

FINAL POLICY:

**LEADERSHIP FIDUCIARY DUTIES,
CONFLICT OF INTEREST AND PECUNIARY BENEFIT TRANSACTION POLICY
FOR THE
NEW HAMPSHIRE WOMEN'S BAR ASSOCIATION**

SECTION 1 - PURPOSE AND SCOPE

The purposes of this Leadership Fiduciary Duties, Conflict of Interest and Pecuniary Benefit Transaction Policy (this "Policy") are to:

- (a) uphold the integrity and reputation of the New Hampshire Women's Bar Association (the "NHWBA");
- (b) ensure that the operating procedures of the NHWBA conform to the best practices of a New Hampshire voluntary corporation; and
- (c) ensure that the Board of the NHWBA meet the fiduciary duties owed to the NHWBA and its members.

SECTION 2 - FIDUCIARY DUTIES

The NHWBA is a New Hampshire voluntary corporation organized for the purposes of serving its membership and ensuring its members attain a high degree of professionalism and ethics in carrying out their individual practices in the New Hampshire legal community and general public. In carrying out this mission of the NHWBA, the Leadership has a number of duties, including: (a) the duty of loyalty; and (b) the duty of care. In accordance with New Hampshire RSA 7:19 II, Directors serving for any other expressed or intended reason shall resign immediately.

A. The Duty of Loyalty. The duty of loyalty means that a Director must act with undivided loyalty and in the best interests of the NHWBA and not seek to derive private gain from the business transactions of the NHWBA.

B. The Duty of Care. The duty of care requires that a Director act in good faith and make informed decisions. The NHWBA requires the Leadership to:

- (i) act reasonably, as a prudent person in similar circumstances;
- (ii) become and remain familiar with the NHWBA's activities and financial condition; and
- (iii) to participate regularly in Board meetings where appropriate. The Board has the additional duty to oversee the work of employees and contractors engaged by the NHWBA and to ensure that the NHWBA is faithfully carrying out its mission efficiently and effectively.

SECTION 3 - DUTY TO DISCLOSE

In addition to the fiduciary duties owed in Section 2 of this Policy, each Director and staff member shall, prior to taking his or her position with the NHWBA, and all present Directors and staff members, shall submit in writing to the President, a list of all businesses or other organizations of which the Director or staff member is an officer, director, trustee, member, owner, partner, shareholder, employee or agent, with which the NHWBA has or might reasonably enter into, a relationship or transaction in which the Director or staff member would have conflicting interests. The NHWBA shall keep these disclosures available for inspection by its Board.

Payments to Directors/Staff.

A. Payments to Directors. In order to safeguard the integrity and public reputation of the NHWBA and its Board of Directors, it is the policy of the NHWBA to prohibit payments to its Directors and their immediate family members except under the limited circumstances specified in this Policy and which comply with New Hampshire RSA 7:19-a.

B. Payments to Staff. In order to safeguard its staff members against appearances which might threaten the public trust and confidence, it is the policy of the NHWBA to prohibit payments to staff members and their immediate family members beyond reasonable and approved salaries, benefits and expense reimbursements.

C. Payments. For purposes of this Policy, payments shall include money and other benefits, financial or otherwise, direct or indirect, which are given to or inure to the benefit of the Directors, staff member and their immediate families, or any entity of which a Director or staff member or immediate family member is a proprietor, partner, employee or officer. Payments, however, shall not include reasonable and appropriate salaries, benefits and expense reimbursements made to staff members.

D. Immediate Family Members. Immediate family members shall be individuals one step removed from a Director or staff member. For example, immediate family members shall include a spouse; son or daughter; father or mother; brother or sister; son-in-law or daughter-in-law; brother-in-law or sister-in-law.

Disclosure of Affiliations/Payments.

A. Conflict of Interest Statement Required. Upon becoming a Director or staff member of the NHWBA, and within thirty (30) days of the end of each fiscal year thereafter, each Director and staff member shall complete and submit a Conflict of Interest Statement containing the following:

- A list of all businesses and organizations, whether for profit or charitable, of which he/she is an officer, director, trustee, member, owner (including a sole proprietor or partner), shareholder, employee or agent with which the NHWBA has entered, or might reasonably in the future enter, into a relationship or transaction.
- All payments exceeding a total of \$500.00 made to or which he/she anticipates may be received by him/her or an immediate family member from the NHWBA.

