COMPANY property, information, or position; (b) use THE COMPANY property, information, or position for personal gain (outside of your job remuneration), or (c) compete with THE COMPANY. **You shall not accept any personal gain from THE COMPANY subsidiaries or affiliates (other than your employer) without full disclosure and written approval**

from THE COMPANY's General Counsel, or the Board of Directors. You owe a duty to THE COMPANY to advance its legitimate interest when the opportunity arises to do so.

Transactions with THE COMPANY and its Employees, Officers and Directors are subject to special rules and regulations. Transactions involving an Officer, Director or employee's purchase or other receipt of property from THE COMPANY, or sales of property by Employees, Officers or Directors to THE COMPANY, are discouraged and are subject to supervisory approval and approval of THE COMPANY's General Counsel. **Questions as to the proper procedures may be directed to the General Counsel.**

Compliance Standards and Procedures - THE COMPANY's General Counsel will promptly investigate all reports by an Employee, Officer or Director of violations of this Code. Any THE COMPANY supervisor or Executive Officer who receives such a report must promptly forward it to the General Counsel. Reports will be investigated as confidentially as possible. Any report made in good faith shall not result in retaliation against the employee making the report. **The General Counsel shall provide a written report of conclusions from any investigation to the Audit Committee of the Board. The Audit Committee will promptly investigate any reports it receives of concerns or complaints about accounting, accounting controls, or auditing matters. The Audit Committee will review the outcome of any such investigations and record the results in the minutes of its meetings. The Audit Committee shall have authority to direct any discipline it deems appropriate, up to and including dismissal of THE COMPANY employees found to have engaged in wrongdoing.**

The requirements of this Code may not be waived for Directors or Executive Officers except by the Board of Directors of THE COMPANY followed promptly by disclosure of the waiver to THE COMPANY shareholders.

Conflict of Interest Policy

GENERAL COMPLIANCE; DISCIPLINARY ACTION

Each director, officer and employee is expected to report what he or she believes in good faith are violations of the law or Company policy, whether accidental or deliberate, by any director, officer or employee. If you become aware of any conflict, relationship, payment or other action, involving yourself or others, which could conflict with these policies, **it is your obligation to disclose the matter fully and in writing to your supervisors.** The knowing failure to report a violation is itself a violation of Company policy. Reports of possible violations will be acted upon promptly and in a manner consistent with the circumstances.

Any waiver of this Ethics Policy for executive officers or directors may be made only by the Board or a Board committee and must be promptly disclosed to shareholders

in any manner as may be practicable as may be required by law or stock exchange regulation.

If you are unsure as to whether any situation might result in a violation of this policy, you should discuss the matter with your supervisor or the Company's Ethics Officer, or leave a message on the telephone hotline number listed below. You may also seek further advice from corporate staff representatives in the Law and Human Resources Departments.