

**Kent Economic Partnership, Inc.**  
**Conflict of Interest Policy**

**I. Purpose**

The purpose of this Policy is to protect Kent Economic Partnership, Inc. (the “Partnership”) when it is considering entering into a transaction or arrangement, or taking any other action, that might benefit the private interest of a director, officer, or employee of the Partnership. This Policy is intended to supplement, but not to replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

**II. Scope**

This Policy applies to all directors, officers, and employees (for the purposes of this Policy, collectively referred to as “Covered Persons”), of the Partnership.

**III. Definitions**

- “Conflict of Interest” means a situation in which a Covered Person may be influenced in their decision-making by personal, business, financial, or other factors not solely related to the Partnership’s best interests.
- “Family” means the Covered Person’s spouse, parents, brothers, sisters, children and grandchildren, and their respective spouses, and any other person who resides in the same household as the Covered Person.
- “Financial Interest” means, either directly or indirectly, through business, investment, or Family: (1) an ownership or investment interest in, or indebtedness to, any entity with which the Partnership has a transaction or arrangement; (2) a compensation arrangement with the Partnership or with any entity or individual with which the Partnership has a transaction or arrangement; [or] (3) a potential ownership or investment interest in, or indebtedness to, or compensation arrangement with, any entity or individual with which the Partnership is negotiating a transaction or arrangement; [or] (4) any other situation in which the Covered Person or the Covered Person’s Family, business, or investment will directly or indirectly benefit or profit from an action or transaction or arrangement entered into by the Partnership] A Financial Interest is not necessarily a Conflict of Interest. Under the Disclosure and Resolution of Conflicts provisions in this Policy, the Board of Directors of the Partnership (the “Board”) or the [Executive Committee of the Board (the “[Executive Committee]”) shall determine if a Conflict of Interest exists. For the avoidance of doubt, a donation to the Partnership by a Covered Person, whether in cash, property, or services, shall not constitute a Financial Interest for purposes of this Policy.
- “Personal Interest” means any Family and/or business relationship with another Covered Person, except that the following do not constitute a Personal Interest: (1) situations in which two Covered Persons are employed by the same organization (unless one or both also are owners or Board members of that organization); or (2) two Covered Persons serving as common board members of

other nonprofit organizations. A Personal Interest is not necessarily a Conflict of Interest. Under the Disclosure and Resolution of Conflicts provisions in this Policy, the Board or the [Executive] Committee decides if a Conflict of Interest exists.

#### **IV. Policy**

Covered Persons must not act in their personal interests, or in the interests of others, with respect to the Partnership's affairs, but should instead act exclusively in the interest of the Partnership. Covered Persons must have undivided loyalty to the Partnership and may not use their positions at the Partnership, or use Partnership property, in a manner that allows them to obtain a financial benefit for themselves or others to the detriment of the Partnership.

##### ***A. Disclosure and Resolution of Conflicts.***

A Covered Person must promptly disclose the existence of any actual or potential Conflict of Interest as soon as it is known or reasonably should be known. Additionally, prior to a Covered Person entering into a business or other transaction or arrangement, or taking other action, that presents a potential Conflict of Interest, the proposed transaction, arrangement, or action must be carefully reviewed to determine whether the transaction, arrangement, or action creates circumstances that are counter to the Partnership's interests.

- Duty to Disclose. A Covered Person having (or whose Family members have) a potential Financial Interest or Personal Interest relating to a proposed transaction, arrangement, or action (the "Interested Party") must make full disclosure, to the best of his or her knowledge, of such Financial Interest or Personal Interest to the Board or the [Executive] Committee prior to the commencement of any discussions or negotiations with respect to such proposed transaction, arrangement, or action. If such potential Financial Interest or Personal Interest is not known to a Covered Person prior to the commencement of any discussions or negotiations with respect to a proposed transaction, arrangement, or action, the Covered Person must make full disclosure, to the best of his or her knowledge, of such Financial Interest or Personal Interest to the Board or the [Executive] Committee as soon as reasonably practicable following discovery of such interest. If there is any question in the Covered Person's mind about whether a potential Financial Interest or Personal Interest could be a Conflict of Interest, the Covered Person should disclose.
- Determination of Conflict. The Interested Party shall not participate in any discussion or review of the Financial Interest or Personal Interest other than to provide full disclosure thereof to the Board or [Executive] Committee, and the Interested Party shall leave the meeting of the Board or [Executive] Committee while the determination of a Conflict of Interest is discussed and voted upon. The Board or [Executive] Committee, excluding any Interested Party, shall decide if a Conflict of Interest exists.
- Responding to a Conflict of Interest. The Board or the [Executive] Committee shall, in its discretion, determine the appropriate organizational

response whenever there is an actual or potential Conflict of Interest with a Covered Person. With respect to specific proposed transactions, arrangements, or actions, the appropriate organizational response shall include, but may not necessarily be limited to, invoking the procedures described below:

