

## CONFLICT OF INTEREST POLICY

### NATIONAL ASSOCIATION OF WOMEN JUDGES

#### I. Purpose

The National Association of Women Judges (NAWJ) encourages the active involvement of its directors, officers, and employees in the community. In order to deal openly and fairly with actual and potential conflicts of interest that may arise as a consequence of this involvement, the NAWJ adopts the following conflict of interest policy.

#### II. Policy

Directors, officers, and employees are expected to use good judgment, to adhere to high ethical standards, and to conduct their affairs in such a manner as to avoid any actual or potential conflict between the personal interests of a director or employee and those of NAWJ. A conflict of interest exists when the loyalties or actions of a director, officer, or employee are divided between the interests of NAWJ and the interest of the director, officer, or employee. Both the fact and the appearance of a conflict of interest should be avoided.

#### III. Definitions

*Affiliated, affiliation* includes all direct and indirect financial interests between a director, officer, or employee and a person with whom NAWJ is considering entering into any transaction. It also includes any other interest that may influence the judgment of a director, officer or employee. An objective test is applied to determine whether an affiliation exists between the director or employee and the other person. The test is whether the involvement or relationship of the director, officer, or employee with the other person is such that it reduces the likelihood that the director, officer, or employee can act in the best interests of NAWJ.

*Person* means any individual, trust, estate, partnership, association, company or corporation.

*Substantial influence over NAWJ.* The following persons are deemed to have substantial influence over NAWJ: each member of the Board of Directors; the Executive Director, and the Chief Operations Officer; such persons' spouse, ancestors, children, grandchildren, great grandchildren, brothers, sisters and the spouses of the children, grandchildren, great grandchildren, brothers and sisters; and an entity in which such persons hold more than 35 percent of the control. Furthermore, any person who met one

of these definitions in the five years before the proposed transaction is deemed, for purposes of this policy, to have substantial influence over NAWJ.

#### **IV. Procedures**

##### Duty to Disclose

Each employee shall disclose to the Executive Director all material facts regarding the affiliation of such employee with any person with whom NAWJ is considering entering a transaction. The employee shall make that disclosure promptly upon learning of the link between that person and transaction.

The Executive Director and each officer or other person with substantial influence over NAWJ shall disclose to the Board all material facts regarding his or her affiliation with any person with whom NAWJ is considering entering a transaction. The Executive Director or other officer or person with substantial influence shall make that disclosure promptly upon learning of the link between that person and the transaction. If there is a question as to whether the employee has substantial influence over NAWJ, the Executive Director shall present this issue to the Board of Directors, and the Board shall resolve the matter

At any meeting of the Board at which a transaction involving an affiliated person will be considered, a director shall disclose to the members of the Board all material facts regarding the director's affiliation with any person with whom the Board is considering entering into any transaction.

##### Determining Whether a Conflict of Interest Exists

With regard to an employee without substantial influence over NAWJ, the Executive Director shall determine whether a conflict of interest exists.

With regard to the Executive Director, an officer, or a person with substantial influence over NAWJ, the Board shall determine if a conflict of interest exists.

After an affiliation disclosure by a director at a Board meeting, the director shall leave the meeting while the implications of the affiliation are considered and voted upon. The remaining Board members shall determine if a conflict of interest exists.

### Consequences of the Existence of a Conflict of Interest

With regard to an employee without substantial influence over NAWJ, the Executive Director shall decide the appropriate response by NAWJ once a conflict of interest has been determined to exist. An employee may appeal any adverse determination to the Board.

With regard to the Executive Director, an officer, or a person with substantial influence over NAWJ, the Board shall follow the procedures set forth in Article V in order to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are reasonable.

In the case of a director, if it is determined that a conflict of interest exists, the director shall not vote in connection with any transaction involving the affiliated person. After disclosure of the facts regarding the transaction, and after any discussion with the director, he or she shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining directors shall follow the procedures set forth in Article V in order to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are reasonable.

#### **V: Findings of the Board**

If the Board of Directors determines that a director has a conflict of interest with regard to a transaction of NAWJ, NAWJ may engage in the transaction with the affiliated director only if the following conditions are met prior to the transaction:

- A. The director shall disclose to the Board all material facts concerning the affiliation and the material economic interest.
- B. The Board shall review the material facts. The transaction may be approved only if a majority of the directors, not counting the vote of any director who is an affiliated person as to this transaction, concludes that:
  - (1) The proposed transaction is fair and reasonable to NAWJ, and
  - (2) NAWJ proposes to engage in this transaction for its own purposes and benefits and not for the benefit of the affiliated director.

The minutes of any meeting at which such a decision is taken shall record the nature of the affiliation and the material facts disclosed by the affiliated director and reviewed by the Chair of the Board.

## **VI: Annual Statements**

Each director, officer and employee who is deemed to have substantial influence over NAWJ shall sign an Annual Disclosure Statement which affirms that the person has received a copy of this conflict of interest policy, has read and understood the policy, and has agreed to comply with the policy, and discloses any direct or indirect affiliations.

All Annual Disclosure Statements shall be submitted to the Secretary of NAWJ and filed with the minutes of the first meeting of the Board of Directors held each year.

## **VII: Remedies**

Any director who fails to comply with this conflict of interest policy may, in the discretion of the Board of Directors, be censured or be removed from the Board. If an employee who is deemed to have substantial influence over NAWJ fails to comply with this conflict of interest policy, he or she may be put on notice or terminated, in the discretion of the Board of Directors. Any other employee who fails to comply with this conflict of interest policy may be put on notice or terminated, in the discretion of the Executive Director.

## **VIII: Periodic Reviews**

The Board shall authorize and oversee a periodic review of the administration of this conflict of interest policy. The review may be written or oral. The review shall consider the level of compliance with the policy, the continuing suitability of the policy, and whether the policy should be modified and improved.

**ANNUAL AFFIRMATION AND DISCLOSURE STATEMENT**

**NATIONAL ASSOCIATION OF WOMEN JUDGES**

The Conflict of Interest Policy of the National Association of Women Judges (NAWJ) requires an annual affirmation that you have received, read, understand, and agree to comply with the Policy. In addition, the Policy requires that you annually disclose (1) your affiliations with any organization with which NAWJ may have a financial relationship, and (2) the affiliations of persons with whom you have a close relationship (such as a family member or close companion) with any organization with which NAWJ may have a financial relationship.

Please sign this Statement indicating your affirmation as described above. Please disclose, in addition, any applicable affiliations known to you.

Please return this Statement to the Executive Director of NAWJ prior to the first Board meeting in the following year.

Your name: \_\_\_\_\_ Date: \_\_\_\_\_

Business/Organization    Nature of Relationship    Dates of Relationship

Reviewed by: \_\_\_\_\_

Date: \_\_\_\_\_