

## **Conflict of Interest Policy for MSCA Officials**

MSCA officials have a fiduciary obligation to act in the best interests of MSCA. The purpose of this Conflict of Interest Policy for MSCA Officials (“CI Policy”) is to provide guidance to MSCA officials in complying with this fiduciary obligation.

### **I. DEFINITIONS**

As used in the CI Policy, the following terms have the meanings indicated:

- A. The term “MSCA official” means an MSCA Officer, a member of the MSCA Board of Directors (“Board”), a member of an MSCA committee or any other MSCA member designated by the MSCA President or Board to represent MSCA. The term does not mean an employee of or a consultant retained by MSCA,
- B. The term “immediate family” of an MSCA official means his or her parent, spouse or domestic partner, child, grandparent, grandchild, sibling, mother- or father-in-law, sister- or brother-in-law or daughter- or son-in-law.
- C. The term “directly or indirectly” means an action taken by an MSCA official in his or her own name (directly) or through a member of the immediate family or a business associate of an MSCA official (indirectly).
- D. The term “participate in an MSCA decision” means the authority to approve, disapprove, recommend or otherwise influence the position taken by MSCA.
- E. The term “Conflict of Interest Officer” means the person who is responsible for the implementation of the CI Policy.

### **II. STATEMENT OF PRINCIPLE**

No MSCA official shall, directly or indirectly, have any interest or relationship, take any action or engage in any transaction or incur any obligation that is in conflict, or gives the appearance of a conflict, with the proper and faithful performance of his or her MSCA responsibilities.

### **III. PROHIBITED ACTIVITIES**

Activities prohibited by the Statement of Principle set forth in Section II include, but are not limited to, the following:

- A. No MSCA official shall, without prior written approval of the CI Officer, have a direct or indirect financial or personal interest in or relationship with any business, firm, person or entity that does or seeks to do business with MSCA. This prohibition shall not apply to investments in a business, firm or other entity

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through the purchase of securities that are traded on a registered national securities exchange; or utilizing any services that the business, firm, person or entity makes available to the general public in the normal course of business.

- B. No MSCA official shall, in the performance of his or her MSCA responsibilities, receive any compensation, gift, gratuity, loan or other item of value from any business, firm, person, or other entity that does or seeks to do business with MSCA, or that has financial or other interests that may be affected by the performance or nonperformance of the MSCA official's MSCA responsibilities. The term "compensation, gift, gratuity, loan or any other item of value" does not include an item that has a value of \$100 or less or a loan that is available to the general public on similar terms.
- C. No MSCA official shall, (1) disclose any information obtained by reason of his or her MSCA position that is not otherwise available to the general membership of MSCA and that could be used to the detriment of MSCA, except in the performance of his or her MSCA responsibilities or in response to a legal mandate; or (2) use or permit others to use any information obtained by reason of his or her MSCA position that is not otherwise available to the general membership of MSCA to directly or indirectly further the MSCA official's financial or personal interest.
- D. No MSCA official shall, without the prior written approval of the CI Officer, directly or indirectly sell goods or services to MSCA. This prohibition shall not apply to the payment, in accordance with MSCA policy, of compensation or a stipend to an MSCA official for carrying out his or her MSCA responsibilities.
- E. No MSCA official shall accept any other position or assignment that would conflict with his or her fiduciary obligation to act in the best interests of MSCA, or interfere with the MSCA official's ability to properly carry out his or her MSCA responsibilities.
- F. No MSCA official shall use or permit others to use his or her position with MSCA to create the impression that MSCA endorses or has endorsed a product, service or program when that is not the case, or to otherwise directly or indirectly further the MSCA official's financial or personal interest.

### **IV. IMPLEMENTATION PROCEDURE**

- A. The MSCA Vice President shall serve as the Conflict of Interest Officer ("CI Officer") and shall be responsible for the implementation of the CI Policy. The CI Officer shall monitor the implementation of the CI Policy and make periodic reports regarding its implementation to the MSCA Board of Directors. The CI Officer shall recommend to the MSCA Board of Directors such modifications in the Policy as he or she may from time to time deem appropriate.

