

## PRECAST/PRESTRESSED CONCRETE INSTITUTE CONFLICT OF INTEREST POLICY

### I. Introduction

This Conflict of Interest Policy (“the Policy”) governs conflicts of interest involving members of the Board of Directors and committees empowered to act on behalf of the Board of Directors of the Precast/Prestressed Concrete Institute (“the Institute”), (collectively, “Interested Persons”). The purpose of the Policy is to protect the Institute’s interests when it has entered into or is contemplating entering into a transaction or arrangement that might benefit a private interest of an Interested Person. The Policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to the Institute.

### II. Definition of a Conflict of Interest

A conflict of interest exists when an Interested Person has a direct or indirect (through business, investment or a family member) material financial or other interest in a matter that might influence, or that might be perceived to influence, the judgment or actions of the Interested Person while serving the Institute. Conflicts of interest may arise under numerous scenarios, including but not limited to the following:

- a. An Interested Person receiving or being considered to receive, directly or indirectly, compensation (e.g., consulting fees, speaking or writing honoraria, etc.) from, or having an actual or potential ownership or investment interest in, an entity offering or proposing to offer products or services to the Institute;
- b. An Interested Person doing business or having a relationship with any entity doing business or wishing to do business with the Institute; and
- c. An Interested Person also serving as an officer, director, employee or owner of another nonprofit organization or of a for-profit entity competing with the Institute in the industry or profession served by the Institute.

For purposes hereof, "family member" shall mean spouse, domestic partner, parent, mother-in-law, father-in-law, child, spouse of child, brother, sister or spouse of a brother or sister. Interests held by a family member shall apply to the extent such interests are known to the Interested Person.

For purposes hereof, "material financial interest" means any financial interest, including all forms of compensation, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect an Interested Person’s judgment with respect to decision-making on behalf of the Institute. A material financial interest would include the following:

- a financial ownership, partnership or substantial investment (equity or debt) interest in an entity of 5 percent or more (not minor shareholding in publicly-traded corporations);
- a financial ownership, partnership or substantial investment (equity or debt) interest which contributes to an Interested Person’s income in a material way;
- significant honoraria or consulting fees; or
- a position as proprietor, director, managing partner or key employee.

### III. Disclosure

Interested Persons must disclose all conflicts of interest as defined in Section II. above, including those that might influence or be perceived to influence the actions or decisions of the Interested Person. Therefore, even if one believes that the relationship or other circumstance will not affect one’s judgment or conduct, if it could do so or could reasonably be perceived as having the potential for improper influence, then it must be disclosed. This duty of disclosure extends to bids on or proposals for work solicited by or offered to the Institute. Each Interested Person shall complete a Conflict of Interest Disclosure Form annually;

such annual disclosures shall be supplemented by additional written disclosures as required by this Policy.

Disclosures of potential conflicts of interest by Institute volunteers and the President and CEO of the Institute shall be made immediately to the Institute's Executive Committee. Disclosures by other senior Institute staff shall be made immediately to the President and CEO of the Institute, who shall consult with the Executive Committee on the matter, if necessary and appropriate.

All Interested Persons shall bring to the attention of the Institute any actual or perceived conflict of interest involving any other Interested Person.

#### **IV. Procedure Upon a Disclosure**

Upon making a disclosure of a possible conflict of interest, the Interested Person must make all requested information available to the Institute's Executive Committee or the President and CEO, as applicable.

Possible actions that may be taken by the body or person reviewing the conflict of interest include, but are not limited to:

- prohibiting consideration of a proposal for providing products or services;
- permitting consideration of a proposal for providing products or services, but only as one of several competing proposals;
- determining, after exercising due diligence, whether the proposal related to the Interested Person is the most advantageous transaction or arrangement for the Institute and, if so, whether it is fair and reasonable and in the best interest of the Institute;
- requesting all necessary actions to eliminate the conflict of interest;
- determining that the Interested Person may not participate in discussion or determination of the matter to which the conflict of interest relates; and
- requesting the resignation of the Interested Person from the position with the Institute.

#### **A. Disclosure to the Institute's Executive Committee**

Upon receiving a disclosure of a possible conflict of interest concerning an Institute volunteer leader or the President and CEO, the Institute's Executive Committee shall consider appropriate action and decide whether a hearing is warranted. If a hearing is warranted, the Executive Committee shall provide for the due process rights of the Interested Person. If a vote is taken and the Interested Person is a member of the Executive Committee, that person must recuse and absent himself or herself from the vote. The Executive Committee may decide that the full Board of Directors should take action on the conflict. In addition, the Interested Person may appeal the action of the Executive Committee to the Board of Directors.

#### **V. Confidentiality**

Except to the extent that disclosure to members of the Executive Committee, the Board of Directors and the President and CEO is found to be necessary, all persons receiving a communication from a member or staff member pursuant to this Policy shall maintain the confidentiality of the contents of the disclosure, as well as any conclusions made as to whether there is a conflict of interest.

#### **VI. Violations of This Policy**

If the President and CEO, the Executive Committee or the Board of Directors has reasonable cause to believe that an Interested Person has failed to make a disclosure required by this Policy, the Interested Person shall be informed of the basis for such belief and shall be afforded an opportunity to explain the alleged failure to disclose. If, after hearing the Interested Person's response and making any further investigation warranted by the circumstances, the President and CEO, Executive Committee or Board of Directors determines that the Interested Person has failed to disclose an actual or potential conflict of interest,

appropriate disciplinary and corrective action, up to and including removal from an Institute office and expulsion from the Institute, shall be taken.

#### **VII. Records of Proceedings**

Minutes of meetings of the Executive Committee and Board of Directors at which matters involving an actual or alleged conflict of interest under this Policy were discussed 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 Committee or Board's decision as to whether a conflict of interest in fact existed, and
- b. the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the matters discussed, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

#### **VIII. Compensation Committees**

A voting member of any committee (or the Board of Directors), the jurisdiction of which includes compensation matters, who receives compensation, directly or indirectly, from the Institute for services is precluded from voting on matters pertaining to that compensation.