

RESOLUTION B-05

CONFLICTS OF INTEREST

1. **Purpose.** This Resolution provides policy regarding conflicts of interest for members of the Board of Directors, officers, employees, and committee members of the Ocean Pines Association, Inc. ("Association").

2. **Authority.** Article NINTH of the Charter of the Association requires Directors and officers to disclose a financial or other interest in contracts or transactions of the Association. Article SEVENTH of the Charter authorizes the Board of Directors to establish committees and appoint the members of those committees. Article V., Section 5.14(d) of the By-laws of the Association authorizes the Board of Directors to establish conditions of employment for all employees of the Association.

3. **Policy.**

a. **Conflict of Interest.** No Director, officer, employee, or committee member of the Association shall knowingly misrepresent facts in order to achieve any measure of personal gain in any matter for themselves or any affiliated company from which he or his family member may benefit. All decisions must be made with the best interest of the Association in mind.

This policy shall not prohibit the furnishing of unbiased factual information for recommendation or action by others. Directors, officers, employees, and committee members shall be alert to, and sensitive to, any appearance of a conflict of interest and shall avoid such appearances.

b. **Confidential Information.** No Director, officer, employee, or committee member shall use confidential information received in the course of his Association duties to benefit any person, company, corporation, or proprietorship.

c. **Gifts and Gratuities.** No Director, officer, employee, or committee member shall accept gifts or gratuities from a corporation, company, proprietorship, or person seeking or doing business with the Association. Exceptions: meals of nominal value during the course of meetings at which Association business is discussed or gifts which are clearly based on relationships not related to the Association such as family or long-standing social relationships.

4. **Definitions.**

a. **Matter.** Matter includes, but is not limited to, a purchase, a contract, any action (such as a resolution or approval of a contract or purchase), a personnel action or disposal of Association assets.

b. **Financial Interest.** Financial Interest includes, but is not limited to, a partial or total ownership of a company, partnership, or proprietorship involved in a matter, or potentially involved in a matter, either as the prime participant or as a subcontractor or supplier. It also includes a fee, wage, or salary relationship with the prime participant,

subcontractor, or supplier whether or not the fee, wage, or salary is directly related to the matter. Financial interest does not include ownership of, or control over, publicly traded securities in which the number of securities held is insufficient to influence the decisions of the issuer.

c. Family Member. A spouse, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, or grandchild who has a Financial Interest as defined in paragraph 4.b and the interest is known by the Director, committee member, officer, or employee.

d. Employer. A company, partnership, proprietorship, or individual which furnishes compensation to, or which is discussing or negotiating future compensation with a Director, officer, employee, or committee member of the Association whether or not the compensation is related to the matter.

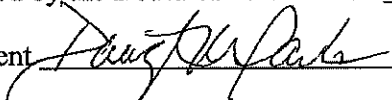

5. Notification. In any situation where any appearance of a conflict of interest could exist, i.e., when a Director, his company, his family member, or friend would be benefited by a decision of the Board of Directors, the conflicted Director must fully disclose the nature of the conflict in writing to the Board of Directors at the earliest opportunity. Any self-dealings or dealing with related parties must be fully disclosed to the Board of Directors. All contracts or decisions in which a Director has a conflict of interest must be approved by the majority of the remaining Directors and must be fair and reasonable to the Association.

Any officer or committee member of the Association who has or may have a conflict of interest or who has or may have the appearance of a conflict of interest shall notify the Board of Directors and shall refrain from making recommendations or taking action with respect to the matter. Any employee who has or may have a conflict of interest or the appearance of a conflict of interest shall notify the General Manager through normal reporting channels and shall refrain from making recommendations or taking action with respect to the matter.


6. Remedies. Any Director, officer, employee, or committee member of the Association may be removed from his position for violation of this policy.

7. Effective Date: May 20, 2023

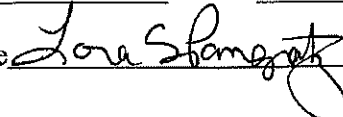
Adopted by the Board of Directors on May 20, 2023

President  Attest  Secretary

Review History.

General Manager  Date: _____

Legal _____ Date: _____

By-laws and Resolutions Advisory Committee  10/13/23