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- B.
  - 1. If an MSCA official believes that he or she may be engaged or about to become engaged in an activity that is prohibited by the CI Policy, he or she shall consult with the CI Officer. The MSCA official and the CI Officer shall attempt to resolve the matter informally. If they are unable to do so, the CI Officer shall submit to the MSCA official a written opinion indicating whether the activity in question is prohibited by the CI Policy and, if so, how to remedy the situation.
  - 2. If the MSCA official disagrees, in whole or in part, with the opinion or the proposed remedy of the CI Officer, he or she may appeal to the MSCA Board of Directors by filing a written notice of appeal with the MSCA President within ten (10) calendar days after receiving the opinion of the CI Officer. The MSCA Board of Directors shall decide the appeal as soon as practicable. The MSCA official shall not be present during the deliberations and vote by the Board of Directors regarding the appeal. The decision of the MSCA Board of Directors shall be final and binding. The MSCA official shall comply with the opinion of the CI Officer pending the outcome of his or her appeal to the Board of Directors.
- C.
  - 1. If, following the date of the adoption of this policy, an MSCA member or employee believes that an MSCA official had engaged, is engaged or is about to become engaged in an activity that is prohibited by the CI Policy, the member or employee may file a written complaint with the CI Officer. The complainant shall identify himself or herself to the CI Officer, but the CI Officer shall, if requested to do so by the complainant, treat the complaint as anonymous and not reveal the complainant's name.
  - 2. Upon receiving a complaint, the CI Officer shall consult with the complainant and the MSCA official in question. Based upon the information received from the complainant, the MSCA official and/or other relevant information, the CI Officer shall determine whether the MSCA official had engaged, is engaged or is about to become engaged in an activity that is prohibited by the CI Policy and, if so, how to remedy the situation. The CI Officer shall submit to the MSCA official and the complainant a written opinion setting forth his or her findings.
  - 3. If the MSCA official disagrees, in whole or in part, with the opinion or the proposed remedy of the CI Officer, he or she may appeal to the MSCA Board of Directors by filing a written notice of appeal with the MSCA President within ten (10) calendar days after receiving the opinion of the CI Officer. The MSCA Board of Directors shall decide the appeal as soon as practicable. The MSCA official shall not be present during the Board's deliberations and vote regarding the appeal. The decision of the MSCA Board of Directors shall be final and binding. The MSCA official shall comply with the opinion of the CI Officer pending the outcome of his or her appeal to the Board of Directors.

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- D. In implementing the CI Policy, the CI Officer and the MSCA Board of Directors shall consider all relevant factors, including the specific MSCA responsibilities of the MSCA official and the nature of the allegedly prohibited activity, and shall interpret and apply the CI Policy in a manner that furthers its intended purpose.

### **V. MISCELLANEOUS**

- A. Nothing in this CI Policy shall be interpreted or applied to deprive any person of any right that he or she may have under the MSCA Constitution, a contract with MSCA or a statute. To the extent that the CI Policy is inconsistent with any such right, the right in the MSCA Constitution, contract with MSCA or statute shall take precedence. All other provisions of this policy that are not inconsistent with the MSCA Constitution, contract with MSCA or statute shall remain in full force and effect.
- B. Any person who believes that an MSCA official has engaged, is engaged or is about to engage in an activity that is prohibited by the CI Policy is encouraged to exhaust the CI Policy before attempting to deal with the matter in any other forum.
- C. All information and documents involved in the implementation of the CI Policy shall be treated as confidential, and the CI Officer shall make such information and documents available to others only on an “as needed” basis. To the extent relevant, all privileges, including the attorney/client and attorney work product privileges, shall apply to information and documents involved in the implementation of the CI Policy.
- D. If an allegation of a conflict of interest is levied against the CI Officer or another member of the MSCA Board of Directors, the matter shall be dealt with by those members of the MSCA Board of Directors who have not had said allegation levied against them.

### **VI. EFFECTIVE DATE, AMENDMENT AND DISTRIBUTION**

- A. The CI Policy shall become effective on the date that it is adopted by the MSCA Board of Directors and shall supersede all prior MSCA policies dealing with the same subject. The Board of Directors may amend the CI Policy from time to time as it deems appropriate.
- B. The CI Policy shall be posted on the MSCA website and a copy of the Policy shall be distributed annually to all MSCA officials and MSCA employees.