The League of NH Craftsmen

POLICY GOVERNING CONFLICTS OF INTEREST and PECUNIARY BENEFIT TRANSACTIONS

I. PURPOSE: Conflict of Interest or even the appearance of conflict of interest, by Board members or staff must not compromise the mission of the League of NH Craftsmen.

Conflict of interest means any financial or other interest which conflicts with the service of an individual because: 1) it could impair the individual's objectivity; or 2) it could create an unfair advantage for any person or organization.

Consequently, there exists between the League of NH Craftsmen and its Board, officers, and management employees a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The Board, officers, and management employees have the responsibility of administering the affairs of the League of NH Craftsmen honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of the League of NH Craftsmen. Those persons shall exercise League of NH Craftsmen or knowledge gained from their position for their personal benefit. The interests of the organization must have the first priority in all decisions and actions.

II. COVERED PERSONS: This policy applies to all directors, officers, members of a standing committee of the board, and all employees who can influence the actions of the League of NH Craftsmen (collectively, "Covered Persons"). For example, this would include all who make purchasing decisions, all other persons who might be described as "management personnel," and all who have proprietary information concerning League of NH Craftsmen. Each Covered Person shall receive a copy of this policy and shall sign an acknowledgement that he/she has received, understands and shall comply with this policy.

All Covered Persons shall comply with all notice and voting requirements of New Hampshire RSA 7:19-a, and 292:6-a.

III. STATUTORY REQUIREMENTS. The New Hampshire statutory requirements dealing with pecuniary benefits (RSA 7:19-a and RSA 292: 6-a) are hereby incorporated in full into and made an integral part of this Conflict of Interest Policy; and a copy of the relevant New Hampshire statutes is attached hereto so that every board member and other Covered Person is aware of the statutory requirements. These requirements include, but are not limited to, absolute prohibitions on loans from a charitable trust to a director, officer, or trustee and prohibition of any sale or lease (for a term greater than five years) or conveyance of real estate from an officer, director, or trustee without the prior approval of the probate court. These requirements extend to both direct and indirect financial interest, as defined by the attached statutes.

IV. NATURE OF CONFLICTING INTEREST: A conflict of interest may arise if a Covered Person has a disqualifying relationship with third parties dealing with League of NH Craftsmen. A "disqualifying relationship" means formal affiliation with an organization other than the League of NH Craftsmen (such as being an officer,

director, trustee, member, owner [either as sole proprietor or partner], shareholder, employee or agent), or relationship by blood, marriage or significant long-term relationship with a person so affiliated with such an organization.

V. INTERPRETATION OF THIS STATEMENT OF POLICY: The areas of conflicting interest listed above, and the relations in those areas which may give rise to conflict, are not exhaustive. Conceivably, conflicts might arise in other areas or through other relations. It is assumed that the Covered Persons will recognize such areas and relation by analogy. The League of NH Craftsmen expects that all Covered Persons will abide by the spirit as well as the letter of this Policy.

The fact that one of the interests described in Section IV exists does not mean necessarily that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material that upon full disclosure of all relevant facts and circumstances that it is necessarily adverse to the interests of the League of NH Craftsmen.

However, it is the policy of the Board that the existence of any potentially conflicting interest shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of Covered Persons to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

VI. DISCLOSURE POLICY AND PROCEDURE: Transactions with related parties may be undertaken only if all of the following are observed:

1. A material transaction is fully disclosed;
2. The related party is excluded from the discussion and approval of such transaction, but may provide information if requested to do so;
3. The Board has determined, by the affirmative vote of a 2/3 majority of <u>all</u> disinterested Directors, that the transaction is in the best interest of theLeague of NH Craftsmen.

Disclosure within League of NH Craftsmen should be made to the Board Chair who shall determine whether an apparent conflict exists and is material, and who shall bring such matters, if material to the Board.

The Board shall determine whether a conflict exists and is material, and in the presence of an existing material conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to the League of NH Craftsmen. The decision of the Board on these matters will rest in their sole discretion, and their concern must be the welfare of the League of NH Craftsmen and the advancement of its mission.

<u>VII. ANNUAL REPORTS.</u> To address questions of conflict of interest, for the protection of both the individual and the organization, each Covered Person shall submit annually a list of his/her business and charitable affiliations to the Board Chair. This list will be maintained in the corporate records of the League of NH Craftsmen, and considered a matter of public record and will be available for review upon request by the public.

Adopted:
By Board of the League of NH Craftsmen

Conflict of Interest Report

Name: _____

I acknowledge that I, a Board member, standing committee member or employee of [INSERT NAME OF ORGANIZATION] have reviewed the "Policy Governing Conflicts of Interest and Pecuniary Benefit Transactions," before signing this report.

I hereby disclose information on all associations (all business and charitable organizations), which may involve a possible conflict of interest and will furnish further details upon request. (If none, so state. Do not leave blank.) Feel free to attach additional sheets if you need.

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I also understand that I am required to disclose any other situation from which a possible conflict of interest might arise in the future.

Name (please print)

Signature: _____

Date: _____