

**Conflicts of Interest Policy Statement**  
**Marinette County Board of REALTORS®**  
**Adopted by the Board of Directors on**  
November 12<sup>th</sup>, 2019

Article I

Purpose

The purpose of this conflicts of interest policy is to:

- a. protect the Association's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director or committee member of the Association; and,
- b. require any director, officer or member of a committee with board-delegated power who serves in a capacity as director, officer, committee member, agent, consultant or representative of another Board of Realtors® (not including, for example, the National Association of Realtors® or the Wisconsin Association of Realtors®), real estate information service, multiple listing service to disclose such activity (hereinafter referred to as a "potentially competing activity" or "activity") for the purpose of determining whether a conflict exists and addressing any such conflict.

This policy is intended to supplement but not replace any applicable federal or state laws governing conflicts of interest applicable to non-profit corporations and/or trade associations.

Article II

Definitions

1. 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. Any director, officer, or member of a committee with board-delegated powers who participates in a potentially competing activity is an interested person. If a person is an interested person with respect to any entity of which the Association is a part, he or she is an interested person with respect to all entities in the Association.

2. 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 Association has a transaction or arrangement, or
- b. a compensation arrangement with the Association or with any entity or individual with which the Association 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 Association is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

Article III

Procedures

## 1. Duty to Disclose

In connection with any actual, possible or potential conflict of interest, an interested person must disclose the existence and nature of his/her financial interest and/or involvement in a potentially competing activity to the directors and members of committees with board-delegated powers.

## 2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest or the involvement in the potentially competing activity, the interested person shall leave the board or committee meeting while the financial interest and/or activity is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

## 3. Procedures for Addressing a Conflict of Interest

a. The chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

b. After exercising due diligence, the board or committee shall determine whether the Association can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest; or whether the interested person's potentially competing activity might impair or threaten the best interests of the Association. In the event of a determination that the Association's best interests might be impaired or threatened by the potentially competing activity, the interested person shall withdraw from the activity or be deemed to have resigned from his/her capacity as director, officer, committee member, agent, consultant or representative of this Board.

c. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Association's best interest and for its own benefit and whether the transaction is fair and reasonable to the Association and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

## 4. Violations of the Conflicts of Interest Policy

a. If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the members of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action.

## Article IV

### Records of Proceedings

The minutes of the board and all committees with board-delegated powers shall 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's 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 therewith.

#### Article V

##### Compensation Committees

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.

#### Article VI

##### Annual Statements

Each director, principal officer and member of a committee with board-delegated powers shall annually sign a statement which affirms that such person--

- a. has received a copy of the conflicts of interest policy,
- b. has read and understands this policy, and
- c. has agreed to comply with this policy.

#### Article VII

##### Periodic Reviews

To ensure that the Association operates in a manner consistent with its corporate purposes, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include an evaluation of whether compensation arrangements, benefits, contracts and agreements are reasonable and are the result of arm's-length bargaining.

#### Article VIII

##### Use of Outside Experts

In conducting the periodic reviews provided for in Article VII, the Association may, but need not, use outside advisors. If outside experts are used their use shall not relieve the board of its responsibility for ensuring that periodic reviews are conducted.