

New York Chapter - Conflict of Interest Policy

Duty of Loyalty & Conflicts of Interest

Section 1. Duty of Loyalty. No Officer or Director shall engage in, or condone, any conduct that is disloyal, disruptive, damaging or competes with the New York Chapter-ADK. No Officer or Director shall take any action, or establish any interest, that compromises his/her ability to represent the New York Chapter-ADK's best interest.

Section 2. Conflict of Interest Definition. A conflict of interest exists when a matter to be acted upon by the Board of Directors ("Board") confers a direct, substantial benefit to any member of the Board, or business or agency from which such a member derives an income or has authority in governance.

Section 3. Abstention. A member of the Board must abstain from voting or attempting to influence the vote or participating in the discussion on any matter before the Board that places him or her in a potential conflict of interest. 1) In addition to not voting or influencing, individuals with identified potential conflicts of interest will not be present during such a vote; and 2) An exception to this rule is made for instances where the Board requests a potentially conflicted member to present information on the matter.

Section 4. Disclosure: Potential conflicts of interest must be reported to the Board. A member of the Board shall disclose the potential conflict as soon as he/she recognizes that a conflict may exist. If self-disclosure is not made, the Chapter Chair or any member of the Board of Directors can, prior to voting on a specific matter in which a potential conflict of interest exists, inquire whether any member of the Board desires to abstain from voting because of a potential conflict of interest. If no potential conflict of interest is disclosed, but the Chair or any other member of the Board states the opinion that such a potential conflict exists and the challenged Board member refuses to abstain from the deliberations or voting as requested, the Chapter Chair shall immediately call for a vote of the Board to determine whether the challenged Board member is in a conflict of interest. If a majority of the Board of Directors present vote to require the abstention of the challenged member, that Board member shall not be permitted to vote.

Section 5. Any discussion of a potential conflict of interest issue must be recorded in the minutes.

Section 6. Each Board member will receive a copy of this Conflict of Interest policy, which shall be signed by Board members annually.

Section 7. As per the Not-for-Profit Corporation Law ("NFPCL") § 715, the Chapter shall not enter into any related party transaction unless the transaction is determined by the Board, or an authorized committee thereof, to be fair, reasonable and in the corporation's best interest at the time of such determination. Any director, officer or key person who has an interest in a related party transaction shall disclose in good faith to the Board—the material facts concerning such interest. "Related Party Transactions" and "Related Party" shall have the same meaning set forth in NFPCL § 102, an excerpt of which is appended to this policy.

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Not-For-Profit Corporation Law § 102

(a) As used in this chapter, unless the context otherwise requires, the term:

(23) “Related party” means (i) any director, officer or key person of the corporation or any affiliate of the corporation; (ii) any relative of any individual described in clause (i) of this subparagraph; or (iii) any entity in which any individual described in clauses (i) and (ii) of this subparagraph has a thirty-five percent or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent.

(24) “Related party transaction” means any transaction, agreement or any other arrangement in which a related party has a financial interest and in which the corporation or any affiliate of the corporation is a participant, except that a transaction shall not be a related party transaction if: (i) the transaction or the related party's financial interest in the transaction is de minimis, (ii) the transaction would not customarily be reviewed by the board or boards of similar organizations in the ordinary course of business and is available to others on the same or similar terms, or (iii) the transaction constitutes a benefit provided to a related party solely as a member of a class of the beneficiaries that the corporation intends to benefit as part of the accomplishment of its mission which benefit is available to all similarly situated members of the same class on the same terms.