

## NATIONAL COALITION TO ABOLISH THE DEATH PENALTY

UPDATED 4/11/16

### CONFLICT OF INTEREST POLICY

**Section 1. Purpose.** The purpose of this Conflict of Interest Policy (this “Policy”) is to protect the interests of the National Coalition to Abolish the Death Penalty (“NCADP”), a tax-exempt corporation, when it is contemplating entering into a transaction or arrangement that might benefit the private interest of any of its Directors, Officers, or Committee members. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit organizations.

**Section 2. “Interested Person” Defined.** Any Director, Officer, or member of a Committee with powers delegated by the Board of Directors who has a direct or indirect “financial interest,” as defined below, is an interested person.

**Section 3. “Financial Interest” Defined.** 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 NCADP has a transaction or arrangement;
- b. A compensation arrangement with the NCADP or with any entity or individual with which the NCADP has a transaction or arrangement; or
- c. An existing or prospective ownership or investment interest in, or compensation arrangement with, any entity or individual with which the NCADP is negotiating a transaction or arrangement.

“Compensation” includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a “conflict of interest.” A person who has a financial interest shall have a conflict of interest only if the Board of Directors or applicable Committee determines that a conflict of interest exists.

**Section 4. “Conflict of Interest” Defined.** A conflict of interest exists when it is determined in accordance with Section 6 of this Policy that the financial interest of an interested person may conflict with, or reasonably appear to conflict with, such person’s duty to act impartially in the best interests of the NCADP with respect to one or more transactions or arrangements.

**Section 5. Duty to Disclose.** In connection with any proposed transaction(s) or arrangement(s), an interested person shall be responsible for disclosing the existence of a financial interest and the related material facts to the Board of Directors or applicable Committee considering the proposed transaction or arrangement.

**Section 6. Determining Whether a Conflict of Interest Exists.** After disclosure of a financial interest and the material facts related thereto, and after any discussions with the interested person deemed necessary by the Board of Directors or applicable Committee considering the proposed transaction or arrangement at issue, the non-interested members of the Board of Directors or Committee shall discuss and determine, by majority vote of the non-interested members, whether the interested person has a conflict of interest. The interested person shall not be present for such discussion and vote. If there are fewer than three (3) non-interested members of an applicable Committee considering the proposed transaction or arrangement at issue, then the matter shall be presented to the Board of Directors, which shall decide whether a conflict of interest exists in accordance with this section.

**Section 7. Determining Whether to Proceed with the Proposed Transaction or Arrangement.** When considering whether to engage in a transaction or arrangement as to which a Director, Officer, or Committee member has a conflict of interest, the Board of Directors or applicable Committee shall proceed in the following manner:

- a. A conflicted person may make a presentation regarding the proposed transaction or arrangement at the Board of Directors or Committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the conflict of interest.
- b. The non-interested majority of the Board of Directors or the applicable Committee shall, if appropriate, appoint a non-interested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board of Directors or applicable Committee shall determine whether the NCADP can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement that would not give rise to a conflict of interest is not reasonably possible to obtain, the Board of Directors or applicable Committee shall determine by a majority vote of the non-interested Directors or Committee members whether the transaction or arrangement is in the NCADP's best interest, for its own benefit, and whether it is fair and reasonable. If that determination is affirmative, the NCADP may proceed with the proposed transaction or arrangement notwithstanding the interested person's conflict of interest.
- e. If there are fewer than three (3) non-interested members of an applicable Committee considering the proposed transaction or arrangement at issue, then the matter shall be presented to the Board of Directors, which shall decide whether the NCADP may proceed with the proposed transaction or arrangement in accordance with this section.

**Section 8. Violations of the Conflicts of Interest Policy.** If the Board of Directors or applicable Committee has reasonable cause to believe that any Director, Officer, or Committee member has failed to disclose an actual or possible financial interest, it shall inform such person of the basis for such belief and afford such person an opportunity to explain the alleged failure to disclose. If, after hearing such person's response and after making further investigation as warranted by the circumstances, the Board of Directors or applicable Committee determines the Director, Officer, or Committee member has failed to disclose an actual or possible financial interest, it shall take any disciplinary and corrective actions it deems necessary.

**Section 9. Records of Proceedings.** The minutes of the Board of Directors and applicable Committees shall reflect: (a) the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible transaction or arrangement of the NCADP, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' or applicable Committee's decision as to whether a conflict of interest was determined or deemed to exist; and (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 with the proceedings.

**Section 10. Compensation.** A voting member of the Board of Directors or of any committee whose jurisdiction includes compensation matters who receives compensation, directly or indirectly, from the NCADP for his or her services is precluded from voting on matters pertaining to that member's compensation. (Reimbursement of expenses shall not be considered direct or indirect compensation for purposes of this section). No voting member of the Board of Directors or of any Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, is prohibited from providing information to any applicable Committee regarding compensation.

**Section 11. Annual Statements.** Each Director, Officer, and member of a Committee with powers delegated by the Board of Directors shall annually sign a statement in the form attached to this Policy which affirms that he/she:

- a. Has received a copy of this Policy;
- b. Has read and understands this Policy;
- c. Has agreed to comply with the Policy; and
- d. Understands the NCADP is a charitable organization, and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

If, at any time during the year, the information in an Annual Statement changes materially, the Director, Officer, or Committee member shall disclose such changes and revise his or her statement.

**Section 12. Periodic Reviews.** To ensure that the NCADP operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted by the Executive Committee or other committee designated by the Board of Directors. The periodic reviews shall assess the NCADP's compliance with this Policy, including but not limited to the following subjects:

- a. Whether the records and statements required by Sections 9 and 11 of this Policy have been created and maintained in accordance with this Policy;
- b. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining;
- c. Whether partnerships, joint ventures, and arrangements with management organizations, if any, conform to the NCADP's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in unreasonable private inurement, impermissible private benefit or in an excess benefit transaction.

**Section 13. Use of Outside Experts or Advisors.** When conducting the periodic reviews as provided for in Section 12, the NCADP may, but need not, use outside experts or advisors. If outside experts or advisors are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

**Director and Officer**  
**Annual Conflict of Interest Statement**

1. Name: \_\_\_\_\_ Date: \_\_\_\_\_

2. Position:

- a. Are you a voting Director? Yes/ No
- b. Are you an Officer? Yes/No
- c. If you are an Officer, which Office or position do you hold?

3. I affirm the following:

- a. I have received a copy of the NCADP Conflict of Interest Policy. \_\_\_\_\_ (initial)
- b. I have read and understand the policy. \_\_\_\_\_ (initial)
- c. I agree to comply with the policy. \_\_\_\_\_ (initial)
- d. I understand that the NCADP is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of tax-exempt purposes. \_\_\_\_\_ (initial)

4. Disclosures:

- a. Do you have a financial interest (current or potential), including a compensation arrangement, as defined in the Conflict of Interest policy with the NCADP?

Yes /No

- i. If yes, please describe it: \_\_\_\_\_
- ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? Yes/ No

- b. In the past, have you had a financial interest, including a compensation arrangement, as defined in the Conflict of Interest policy with the NCADP?

Yes/No

- i. If yes, please describe it, including when (approximately): \_\_\_\_\_
- ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? Yes/ No

\_\_\_\_\_  
Signature of Director

Date of Review by Executive Committee: \_\_\_\_\_