



# AMERICAN SUBCONTRACTORS ASSOCIATION MIDWEST COUNCIL

## Conflict of Interest Policy for Board of Directors

Adopted by The Board of Directors August 17, 2005

There exists between the Board of Directors and members of ASA a fiduciary relationship that carries with it a strict and unbending duty of loyalty. Directors are responsible for administering the Association's affairs honestly and economically, and exercising their best care, skill and judgment for the sole benefit of the Association. The giving of this service, because of the varied interests and backgrounds of the Directors, may result in situations involving a dual interest that might be interpreted as a conflict of interest. However, this service should not be rendered impossible solely by reason of possible conflict of interest.

Potential conflicting interests exist between the Association and any organization or firm with which the Association does business, and between the Association and any organization or firm providing services similar to those services offered by the Association to its chapters, individual members, nonmembers, and other organizations and firms. It is, of course, impossible to list every circumstance giving rise to a possible conflict of interest; however, they may include:

- a position of material financial interest in an outside concern from which ASA secures services, goods, or which provides services competitive with ASA;
- any services of a consultative, managerial or directive nature provided to any outside concern that does business with or provides services competitive with ASA;
- any gifts, excessive or unusual entertainment or other favors received from any outside concern that does, is seeking to do business with ASA, or is a competitor of ASA.

If a Director becomes aware that he/she has a possible conflict of interest or that another Director has a possible conflict of interest, he/she should immediately notify the President and the Executive Director. The President and the Executive Director shall review the situation and inform the Board of Directors of a potential conflict of interest situation. The Board of Directors shall obtain an opinion from an outside independent counsel with respect to real or potential conflicts of interest in order to prevent a conflict that could operate to the detriment of the Association.

If the Board of Directors determines that a conflict exists, the Director with the conflicting interest will not be prevented from participating fully in discussions related to the issue or from answering pertinent questions of other Directors. However, the Board of Directors may request the interested Director to abstain from voting on matters related to the conflicting activity or Association. Such vote shall be duly recorded.

This policy will be reviewed annually for the information and guidance of Directors at an annual orientation or at the first Board of Directors' meeting of the fiscal year. New Directors will be advised of the policy upon election.