



## **Conflict of Interest Policy**

Effective July 20, 2020

The directors of Empower Next Generations Inc owe it a duty of loyalty. The duty of loyalty requires a director to act in the interest of Empower Next Generations Inc rather than in the personal interest of the director or some other person or organization. In particular, the duty of loyalty requires a director to avoid conflicts of interest that are detrimental to Empower Next Generations Inc.

Empower Next Generations Inc adopts the herein written conflict of interest policy to address potential conflicts of interest involving its directors, trustees, officers, and other employees. Empower Next Generation Inc shall adopt and regularly evaluate the written conflict of interest policy that requires directors and staff to act solely in the interests of Empower Next Generations Inc without regard for personal interests.

Empower Next Generations Inc shall require its directors, trustees, officers and others covered by the policy to disclose, in writing, on a periodic basis any known financial interest that the individual, or a member of the individual's family, has in any business entity that transacts business with Empower Next Generations Inc.

Empower Next Generations Inc shall regularly and consistently monitor and enforce compliance with the conflict of interest policy.

Below are written procedures for determining whether a relationship, financial interest, or business affiliation results in a conflict of interest; and prescribes a course of action in the event a conflict of interest is identified.

### **2.1 – Conflict of Interest Written Procedures**

The purpose of the conflict of interest policy is to protect this tax-exempt organization's (Empower Next Generations Inc) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

A conflict of interest shall be assumed for any director of Empower Next Generations Inc having a connection with any expense, distribution and/or allocation decision of the corporation related, directly or indirectly, to transactions involving Empower Next Generations Inc and/or any organization receiving allocations, directly or indirectly, from Empower Next Generations Inc. In each case the vote of such director shall not be counted in voting on any such matter unless such conflict of interest shall be deemed waived. Waiver of such conflict of interest requires that full disclosure of the relations be known to Empower Next Generations Inc at or prior to the time such matter is voted upon.

## 2.2 – Conflict of Interest Definitions

**Interested Person:** Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

**Financial Interest:** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

## 2.3 – Procedures for Addressing the Conflict of Interest

### **Duty to Disclose.**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

### **Determining Whether a Conflict of Interest Exists.**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

### **Presentations.**

An interested person may be present during a presentation at the governing board 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 possible conflict of interest.

### **Alternatives.**

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

### **Due Diligence**

After exercising due diligence, the governing board or committee shall determine whether the Organization 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.

## **Minutes and Documentation**

The minutes of any board meeting at which a matter involving a conflict of interest or potential conflict of interest was discussed or voted upon shall include:

- a. the name of the interested party and the nature of the interest.
- b. the decision as to whether the interest presented a conflict of interest.
- c. any alternatives to a proposed contract or transaction considered by the board; and
- d. if the transaction was approved, the basis for the approval.

## **Prohibited Acts**

Empower Next Generations Inc shall not make a loan to any director or officer.

## **Procedures for Determining Compensation**

1. No person shall be present for or participate in board or committee discussion or vote pertaining to:
  - a. their own compensation.
  - b. the compensation of their relative.
  - c. the compensation of any person who is in a position to direct or control them in an employment relationship.
  - d. the compensation of any person who is in a position to directly affect their financial interests; or
  - e. any other compensation decision from which the person stands to benefit.
2. In the case of compensation of Key Persons, the following additional procedures apply:
  - a. The board or a committee authorized by the board shall approve compensation before it is paid.
  - b. The board or authorized committee shall base approval of compensation on appropriate data, including compensation paid by comparable organizations (three are sufficient if the Corporation's income is less than \$1,000,000) for functionally similar positions, availability of similar services in the geographic area of the Corporation, and compensation surveys compiled by independent firms.
  - c. The board or authorized committee shall contemporaneously document:
    - the terms of compensation and date of determination.
    - the members of the board or committee who were present and those who voted for it.
    - the comparability data relied on and how it was obtained.
    - if the compensation is higher or lower than the range of comparable data, the basis for the determination, and
    - any actions with respect to consideration of the compensation by anyone on the board or committee who had a conflict of interest with respect to the matter.

**Decision**

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter the transaction or arrangement.

**Failure to Disclose.**

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

**Disciplinary and Corrective Action.**

If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Policy approved by the Board of Directors on July 20, 2020.