

## IPDC Conflict-of-Interest Policy

### I. Purpose

The purpose of the conflict-of-interest policy is to protect IPDC's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an IPDC Board member 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 governmental agencies.

### II. 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 IPDC has a transaction or arrangement,
- b. A compensation arrangement with IPDC or with any entity or individual with which IPDC has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which IPDC 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 may have a conflict of interest only if the board decides that a conflict of interest exists.

### III. Procedures

#### 1. Duty to Disclose

In connection with any actual or possible conflict of interest, a board member must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the board

#### 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 board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board members shall decide if a conflict of interest exists.

#### 3. Procedures for Addressing the Conflict of Interest

- a. The Board chair shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the board shall determine whether IPDC 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 is not reasonably possible under circumstances not producing a conflict of interest, the board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in IPDC'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. Disciplinary Action

If the Board reasonably believes that member failed to disclose an actual or potential conflict of interest, they will inform the member and provide an opportunity to offer an explanation about why they failed to disclose the conflict or potential conflict of interest. The Board shall take disciplinary action if they continue to believe that a conflict of interest still exists.

#### 5. Records of Proceedings

The Board minutes shall contain the names of the persons who disclosed or were found to have a conflict or potential conflict, the nature of the conflict, any action taken by the Board and the Board's decision on the existence of the conflict. The record will also show the names of persons present for discussions and votes, alternatives to the vote and a record of votes taken.

#### 6. Statements

The officers of the Board will ensure that each principal officer and member shall sign a statement that affirms that they received a copy of the conflicts of interest policy, have read and understood its contents, and agree to comply with the policy.

I have read and understand the IPDC conflicts of interest policy and agree to comply with the policy.

\_\_\_\_\_  
Printed name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date