

## RESOLUTION B-05

### CONFLICTS OF INTEREST

1. **Purpose.** This Resolution provides policy regarding conflicts of interest for members of the Board of Directors, officers, employees, and committee members of the Ocean Pines Association, Inc.

2. **Authority.** Article TENTH of the Charter of the Association requires Directors and officers to disclose a financial or other interest in contracts or transactions of the Association. Article THIRD of the Charter authorizes the Board of Directors to establish committees and appoint the members of those committees. Section 5.14(d) of the By-laws of the Association authorizes the Board of Directors to establish conditions of employment for all employees of the Association.

3. **Policy.**

**a. Conflict of Interest.** No Director, officer, employee, or committee member of the Association shall recommend a course of action or make a decision on behalf of the Association with respect to any matter in which he has, or hopes to have, a direct or indirect financial interest or in which a family member or employer (other than the Association) has, or hopes to have, a financial interest. This policy shall not prohibit the furnishing of unbiased factual information for recommendation or action by others. Directors, officers, employees, and committee members shall be alert to, and sensitive to, any appearance of a conflict of interest and shall avoid such appearances.

**b. Confidential Information.** No Director, officer, employee, or committee member shall use confidential information received in the course of his Association duties to benefit any person, company, corporation, or proprietorship.

**c. Gifts and Gratuities.** No Director, officer, employee, or committee member shall accept gifts or gratuities from a corporation, company, proprietorship, or person seeking or doing business with the Association. Exceptions: meals of nominal value during the course of meetings at which Association business is discussed or gifts which are clearly based on relationships not related to the Association such as family or long standing social relationships.

4. **Definitions.**

**a. Matter.** Matter includes, but is not limited to, a purchase, a contract, any action (such as a resolution or approval of a contract or purchase), a personnel action or disposal of Association assets.

**b. Financial Interest.** Financial Interest includes, but is not limited to, a partial or total ownership of a company, partnership, or proprietorship involved in a matter, or potentially involved in a matter, either as the prime participant or as a subcontractor or supplier. It also includes a fee, wage, or salary relationship with the prime participant, subcontractor, or supplier whether or not the fee, wage, or salary is directly related to the matter. Financial interest does not include ownership of, or control over, publicly traded securities in which the number of securities held is insufficient to influence the decisions of the issuer.

