

# BDGA CONFLICTS OF INTEREST POLICY

(Adopted May, 2016)

## I. PURPOSE

The Directors and Officers of the BDGA have a duty to behave in a trustworthy fashion. At all times they should act in the best interests of the BDGA and in a manner consistent with their duties, which include, but are not limited to, the duties of care and loyalty to the BDGA. Directors and Officers should exercise particular care to conduct their affairs so as to avoid conflicts (or the appearance of conflicts) between their own interests (including the interests of their family members and other related parties) and the interests of the BDGA and the appearance of conflicts of interest.

The purpose of this Conflicts of Interest Policy ("Conflicts Policy") is to protect the BDGA by: (i) attempting to define Conflicts of Interest, (ii) highlighting situations likely to lead to Conflicts of Interest, (iii) providing procedures for addressing Conflicts of Interest, and (iv) implementing procedures designed to identify Conflicts of Interest. The Board of Directors of the BDGA shall review this Conflicts Policy and the accompanying procedures periodically to determine if it should be revised or supplemented.

## II. KEY DEFINITIONS

### A. Conflict of Interest.

It is not realistic to expect to define in a complete and absolute manner all actual or potential Conflicts of Interest. Virtually any situation in which a Director or Officer (or a Related Party) benefits or stands to benefit at the expense or potential expense of the Corporation or where the interests of a Director or Officer or a Related Party and the Corporation are opposed present a potential Conflict of Interest.

1. A Conflict of Interest may be defined to include any activity, financial interest in, or relationship with another person or entity that would (a) impair or appear to impair a Director's or Officer's independent judgment in the discharge of his/her duties to the BDGA, (b) conflict with the best interests of the BDGA, or (c) result in a personal profit or advantage to a Director, Officer, or a Related Party at the expense of the BDGA or its interests.
2. A Conflict of Interest may involve direct and indirect interests, and may arise if a Director or Officer enters into relationships or takes action or establishes a financial interest for the Director,

Officer or a Related Party which compromises his/her ability to act in the BDGA's best interest, or is adverse to the best interests of the BDGA.

3. A Conflict of Interest may also include any unauthorized use of any confidential or proprietary information belonging to the BDGA, especially where this results in personal gain to the Director, Officer, or a Related Party.

4. A Conflict of Interest may also result in the event of a transaction with a former Director, Officer or Related Party of such former Director or Officer. For this purpose former Directors and Officers include individuals who held such position at any time during the five (5) years preceding the transaction.

#### B. Immediate Family; Related Parties.

1. Immediate Family is defined to include a Director or Officer's ancestors, spouse, siblings, (whole or halfblood), children, grandchildren, great-grandchildren, and the spouses of siblings (whole or half-blood), children, grandchildren and great-grandchildren.

2. Related Party is defined to include (i) a Director or Officer's Immediate Family, (ii) any entity in which a Director or Officer or member of such person's Immediate Family is a director, officer, general partner, or managing member, and (iii) any entity of which more than five percent (5%) of the stock, partnership interests, membership interests, or other ownership interest is held directly or indirectly by a Director, Officer or a member of their Immediate Family.

## II. EXAMPLES OF SITUATIONS WHICH MAY RESULT IN CONFLICTS OF INTEREST OR POTENTIAL CONFLICTS OF INTEREST AND CERTAIN PROHIBITED TRANSACTIONS

### A. Interest in Contract or Transaction

When a Director, Officer or a Related Party of such person has a financial interest in a contract or transaction to which the BDGA is also a party, there may be a Conflict of Interest.

### B. Directors, Officers, or Directors in Common With Other Organizations

When the Corporation enters into a contract or transaction with a Related Party or any entity in which many or any immediate Family member of such person simultaneously serves as a director, officer, member or partner, there may be a Conflict of Interest.

### C. Certain Relationships

Certain relationships may result in Conflicts of Interest, including where a Director, Officer, or a

Related Party (i) provides services, goods or facilities to the BDGA, (ii) receives grants, services or other benefits from the BDGA, or (iii) otherwise does business with the BDGA.

#### D. Corporate Opportunity

A corporate opportunity issue arises and may result in a Conflict of Interest when a Director, Officer or Related Party pursues an investment opportunity or transaction in which the BDGA may also have an interest in a manner which is adverse to the BDGA.

#### E. Gifts, Gratuities, Excessive Entertainment

A Conflict of Interest may arise if a Director, Officer or a Related Party receives gifts, gratuities, or excessive entertainment from any person or entity with which the BDGA has, or is contemplating business dealings with, or to which BDGA is providing grants or other support.

### III. PROCEDURES TO ADDRESS CONFLICTS OF INTEREST

Directors and Officers must avoid any potential or actual Conflicts of Interest. The following guidelines and procedures shall be applied in that regard.