B. Submission of Conflict of Interest Statement. Directors and the Executive Director shall submit their Conflict of Interest Statements to the Chair of the Board of Directors, who shall have the responsibility for gathering, maintaining, and sharing the same, in accordance with this Policy. Staff

members shall submit their Conflict of Interest Statements to the Executive Director, who shall have the responsibility for gathering and maintaining the same, in accordance with this Policy.

C. Future Payments to Directors. Any future payments made to Directors and the Executive Director shall be in accordance with this Policy and New Hampshire RSA 7:19-a.

D. Future Payments to Staff. Any future payments made to staff members will be permitted only with the prior written approval of the Executive Director, who will review the propriety of any such payments, taking into account the principles and objectives set forth herein.

Allowable Payments to Directors.

Payments and Benefits to Directors of the NHWBA are permitted under the following circumstances and conditions.

A. Expense Reimbursements. Payments reimbursing Directors for their reasonable and Board approved expenses incurred in carrying out their official duties are permitted. Directors do not need to disclose this payment if the Board has approved the type of reimbursements made and has established the reasonable rate of reimbursement.

B. Program Benefits. Program benefits received by a Director or his or her immediate family from the NHWBA are permitted provided they are part of a program that serves the general public and there are written eligibility criteria for the benefits which the beneficiary meets. The receipt of these benefits does not need to be disclosed to or approved by the Board of Directors.

C. Statutory Requirements. The New Hampshire statutory requirements dealing with pecuniary benefits, New Hampshire RSA 7:19, 7:19-a and 292:6-a, are hereby incorporated in and made an integral part of this Policy. A copy of these statutes is attached hereto so that every Board member is aware of their requirements. These requirements include, but are not limited to (i) absolute prohibitions of loans of money or property by the NHWBA to a Director, and (ii) prohibition of any sale or lease (for a term greater than five years) or a conveyance of real estate to the NHWBA from a Director without the prior approval of the Probate Court. These requirements extend to both direct and indirect financial interests, as defined by law.

D. Additional Factors. Additionally, pecuniary benefit transactions are prohibited unless in the best interest of the NHWBA and if the following conditions are met:

1. The transaction is fair and is for goods or services purchased or benefits provided in the ordinary course of the business of the NHWBA, for the actual or reasonable value of the goods or services or for a discounted value.

2. The benefit to the NHWBA from the transaction, rather than through an outside third party, for a good or service is significant to achieving its charitable mission, necessary, and clearly documented in writing.

3. Alternatives to the transaction have been thoroughly investigated, analyzed and documented and further, in a written report to the Board of Directors, it has been determined that the benefit cannot be reasonably obtained elsewhere.

E. Approval Any such transaction which exceeds five hundred dollars (\$500) in a fiscal year may be permitted only upon a 2/3 vote of all the disinterested members of the Board of Directors

after full and fair disclosure of the material facts of the transaction, full and fair discussion by the Board and a record of the matter is made for the minutes of the Board. The discussion and review of the transaction will take place without the presence, participation or vote of any Director with either a financial interest in the transaction or who has had a pecuniary benefit transaction with the NHWBA in the same fiscal year; however, such Director shall be available to respond to any questions regarding the transaction.

F. Amount of Transaction Where the transaction or financial benefit to the Director is greater than \$5,000.00, either individually or in the aggregate, in any fiscal year, notice shall be published in a newspaper of general circulation in location of the NHWBA's principal office and to the director of charitable trusts before completing the transaction.

G. Records The NHWBA shall maintain a list of all pecuniary benefit transactions, which list shall be reported to the director of charitable trusts as part of the NHWBA's annual report, pursuant to RSA 7:28.

SECTION 4 - VOTING

Generally, the NHWBA seeks to avoid any activity or transaction that gives rise to a conflict of interest where possible. The NHWBA is permitted to enter into such a transaction based on the criteria set forth in this Section 4.

