

CONFLICT OF INTEREST POLICY

ORGANIZATION

ORGANIZATION	<i>[Organization name]</i>
EFFECTIVE DATE	<i>[Date]</i>
LAST REVIEWED	<i>[Date]</i>
APPROVED BY	<i>[Board / committee name]</i>

PURPOSE

This conflict of interest policy is intended to protect the interests of [Organization name] when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer, or other Covered Person. The policy supplements, but does not replace, any applicable law.

DEFINITIONS

TERM	DEFINITION
Covered Person	Any director, officer, committee member with board-delegated authority, or key employee, contractor, or volunteer who exercises substantial influence over the affairs of [Organization name].
Financial Interest	A direct or indirect ownership, investment, or compensation interest in any entity that transacts with, or is negotiating with, [Organization name]; or a potential interest of the same kind. Includes interests held through business, investment, or Family Members.
Family Member	Spouse or domestic partner; parents and grandparents; children and grandchildren; siblings; in-laws (parents, children, and siblings of a spouse or partner); any household member.
Related Entity	Any entity in which a Covered Person or Family Member has a Financial Interest, or in which the Covered Person serves as a director, officer, trustee, partner, or in a similar capacity.
Compensation	Direct or indirect remuneration, including gifts or favors that are not insubstantial.

DISCLOSURE PROCEDURES

Each Covered Person must disclose any actual or potential conflict of interest and all material facts to the board or to a committee with board-delegated authority. Two disclosure mechanisms apply:

- **Annual disclosure.** Each Covered Person signs the Annual Disclosure Statement (attached) on appointment and annually thereafter, and updates it within 30 days of any material change.
- **Transactional disclosure.** Whenever a specific transaction, arrangement, or matter arises in which a Covered Person has a Financial Interest, the Covered Person submits the Transactional Disclosure Form (attached) before the meeting at which the matter is considered.

RECUSAL AND VOTING

1. After disclosure and any factual presentation by the interested Covered Person, the remaining members of the board or committee determine whether a conflict of interest exists.
2. If a conflict is found, the interested Covered Person leaves the meeting room (including any virtual meeting) before deliberation and the vote, does not vote, and does not attempt to influence the discussion or vote. The interested Covered Person may answer factual questions if specifically asked.
3. Where the absence of the interested Covered Person would otherwise leave the board or committee without a quorum, the remaining disinterested members shall constitute a quorum for the purposes of that specific vote.
4. After the vote, the interested Covered Person may rejoin the meeting and resume normal participation.

INDEPENDENT REVIEW

Before approving a transaction or arrangement that gives rise to a conflict of interest, the disinterested members of the board or committee shall:

- Investigate, or appoint a disinterested person or subcommittee to investigate, alternatives to the proposed transaction or arrangement;
- Gather appropriate comparable data, such as market surveys for compensation or competitive bids for goods and services;
- Determine whether [Organization name] can obtain a more advantageous arrangement from a person or entity not giving rise to a conflict of interest; and
- Vote on whether the transaction or arrangement is in the best interest of [Organization name], for its own benefit, and fair and reasonable.

DOCUMENTATION

The minutes of every board or committee meeting at which a conflict is addressed shall record:

- The name of each Covered Person who disclosed or was found to have a Financial Interest, and the nature of that interest;
- Any action taken to determine whether a conflict of interest existed and the board's or committee's decision;
- The names of all persons present for the discussion and vote;
- The content of the discussion, including alternatives considered; and
- The vote count and outcome.

ANNUAL STATEMENTS

Each Covered Person shall sign the Annual Disclosure Statement (attached) on initial appointment and annually thereafter, affirming that the Covered Person has received, read, and understood this policy; agrees to comply with it; understands the mission of [Organization name]; and has disclosed all actual and potential conflicts of interest known to the Covered Person.

COMPENSATION

1. A Covered Person who receives compensation, directly or indirectly, from [Organization name] for services is precluded from voting on matters pertaining to that person's compensation.

2. A Covered Person who is a voting member of any committee whose jurisdiction includes compensation matters and who receives compensation from [Organization name] is precluded from voting on matters pertaining to that person's compensation.
3. Nothing in this section prevents a Covered Person from providing information requested by a committee considering compensation.

VIOLATIONS

If the board has reasonable cause to believe a Covered Person has failed to disclose an actual or potential conflict of interest, it shall inform the Covered Person of the basis for that belief and afford the person an opportunity to explain. After hearing the response, and after further investigation as warranted, the board may take appropriate corrective action, which may include written reprimand, removal from a committee, mandatory recusal from specified future matters, termination of employment or contract, or recommendation to the membership for removal from the board.

PERIODIC REVIEWS

The board shall conduct, or cause to be conducted, a review of this policy and its operation at least annually. The review shall, at a minimum, examine:

- Whether compensation arrangements and benefits are reasonable, based on competent comparability data and arm's-length bargaining;
- Whether partnerships, joint ventures, and arrangements with management organizations conform to the policies of [Organization name] and do not result in impermissible private benefit; and
- Whether the policy itself should be amended in light of changes in law, organizational structure, or operations.

ADOPTION

This policy was adopted by the board of [Organization name] on the date set forth below.

SIGNATURE	<i>[Board chair signature]</i>
PRINT NAME	<i>[Name and title]</i>
DATE	<i>[Date]</i>

ANNUAL DISCLOSURE STATEMENT

NAME	<i>[Print name]</i>
POSITION	<i>[Director, officer, key employee, etc.]</i>
FISCAL YEAR	<i>[Year]</i>
DATE COMPLETED	<i>[Date]</i>

I have received, read, and understand the Conflict of Interest Policy of [Organization name]. I agree to comply with it. I have disclosed below all entities, positions, financial interests, and relationships that may give rise to an actual or potential conflict of interest. I will update this disclosure within 30 days of any material change and will disclose any new conflict at the first meeting where the relevant matter arises.

DISCLOSURES

ENTITY / POSITION	NATURE OF INTEREST	RELATIONSHIP	DATE AROSE

I have no interests to disclose for this period.

SIGNATURE	<i>[Signature]</i>
PRINT NAME	<i>[Name]</i>
DATE	<i>[Date]</i>

TRANSACTIONAL DISCLOSURE FORM

Use this form to disclose a conflict that arises in connection with a specific transaction, arrangement, or matter before the board or a committee. Submit to the board chair, audit committee chair, or compliance officer before the meeting at which the matter will be considered.

NAME	<i>[Print name]</i>
POSITION	<i>[Director, officer, key employee, etc.]</i>
MEETING DATE	<i>[Date]</i>
MATTER OR TRANSACTION	<i>[Brief description]</i>

DESCRIPTION OF THE INTEREST

TYPE OF CONFLICT

Actual Potential Perceived / duality of interest

SIGNATURE	<i>[Signature]</i>
PRINT NAME	<i>[Name]</i>
DATE	<i>[Date]</i>

Sign disclosures, not chase signatures.

Aprio's board portal collects annual and transactional conflict of interest disclosures by e-signature, logs every action in a tamper-evident audit trail, and keeps the record alongside your board minutes, ready for an IRS, CRA, or AG inquiry. Built for boards across the US and Canada.

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