

# **CONFLICT OF INTEREST POLICY**

## **For**

### **Pipeliners Club of Oklahoma City**

#### **PURPOSE**

The purpose of the conflict of interest policy is to protect the tax-exempt status of this Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace the Scholarship Policy or any applicable state and federal laws governing conflict of interests applicable to nonprofit and charitable organizations.

#### **DEFINITIONS**

**Interested Person:** any Director, Officer, or member of a committee with board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person. If a person is an interested person with respect to any entity in which the Corporation is a part or has a close connection with, he/she is an interested person.

**Financial Interest:** A person has a financial interest if the person has, directly or indirectly, through business, investment or family: (a) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement, (b) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement or, (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors which are not insubstantial. A financial interest is not necessarily a conflict of interest. Under this article, a person who has a financial interest may have a conflict of interest if the board or applicable committee determines that a conflict of interest exists.

#### **PROCEDURES**

**Duty to Disclose:** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Directors and members

of committees with board delegated powers considering the proposed transaction or arrangement.

**Determining Whether a Conflict of Interest Exists:** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board of Directors or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

**Procedures for Addressing the Conflict of Interest:** (a) An interested person may make a presentation at the Board of Directors or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest. (b) The President of the Board of Directors or Chairman of the committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. (c) After exercising due diligence, the Board of Directors or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest. (d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

**Violations of the Conflicts of Interest Policy:** (a) If the Board of Directors or committee has reasonable cause to believe a Director or member has failed to disclose actual or possible conflicts of interest, it shall inform the Director or member of the basis for such belief and afford the Director or member an opportunity to explain the alleged failure to disclose. (b) If, after hearing the Director's or member's response and after making further investigation as warranted by the circumstances, the Board of Directors or committee determines the Director or member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## **RECORDS OF PROCEEDINGS**

The minutes of the Board of Directors and all committees with board delegated powers shall at a minimum contain: (a) 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 of Directors' or committee's decision as to whether a conflict of interest in fact

existed. (b) 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 with the proceedings.

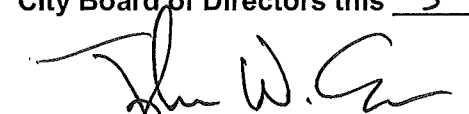
### COMPENSATION

Board members shall serve without compensation for their service as a Director. However, should a Director ever receive compensation for services rendered, the following must be met: (a) A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation. (b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation. (c) No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

### USE OF OUTSIDE ADVISORS

When conducting the annual reviews the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring annual reviews are conducted.

This Conflict of Interest Policy is adopted by Pipeliners Club of Oklahoma City Board of Directors this 3<sup>rd</sup> day of August, 2015.

  
Joshua W. Evans, President

  
Leslie Crissup, Secretary