

Columbia Greene Board of REALTORS, Inc. Conflict of Interest Policy

Policy on Conflicts of Interest, Confidentiality, Corporate Opportunity Acceptance of Gifts, Gratuities and Entertainment

Conflict of Interest Policy

Service as an officer or director or a volunteer committee member (each, collectively hereinafter referred to as a “Leader”) for the Columbia Greene Board of REALTORS, Inc. or any of its affiliated entities ¹(collectively, “CGBR”) gives rise to certain ethical and legal obligations to CGBR. One such obligation is the fiduciary duty which is owed to CGBR by the Leader. This fiduciary duty requires the exercise of reasonable care in performing functions for CGBR, exhibiting honesty and good faith and includes the responsibilities of both care and loyalty to CGBR. The duties of good faith and loyalty require Leaders to avoid Conflicts of Interest (defined below) and to safeguard CGBR’s best interests, not those of the Leader.

A Conflict of Interest may exist when the Leader participates in the decision-making process on an issue for CGBR while concurrently having other business, professional or personal interests that could tend the Leader toward bias or predisposition on the issue. The fiduciary duty of a Leader also requires the Leader to avoid the appropriation of programs and activities, particularly business prospects that properly belong to CGBR. Leaders must also maintain the confidentiality of CGBR information. These obligations run from the Leader to CGBR as a whole.

Even where the Leader might be appointed or elected regionally or by virtue of the Leader’s professional position within a particular company or practice area, the primary obligations of the Leader are to CGBR as an organization, not to the Leader’s constituency.

The following policies apply to all Leaders of CGBR.

Conflict of Interest Defined

According to *Black’s Law Dictionary*, a Conflict of Interest is: “A term used in connection with public officials and fiduciaries and their relationship to matters of private interest or gain to them.” In the event there is an inconsistency between the following requirements and procedures prescribed herein and those in federal or state law, the law shall control. For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest:

¹ For purposes of this Conflict of Interest Policy, “CGBR” shall be deemed to include any and all entities affiliated with the Columbia Greene Board of REALTORS, Inc. including, but not limited to the CGBR Charities, Inc., foundations etc...

A Leader will be considered to have a Conflict of Interest whenever the Leader:

1. is a principal, partner, officer, director, member, manager, agent, associate, trustee, personal representative, receiver, guardian, custodian, conservator, consultant to, legal representative or owner of, any interest in a business (“the Business”) providing products or services to, or competing with, CGBR;
2. is a principal, partner, officer, director, member, manager, agent, associate, trustee, personal representative, receiver, guardian, custodian, conservator, consultant to, legal representative of or owner of, any interest in the Business being considered as a provider of products or services to, or competing with CGBR; or
3. holds any other unique and/or substantial interest in the Business, financial, material or otherwise, such as a personal, employer-employee, competitor, contractor-contractee, shareholder or governance relationship with the Business.
4. holds any Familial Interest in the Business with “Familial Interest” being defined as an interest held by a spouse, domestic partner, parent, child, spouse of a child, brother, sister, spouse of a brother or sister, cousin, spousal cousin or other family member.

Other Definitions

1. "Related party" means (i) any director, officer or key employee of the corporation or any affiliate of the corporation; (ii) any relative of any director, officer or key employee of the corporation or any affiliate of the corporation; or (iii) any entity in which any individual described in clauses (i) and (ii) of this subparagraph has a thirty-five percent or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent.
2. "Related party transaction" means any transaction, agreement or any other arrangement in which a related party has a financial interest and in which CGBR or any affiliate of CGBR.

Conflict of Interest Procedures

CGBR Leaders with actual or potential Conflicts of Interest must immediately disclose all facts material to the actual or potential Conflict of Interest to the Board of Directors prior to or at the outset of any discussions by CGBR pertaining to the Business. If said Conflict of Interest occurs prior to a meeting of the Board of Directors, such conflict shall be done in writing to the President through the CGBR AE. If the Conflict of Interest arises during a meeting, such disclosure shall be done verbally to the President. The Leader shall immediately refrain from any action that may affect CGBR’s decision to participate with the Business.

Such Leaders shall be excused from the meeting during such discussions and shall respond to all questions asked of them prior to being excused. They shall not participate in or be permitted to hear the discussion of the matter except to respond to questions if called into the meeting. Such Leaders shall not attempt to exert any personal influence with respect to the matter, either in or outside of the meeting.