At any such time as a matter comes before the Board which gives rise to a conflict of interest, the affected Director shall make known the conflict, whether disclosed by his or her written statement or not, and after answering any questions that might be asked of him or her, shall withdraw from the meeting for so long as the matter shall continue under discussion. After answering any questions that might be asked of him or her, the Director shall withdraw from the meeting for so long as the matter shall continue under discussion by the Board of Directors. The remaining disinterested Directors shall vote on whether or not the matter constitutes a conflict or pecuniary benefit transaction. Matters constituting pecuniary benefit transactions shall be governed by Section V. The Board of Directors will determine by a 2/3 vote whether or not the matter constitutes a conflict of interest according to the By-laws of the NHWBA and state law. The Board of Directors will comply with all the requirements of New Hampshire law where conflicts of interest and/or pecuniary benefit transactions are involved. The NHWBA is permitted to enter into an activity or transaction which gives rise to a conflict of interest if:

- (i) the activity or transaction is in the best interest of the NHWBA;
- (ii) the activity or transaction is for goods and services purchased or benefits provided in the ordinary course of the business of the NHWBA;
- (iii) the activity or transaction is approved by a majority vote of the disinterested members of the Board; and
- (iv) a record of the action and any discussion must be recorded and included in the minutes of any meeting of the Board.

SECTION 5 - EXEMPTIONS FROM THIS POLICY

The NHWBA does not consider a Director's vote for another individual to take a leadership position in which both individuals have a past or existing professional relationship to be a transaction or activity giving rise to a conflict of interest.

SECTION 6 - VIOLATIONS OF THIS POLICY

A failure to disclose an actual or possible conflict of interest could cause irreparable harm to the NHWBA by damaging its integrity in the New Hampshire legal community. Such a violation could be considered by the Board significant enough to render a Director or staff member incapable of fulfilling his or her duties to the NHWBA. If the Board has reasonable cause to believe a Director or staff member has failed to disclose an actual or possible conflict of interest, then the Board may inform the Director or staff member of the basis of such belief and afford the Director or staff member an opportunity to explain the alleged failure to disclose. If after having the Director's or staff member's response and after making further investigation as warranted by the circumstances, the Board determines that the Director or staff member has failed to disclose an actual or possible conflict of interest, then the Board shall take appropriate disciplinary and corrective action in accordance with Article III of the NHWBA By-laws. A Director's or staff member's failure to disclose a conflict of interest or pecuniary benefit transaction of any nature, or to have such conflict or transaction approved according to this Policy or New Hampshire law, may result in the transaction being voided and subject to repayment to the NHWBA.

**ACKNOWLEDGEMENT OF LEADERSHIP FIDUCIARY DUTIES
AND CONFLICT OF INTEREST POLICY**

I have read the Leadership Fiduciary Duties and Conflict of Interest Policy for New Hampshire Women's Bar Association (the "Association") and understand that the purposes of this policy are to protect the integrity of the Association's decision-making process, to enable the public to have confidence in our integrity, and to protect the integrity and reputations of the directors and officers of the Board of Directors. Upon or before election to the Board of Directors, I will make a full, written disclosure of interests, relationships and holdings that could potentially result in a conflict of interest. This written disclosure will be kept on file and I will update it as appropriate.

In the course of meetings or activities, I have disclosed and will continue to disclose any potential conflict of interest as well as any interests in a transaction or decision where I (including my business or other nonprofit affiliations), my family and/or my spouse, employer or close associates may receive a benefit or gain and agree to furnish further details upon request. After disclosure, I understand that I will be asked to leave the room during the discussion and will not be permitted to vote on the question.

I further agree to disclose any and all payments, as defined in the NHWBA Conflict of Interest and Pecuniary Transaction Policy, exceeding a total of \$5,000.00 made to, or which I anticipate might be received by, myself or an immediate family member from the NHWBA.

I understand that this policy is meant to supplement good judgment, and I will respect its spirit as well as its wording. I also understand that this duty of disclosure is ongoing and that any future conflicts or affiliations which may involve a possible conflict of interest will be disclosed as they may arise.

Signed:

Print Name:

Date:

Listing of potential conflicts and known affiliations:

This statement must be signed and updated on an annual basis