

Boyne Citizen Conflict of Interest Policy

1.0 Purpose

The purpose of this policy is to ensure that directors and officers who exercise substantial influence do not use that influence to obtain benefits in excess of fair market value in transactions with the corporation. The Board of Directors shall monitor transactions between the corporation and insiders to ensure that any such transaction is fair to the corporation and does not grant excessive benefits to the insider. This policy seeks to ensure that Boyne Citizen maintains the high ethical standards that it has set for itself and that it observes state and federal requirements regarding conflicts of interest and excess benefit transactions.

2.0 Definition of Insider

An insider is any person in a position of authority over the corporation, including directors, officers, staff, and major donors. Close family members of insiders may also be considered insiders. Entities in which a director or officer owns a substantial interest may also be considered insiders.

3.0 Conflict of Interest

A conflict of interest arises in a transaction between the corporation and an insider (e.g., hiring an insider to provide goods or services to the corporation; purchases from an insider). Reasonable expense reimbursements and transactions in the normal course of operations that are available to non-insiders on similar terms and conditions are not conflicts of interest.

The Board recognizes that this policy may not describe all types of transactions between the corporation and an insider, or a business closely connected to an insider, which may create divided loyalties or the perception of a conflict of interest or unfair advantage to the insider. In such case, the Board may determine whether any such transaction should be treated as a conflict of interest under this policy on a case-by-case basis.

4.0 Procedure

All insiders must report the material facts of a conflict of interest transaction to the Board. When the corporation engages in a transaction with an insider that is a conflict of interest, the Board shall:

- Exclude any insider from voting on the approval of such a transaction.
- Ensure that the compensation for the insider is reasonable and for fair market value by utilizing appropriate data from similar transactions.
- Document its decision in writing.