Furthermore, no Leader with a Conflict of Interest may vote on any matter in which the Leader has a Conflict of Interest and will not be permitted to be present in the meeting room when discussions, deliberations or any vote is taken on the matter.

Minutes of meetings shall reflect that any such disclosure was made, shall contain the facts material to the Conflict of Interest, that the Leader was excused from the discussion, deliberation and vote of the matter and that the Leader did not vote on the matter.

In the event it is not entirely clear that a Conflict of Interest exists, the Leader with the potential Conflict of Interest shall disclose the circumstances at the onset of any discussion and the decision-making body will determine whether there exists a Conflict of Interest that is subject to this Policy.

In the event a related party transaction occurs, the transaction shall be documented in the minutes of the meetings and that such transaction was evaluated by the Board of directors and deemed to be fair, reasonable and in CGBR's best interest.

Corporate Opportunities Policy

Any Leader who learns of a business opening, investment, opportunity, project or program that may be of beneficial interest to CGBR, may not pursue that opportunity outside of CGBR without first offering it to CGBR. Only if CGBR decides not to proceed (i.e., abandons such corporate opportunity) may the Leader proceed independently of CGBR.

NOTE: No Leader is prohibited from engaging in conduct in the same general line of commerce as CGBR, but the Leader must conduct such Leader's own activities in good faith and without injury to CGBR. For example², assume that the Leader's service on a committee entails development of an educational course to be delivered to CGBR members. It would be a violation of this Policy to take the work of the committee and use it to create an educational course for the Leader's personal or familial financial gain. Further, and in this regard, the Leader does hereby assign to CGBR all right, title and interest in and to any and all information or material developed, conceived or created relating to all CGBR projects, including all copyrights and other proprietary interests

Confidentiality Policy

² Any examples given within these various policies are for illustrative purposes only and are not exclusive in nature.

A Leader must (a) maintain in confidence and not disclose or cause to be disclosed to anyone, other than CGBR, any information determined as confidential with such determination of confidentiality being determined at CGBR's sole discretion; (b) keep any materials containing confidential information in a safe and secure place to protect against inadvertent disclosure; and (c) preserve confidential information indefinitely, even after expiration of the Leader's service. Upon expiration of the Leader's service, the Leader must promptly return to CGBR, upon request, any materials containing confidential information sent to or acquired by the Leader relating to the Leader's work for CGBR. For example, assume that the executive committee, during its search for an AE, designates the deliberations as "confidential" to preserve the integrity of the search. It would be a violation of this Policy for the Leader to disclose such deliberations to anyone outside the committee except as may be required to conduct the committee's business or as required by law.

Review of Policy

Each Leader shall be required to review a copy of this Policy and to acknowledge in writing that he or she has done so.

This Policy shall be distributed prior to the initial election of any Leader, and annually thereafter, such leader shall complete, sign and submit to the AE of CGBR a written statement identifying, to the best of the leader's knowledge, any entity of which such leader is an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or employee and with which the Board has a relationship, and any transaction in which CGBR is a participant and in which the leader might have a conflicting interest. This policy requires that each leader annually resubmit such written statement. The AE of CGBR shall keep a copy of all completed statements on file at CGBR.

This Policy shall be review annually by the Board of Directors of CGBR. Any changes to the Policy shall be communicated immediately to all Leaders.

Columbia Greene Board of REALTORS, Inc.
Conflict of Interest Information Form

Name: _____ Date: _____

Position: _____
(director, officer, or volunteer committee member)

Please initial the space at the beginning of the applicable disclosure and describe below any relationships, transactions, positions you hold or circumstances in which you are involved that you believe could contribute to a Conflict of Interest (as defined in CGBR Conflict of Interest Policy) arising between CGBR and your personal interests, financial or otherwise :

_____ I have no potential or perceived conflict of interest to report.

_____ I have the following potential or perceived conflict(s) of interest to report:

- a. my direct business relationship with CGBR (other than as an officer, director or employee or committee member):
- b. my indirect business relationship with CGBR through ownership of more than 35% in another entity (individually or collectively) with other person(s) listed as a current or former officer, director or employee or committee member of CGBR:
- c. my family member had a direct or indirect business relationship with CGBR:
- d. I serve as an officer, director, key employee, partner or member of an entity (or a shareholder of a professional corporation) doing business with CGBR:
- e. other relationship(s) or activities, including as an officer, director or key employee of CGBR having a family relationship or business relationship with another officer, director, or key employee (explain):

I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed, and agree to abide by the CGBR Policy on Conflict of Interest which is currently in effect.

Signature: _____

Date: _____