1. The Partnership shall refrain from taking the proposed transaction, arrangement, or action until it has been approved by a majority of disinterested members of the Board or [Executive] Committee.
  2. The Board or [Executive] Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction, arrangement, or action. After exercising its due diligence, the Board or [Executive] Committee shall determine whether the Partnership can obtain, with reasonable efforts, an alternative suitable transaction, arrangement, or action from a person or entity that would not give rise to a Conflict of Interest.
  3. If an alternative suitable transaction, arrangement, or action is not reasonably possible under circumstances not involving a Conflict of Interest, the Board or [Executive] Committee shall determine by a majority vote of its disinterested members whether the proposed transaction, arrangement, or action is in the Partnership's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with its determination, the Board or [Executive] Committee shall make its decision as to whether to enter into the proposed transaction, arrangement, or action.
- Voluntary Recusal. Covered Persons may recuse themselves at any time from involvement in any decision or discussion in which the Covered Person believes he or she has or may have a Conflict of Interest, without undergoing the process for determining whether a Conflict of Interest exists.
  - Violation. If the Board or [Executive] Committee has reasonable cause to believe that a Covered Person has failed to disclose actual or potential Conflicts of Interest, the Board or [Executive] Committee shall inform the Covered Person of the basis for such belief and afford the Covered Person an opportunity to explain the alleged failure to disclose. After considering the Covered Person's response and making such further investigation as may be warranted by the circumstances, if the Board or [Executive] Committee determines that such Covered Person has in fact failed to comply with this Policy, it may take such action as it deems necessary or appropriate including, among other things, removal or termination of such Covered Person.
  - Records. The minutes of the Board or [Executive] Committee meeting during which a potential or actual Conflict of Interest was discussed, shall

contain: (1) the name of the Covered Person who disclosed an actual or potential Conflict of Interest or otherwise was found to have a Conflict of Interest; (2) the nature of the Conflict of Interest; (3) a description of any action taken to determine whether a Conflict of Interest was present and the decision of the Board or [Executive] Committee as to whether a Conflict of Interest existed and a decision as to whether the transaction, arrangement, or action was approved notwithstanding the conflict; and (4) the names of the persons who were present for discussions and votes relating to the transaction, arrangement, or action, including a record of any votes taken in connection therewith.

***B. Gifts.***

Covered Persons (and their Family members) are prohibited from receiving any gift or other thing of value from any person, company, or organization that does or is seeking to do business with the Partnership, without the approval of the Board or [Executive] Committee. This includes but is not limited to food, theater, concert, and sporting event tickets, rounds of golf, and hotel rooms at meetings, regardless of their value.

***C. Misuse of Information and Confidentiality.***

Covered Persons must refrain from using information not generally known outside of the Partnership concerning the Partnership's business activities for the benefit of Covered Persons, Family, or business associates. In the course of their duties, the directors and officers of the Partnership are provided with confidential information that relates to the conduct and details of the Partnership's business. This information is corporate property to which the Partnership has the exclusive right and benefit. Unauthorized use or disclosure of the Partnership's confidential information that benefits the disclosing director or officer or harms the Partnership may be a breach of such director's or officer's fiduciary duties. The directors and officers of the Partnership under an obligation to maintain the confidences of the Partnership and to use its confidential information only to inform discussion among directors or officers. Each director and officer, therefore, must make every effort to maintain the confidentiality of the Partnership's internal information. These efforts should include securely handling and storing any Board materials or other sensitive documents in the possession of the director or officer.

***D. Annual Certification.***

Each Covered Person shall complete and sign a Conflict of Interest Policy Annual Certification affirming that such Covered Person: (1) has received a copy of this Policy; (2) has read and understands the Policy; and (3) agrees to comply with the Policy.

**Kent Economic Partnership, Inc.**  
**Conflict of Interest Policy – Annual Certification**

Name: \_\_\_\_\_

Position at Kent Economic Partnership, Inc.: \_\_\_\_\_

I have received a copy of the Kent Economic Partnership, Inc. Conflict of Interest Policy (the “Policy”). I acknowledge and agree that: (1) I am a Covered Person as defined by the Policy; (2) I have read and understand the Policy; and (3) I agree to comply with the Policy.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date