

## OEIS FOUNDATION INC.

### CONFLICT OF INTEREST POLICY

(As Adopted \_\_\_\_\_, 2009)

#### **Purpose**

This policy recognizes that a “conflict of interest” may exist whenever the personal or professional interests of a director or officer are potentially at odds with The OIES Foundation’s (“Organization”) interests. The purpose of this policy is to put into place mechanisms by which relationships, financial interests or business affiliations that could result in conflicts of interest between the Organization and an individual are identified and resolved in a manner that ensures that any such transactions are in the best interests of the Organization, over and above the interests of the Interested Party.

#### **Definitions**

- a. “Interested Party” means a director or officer, or an immediate family member of a director or officer.
- b. “Related Party” means any party, group or organization to which an Interested Party has an allegiance or affiliation.

#### **Conflicts of Interest**

A potential conflict of interest exists when actions, contracts, transactions or other dealings between the Organization and an Interested Party or a Related Party may result in a personal benefit to the Interested Party. A potential conflict of interest may also exist when an Interested Party serves as director, officer, or staff member of an organization which competes with the Organization or when an Interested Party or Related Party aids, financially or otherwise, such competing organization.

Although it is impossible to list every circumstance, the following activities by an Interested Party or a Related Party appear to involve a potential conflict and should be disclosed:

#### a. Outside Interests

- (i) To hold, directly or indirectly, a financial interest or any position in any concern with which the Organization does business (or is considering doing business) or that provides services in competition with the Organization.
- (ii) To compete, directly or indirectly, with the Organization in the purchase or sale of property or property rights, interests or services.

#### b. Outside Activities

- (i) To render services to any outside concern that does business with or competes with the Organization.

c. Gifts, Gratuities, and Entertainment

- (i) To accept gifts, entertainment, or other favors from any concern that does, or seeks to do, business with the Organization or is a competitor, under circumstances that might influence the performance of the individual's duties for the Organization.

d. Confidential or Proprietary Information.

- (i) It is improper for an Interested Party or a Related Party to disclose or use confidential or proprietary information relating to the Organization for personal profit or advantage of the Interested Party or Related Party.

**Disclosure Requirements**

a. Initial and Annual Disclosure of Relevant Interests.

- i. Immediately upon election or appointment as a director or officer, all directors and officers shall disclose any relevant interest of an Interested Party or Related Party as they relate to such director or officer which may pose a potential conflict of interest. Said disclosure statements shall be updated at least annually.

b. Disclosure of Potential Conflicts of Interest

- i. If any question may arise in the mind of any director or officer of the Organization as to a potential conflict between his or her own individual interest, those of an immediate family member, or those of a Related Party and the interest of the Organization, full disclosure of all facts pertaining to such potential conflict shall be made to the Board of Trustees. Fact-gathering and subsequent review by the Board of Trustees will determine whether or not an actual conflict exists or would occur.

**Procedures for Addressing Potential Conflicts of Interest**

- a. The Board of Directors of the Organization (or a duly appointed Committee of the Board) shall investigate the potential conflict of interest.
- b. The director or officer to whom the potential conflict of interest relates may offer factual information to the Board or Committee; but no such director or officer shall vote on such matter. The Board or Committee may, by majority vote, ask any such director or officer not to participate in any discussion relating to the conflict, or to leave the room in which such discussion is carried on; provided, however, that the interested Director may participate in any discussion regarding his or her exclusion.
- c. Directors and officers to whom the potential conflict of interest relates shall not attempt to influence other Directors regarding such matter.
- d. After conducting due diligence, the Board or Committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the

Organization's best interest and for its own benefit and whether the transaction is fair and reasonable to the Organization and shall make its decision as to whether the enter into or allow the transaction or arrangement in conformity with such determination. As part of its due diligence efforts, the Board or Committee shall determine whether the Organization can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

- e. The following information shall be recorded in the minutes of the meeting of the Board or Committee:
  - i. the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or Committee's decision as to whether a conflict of interest in fact existed; and
  - ii. the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Adopted by the Board of Trustees on \_\_\_\_\_:

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Signed, Secretary of the Corporation