

Conflict of Interest Policy

Minnesota Wildflowers Information

Article I

Purpose

The purpose of the conflict of interest policy is to protect Minnesota Wildflowers Information's (MWI) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of MWI 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.

Article II

Definitions

1. Interested Person

An interested person, for purposes of this conflict of interest policy is any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest.

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 MWI has a transaction or arrangement,
- b. A compensation arrangement with MWI or with any entity or individual with which MWI has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which MWI is negotiating a transaction or arrangement.

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

The fact that one of the interests described above has occurred does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances that a conflict exists precludes board action. The board shall determine whether a conflict exists.

Article III

Procedures

The Board shall not enter into any contract or transaction with (a) one or more of its directors, (b) a director of a related organization or (c) an organization in or of which a director of MWI is a director, officer or legal representative, or in some other way has a material financial interest unless:

1. 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.

2. 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.

3. Procedures for Addressing the Conflict of Interest

- a.** An interested person may make 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.
- b.** 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 MWI'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 into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

- a.** 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.
- b.** 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.

The interested Director may be present for discussion to answer questions, but may not advocate for the action to be taken, cannot be included to establish a quorum for the meeting, and must leave the room while a vote is taken. The minutes of all actions taken on such matters shall clearly reflect that these requirements have been met.

Article IV Compensation

This subsection shall govern when compensation from MWI is being determined.

- 1.** A voting member of the governing board who receives compensation, directly or indirectly, from MWI for services is precluded from voting on matters pertaining to that member's compensation.
- 2.** A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from MWI for services is precluded from voting on matters pertaining to that member's compensation.
- 3.** No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from MWI, either individually or collectively, is prohibited from providing information to any committee regarding compensation.