

**KNIGHTS FOR LIFE INC.**

**CONFLICT OF INTEREST POLICY**

**ARTICLE 1 PURPOSE**

THE PURPOSE OF THE CONFLICT OF INTEREST POLICY IS TO PROTECT THE ORGANIZATION KNOWN AS THE KNIGHTS FOR LIFE AND THE LIFE PAC ORG. WHEN IT IS CONTEMPLATING ENTERING INTO A TRANSACTION OF 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 FOR PROFIT AND CHARITABLE ORGANIZATIONS.

**ARTICLE 2 DEFINITIONS**

1. INTERESTED PERSON: ANY OFFICER OR MEMBER OF COMMITTEES WITH GOVERNING BOARD DELEGATED POWERS WHO HAS A DIRECT OR INDIRECT FINANCIAL INTEREST AS DEFINED BELOW IS AN INTERESTED PERSON.
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 the Knights for Life has a transaction or arrangement.
  - b. A compensation arrangement with the Knights for Life or with any entity or individual with which the Knights for life has a transaction or arrangement.
  - c. A potential ownership or investment interest in or compensation arrangement with any entity or individual with which the Knights for Life is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. Conflicts of interest are prohibited and no officer, member or committee chairman, may not vote with reference to any matter that they have a conflict of interest in including payment for any expenses of the organization. A financial interest is not necessarily a conflict of interest. Under article 111 section 2 a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists

**ARTICLE 3 PROCEDURES**

**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 officers 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 officers or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide amongst themselves 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 officers 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. The chairperson of the knights for life and life Pac if appropriate shall appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence the officers 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.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the officers of the knights for life shall determine by a majority vote of the disinterested officers whether the transaction or arrangement is in the Organization's best interests, 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 Conflict of interest Policy:**

- a. If the governing officers or committees have 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 members response and after making further investigation as warranted by the circumstances, the governing officers or committee members determines the member has failed to disclose an actual or possible conflict of interest. It shall take appropriate disciplinary and corrective action.

**ARTICLES IV RECORDS OF PROCEEDINGS:**

The minutes of the officers and regular meetings and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict was present and the governing boards or committees decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken on connection with proceedings.

**ARTICLE V COMPENSATION:**

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the knights for life for services is precluded from voting on matters to that member's compensation.
- b. A voting member of the knights for life whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly from the organization, for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the knights for life or any committee whose jurisdiction includes compensation matters and who receives compensation directly or indirectly from the organization either individually or collectively is prohibited from providing information to any committee regarding compensation.

**ARTICLE VI ANNUAL STATEMENTS**

Each director, principal officer, and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflict of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy ,
- d. Understands the Organization is charitable/political and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax exempt purposes.

**ARTICLE VII PERIODIC REVIEWS:**

To ensure the organization operates in a manner consistent with charitable purposes and does engage in activities that could jeopardize its tax exempt status periodic reviews shall be conducted. The periodic reviews shall, at a minimum include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable based on competent survey information and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the organizations written policies are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in and excess benefit transaction.

**ARTICLE VIII USE OF OUTSIDE EXPERTS**

WHEN CONDUCTING THE PERIODIC REVIEWS AS PROVIDED FOR IN ARTICLE VII THE ORGANIZATION MAY BUT NEED NOT USE OUTSIDE ADVISORS. IF OUTSIDE EXPERTS ARE USED, THEIR USE SHALL NOT RELIEVE THE GOVERNING BOARD OF ITS RESPONSIBILITY FOR ENSURING PERIODICE REVIEWS ARE CONDUCTED.