#### A. Disclosure of Material Facts Regarding Conflict and Resolution of Conflict

1. Directors and Officers must disclose all material facts concerning an actual or potential Conflict of Interest as soon as such potential or actual Conflict of Interest is discovered. Disclosure shall be directed to the Board of Directors via the National Director or the Secretary, and shall include an understandable description of all relevant facts.
2. After disclosure of the Conflict of Interest, or potential Conflict of Interest, and all relevant facts related thereto, the Director or Officer with the conflict shall not participate in any discussions relevant to determining if a Conflict of Interest exists and, if so, how it will be addressed. Such person may, however, make a presentation at the Board or relevant Board Committee meeting to disclose the conflict and answer any questions relevant thereto, but, after such presentation, he/she shall leave the meeting during the discussion of and the vote on whether the transaction or arrangement results in the Conflict of Interest and during any discussion and vote on how to address such Conflict of Interest.
3. If it appears that a Conflict of Interest exists, the Board of Directors or the Chair of the relevant Board committee shall, if appropriate, appoint a disinterested person or a Board Committee to investigate alternatives to the proposed transaction or arrangement. After exercise of such due

diligence, the Board or a committee thereof shall determine whether the BDGA 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. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a Conflict of Interest, the Board or committee thereof shall determine by a vote of not less than a majority vote of the disinterested Board or committee members (but in no event less than two such members) whether the transaction or arrangement is in the BDGA's best interests for its own benefit and fair and reasonable to the BDGA, and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determinations. To be "fair and reasonable", the consideration and terms of the contract or transaction must be at least as favorable to the Corporation as it would have been, in the judgment of the disinterested Board or committee members, in an arm's-length transaction with an unrelated third-party, and be supported by adequate comparability data.

4. The Board, or committee thereof, shall take all actions necessary and appropriate to demonstrate and document the fairness and reasonableness of the transaction. Such action shall include, but not be limited to, taking the steps necessary to establish rebuttable presumption of reasonableness.

#### B. Violations of the Conflicts of Interest Policy

If the Board or committee thereof has reasonable cause to believe that a Director or Officer has failed to disclose actual or possible Conflicts of Interest, it shall inform such person of the basis for such belief and afford such person an opportunity to explain the alleged failure to disclose. If, after hearing the response of the Director or Officer, and making such further investigation as may be warranted under the circumstances, the Board or committee thereof determines that the Director or Officer has in fact failed to disclose an actual or possible Conflict of Interest, it shall take appropriate disciplinary and corrective action.

#### IV. RECORDS

The minutes of the Board and all committees thereof addressing Conflict of Interest issues shall contain at a minimum: (i) the names of the persons who disclosed or otherwise were found to have a potential or actual Conflict of Interest, and the nature of the Conflict of Interest, (ii) the content of the discussion including any alternatives to the proposed transaction or arrangement and the comparables reviewed with respect thereto and how such data was obtained, (iii) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, including the actions of any person with a Conflict of Interest, and (iv) the terms of the transaction and the date approved.

## V. ANNUAL DISCLOSURE

A. All Directors and Officers, including the BDGA National Director, annually must complete a "Conflict of Interest Disclosure and Compliance" form. This disclosure form includes information on all actual or potential Conflicts of Interest involving a Director or Officer.

B. As new Directors join the Board and new Officers are elected, he/she must complete the "Conflict of Interest Disclosure and Compliance" form.

C. Completed "Conflict of Interest Disclosure and Compliance" forms shall be retained by the BDGA. All such information shall be held in confidence unless the best interests of the BDGA dictates otherwise. Any disclosure of such form or the information therein shall take place only upon the majority vote of the Board or as may be required by valid legal order.

## BDGA DIRECTOR AND OFFICER CONFLICT OF INTEREST DISCLOSURE AND COMPLIANCE FORM

Part V of the Conflicts of Interest Policy for the BDGA (the "Conflicts Policy"), requires that all Directors and Officers annually complete a disclosure form that includes information on all actual or potential Conflicts of Interest involving the Director or Officer, or Related Parties of which he/she has actual knowledge, including an itemization of all existing directorships and officer positions held by the Director or Officer in any entity, whether for profit or nonprofit, and ownership positions in excess of 5% in any entity.

I have received, read and reviewed the Conflicts Policy, including the important definitional provisions defining Conflicts, Immediate Family and Related Parties. I fully understand the Conflicts Policy and agree to fully comply with the Conflicts Policy. In compliance with the Conflicts Policy, I make the following disclosures and representations as of the date hereof:

- A. All actual and potential Conflicts of Interest, as defined in the Conflicts Policy, which involve the undersigned or any Related Party (as defined in the Conflicts Policy) are described on the attached page.
  
- B. All existing directorships, trusteeships, offices, held by the undersigned in any entity, whether for profit or nonprofit, or ownership interests in excess of 5% of any entity, are listed on the attached page.
  
- C. To the best of my knowledge, (i) the BDGA has not entered into any transactions with me or a Related Party, except such as are fully and fairly disclosed on the attached page(s); (ii) any such transactions were made for full and fair consideration as if the affiliation or interest did not exist, and only after full disclosure by me to the Board of Directors of the material facts of the affiliation, interest or relationship; and (iii) I did not participate or assist in or influence in any manner the negotiation, presentation, and decision-making concerning the transaction and its circumstances.

I agree that if any situations arise of which I am aware, that in any way contradict the representations made above, I will immediately notify the Secretary or National Director of the BDGA thereof and make full disclosure. I agree to answer any questions the Board may have with respect to any actual or potential Conflict of Interest, but I understand all such information will be held in confidence unless, as provided in the Conflicts Policy, disclosure is in the best interests of the BDGA and approved by a majority of the Board of Directors or required by a valid legal order.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Print Name \_\_\_\_\_