

**CONFLICT OF INTEREST POLICY**  
**ACADEMY OF COURT-APPOINTED NEUTRALS**

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**1. Purposes.**

- 1.1 The primary purpose of this Policy is to protect the Academy of Court-Appointed Neutrals (“ACAN” or “Organization”) when an Interested Person is contemplating participating in a transaction or arrangement that may constitute a conflict of interest.
- 1.2 A further purpose of this Policy is to assist persons who serve as officers or directors of this Organization in understanding and meeting the standard of conduct required for officers and directors and to recognize that an officer or director, a member of their family, or a related organization, should not be disqualified from contracting with a related organization to provide goods and services to this Organization merely by reason of that person’s relationship to this related organization.
- 1.3 This Policy is intended to supplement, but not replace, any laws governing conflicts of interest applicable to nonprofit and tax-exempt organizations.

**2. Definitions.**

- 2.1 The term “Interested Person” means an officer or director of this Organization or a member of the family of an officer or director of this Organization
- 2.2 A “Member of the Family” of an officer or director includes the spouse, domestic partner, parents, children and spouses of children, brothers and sisters or spouses of brothers and sisters of the officer or director, or any combination of them.
- 2.3 A “Related Organization” is any organization in which an Interested Person serves as an officer or director or has a financial interest.

- 2.4 A “Financial Interest” exists if an Interested Person has, directly or indirectly:
  - 2.4.1 An ownership or investment interest in an organization;
  - 2.4.2 A compensation arrangement with an organization;
  - 2.4.3 A potential ownership or investment interest in an organization; or
  - 2.4.4 A potential compensation arrangement with an organization.
- 2.5 “Compensation” includes direct and indirect remuneration, as well as gifts or favors that are substantial in nature, whether received as an employee, a consultant or an independent contractor.
- 2.6 A “Conflict of Interest” exists if:
  - 2.6.1 This corporation proposes to enter into a contract or transaction with an Interested Person or a Related Organization, or
  - 2.6.2 An Interested Person or a Related Organization proposes to enter into a contract or transaction with a third party that provides goods or services that compete with the goods and services provided by ACAN.

### **3. Discharge of Duties.**

- 3.1 It is the responsibility of each officer and director of this Organization to discharge their duties as an officer or director in good faith, in a manner the person reasonably believes to be in the best interests of this Organization, and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.
- 3.2 No Interested Person shall, directly or indirectly, solicit or accept any gratuities, favors or anything of monetary value from any person who is a party to (or who has the potential to become a party to) any contract with this Organization with the understanding or agreement that any officer or director of this Organization will be influenced thereby in the performance of their duties to this Organization.

4. **Conflicts Procedures.**

- 4.1 In connection with any actual or possible Conflicts of Interest, an Interested Person must disclose the existence and nature of their Conflict of Interest and must be given the opportunity to disclose all material facts relating to their Conflict of Interest to the directors or members of committees considering the proposed transaction or arrangement.
- 4.2 An Interested Person may make a presentation at the Board or committee meeting regarding the proposed transaction or arrangement.
- 4.3 After disclosure of the Conflict of Interest and all material facts, and after any discussion with the Interested Person, the Interested Person must leave the meeting of the Board (or committee) while the Conflict of Interest is discussed and voted upon.
- 4.3 After exercising due diligence, the Board (or committee) shall determine whether this 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.
- 4.4 If a more advantageous transaction or arrangement is not reasonably attainable under the circumstances that would not give rise to a Conflict of Interest, the Board (or committee) shall determine by a majority vote of the disinterested directors (or committee members), whether the transaction or arrangement is in this Organization's best interest and for its own benefit and whether the transaction is fair and reasonable to this Organization and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

5. **Violations.**

- 5.1 If the Board (or committee) has reasonable cause to believe that an Interested Person has failed to disclose actual or possible Conflicts of Interest or failed to discharge their duties in accordance with this Policy, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure.

5.2 If, after hearing the response of the person and making such further investigation as may be warranted in the circumstances, the Board (or committee) determines that the person has, in fact, failed to discharge their duties in accordance with this Policy or to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**6. Records of Proceedings.**

The minutes of meetings of the Board (or committee) shall contain:

6.1 The names of the Interested Persons who disclosed or otherwise were found to have a Conflict of Interest, the nature of the Conflict of Interest, any action taken by Board (or committee) with respect to or by reason of the Conflict of Interest.

6.2 The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussions, including any alternatives to the proposed transaction or arrangement and a record of any votes taken in connection therewith.

**7. Annual Statement.**

Each director and officer shall complete, sign and deliver to the President a Conflicts of Interest Policy Annual Statement at the time of their initial election or appointment and annually thereafter. The President may also require the foregoing from such other key management employees as the President shall determine is necessary. The Conflicts of Interest Policy Annual Statement shall be in such form as is deemed appropriate by the President with advice from this Organization's counsel. The current form is attached hereto as Exhibit A.

**EXHIBIT A**  
**CONFLICTS OF INTEREST POLICY**  
**ANNUAL STATEMENT**  
**ACADEMY OF COURT-APPOINTED NEUTRALS**

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The undersigned, being a director, officer or member of a committee of Academy of Court-Appointed Neutrals (“ACAN” or this “Organization”) hereby acknowledges the following:

1. I have received a copy of ACAN’s Conflict of Interest Policy (the “Policy”).
  - 1.1 I have read and understand the Policy.
  - 1.2 I agree to comply with the Policy.
  - 1.3 I understand that the Policy applies to the Board of the Board, all officers, committees, and subcommittees.
2. I understand that this Organization is a charitable organization and that in order to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of their tax-exempt purposes.
3. The following information concerning conflicts and potential conflicts is true, correct and complete to the best of my knowledge:
  - 3.1 I am a director, officer, employee or legal representative, or I have a material financial or beneficial interest in the following organizations that may have a conflict of interest with ACAN:

<u>Organization:</u>	<u>Title:</u>
_____	_____
_____	_____
  - 3.2 I am not involved in any activity or transaction, nor am I a party to a contract involving interests that could be found to be adverse to this Organization, except for the following: \_\_\_\_\_  
\_\_\_\_\_

3.3 I am not pursuing any business opportunities that might adversely affect this Organization, except for the following: \_\_\_\_\_  
\_\_\_\_\_

3.4 I bring to your attention the following potential conflicts of interest in addition to those, if any, disclosed above: (If none, insert "None.")  
\_\_\_\_\_  
\_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
Printed or Typed Name

\_\_\_\_\_  
Signature