

NBLSA CONFLICT OF INTEREST POLICY

Conflict of Interest Policy National Black Law Students Association, Inc.

Article I Purpose

The purpose of the conflict of interest policy is to protect the interest of National Black Law Students Association, Inc. (the “Association”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer or key employee of the Association 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 nonprofit and charitable organizations. The enactment of this policy shall supersede and replace any prior Board policy or parliamentary interpretation on this matter.

Article II Definitions

1. Interested Person

Any director, principal officer or member of a committee with Board-delegated powers, who has a direct or indirect financial interest, as defined below, is an “interested person.”

2. Financial Interest and Payment

A person has a “financial interest” if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest of more than 5% in any entity with which the Association has a transaction or arrangement;
- b. A compensation arrangement with the Association or with any entity or individual with which the Association has a transaction or arrangement; or
- c. A potential ownership or investment interest of more than 5% in, or compensation arrangement with, any entity or individual with

which the Association is negotiating a transaction or arrangement.

“Payment” includes direct and indirect remuneration or reimbursement, as well as gifts, amenities, favors, or complementary items provided that are not insubstantial in the opinion of the National Chair or the National Board.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate Board or committee decides that a conflict of interest exists.

3. Board

The term “Board” means the National Executive Board of the Association, as defined by the NBLSA Constitution, applicable portions of the NBLSA Bylaws, and acts of the NBLSA General Assembly.

4. Committee

The term “committee” includes any committee or subset of the Board with Board- delegated powers.

Article III **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 directors and members of committees with Board-delegated powers considering the proposed transaction or arrangement.

All members of the Board must complete the attached “Conflict of Interest Disclosure Form” within thirty (30) days of taking office, unless otherwise directed to submit within a shorter timeframe by the National Chair or the National Executive Board. In addition, during the year, if members of the Board become aware of an actual or potential conflict of interest, involving themselves or someone affiliated with the Association, they must promptly notify the National Chair or the NBLSA General Counsel.

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 or she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the Board or committee meeting, but after the presentation, he or she shall leave the meeting during the deliberation of, and the vote on, the transaction or arrangement involving the possible conflict of interest. The interested person may not make any attempt to influence improperly the deliberation or voting on the transaction or arrangement involving the possible conflict of interest.

b. The National 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 or committee shall determine whether the Association 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 or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Association's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the Board or committee shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

a. If the Board or committee has 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 member's response and after making further investigation as warranted by the circumstances, the Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV
Records of Proceedings

The minutes of the Board 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 of interest was present, and the Board's or committee's 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 in connection with the proceedings.

Article V
Pecuniary Benefit or Payments

- a. A voting member of the Board who receives any payment or reimbursement, directly or indirectly, from the Association for services rendered or purchases made on the Association's behalf is precluded from voting on matters pertaining to that payment.
- b. A voting member of any committee whose jurisdiction includes financial matters and who receives payment, directly or indirectly, from the Association for services rendered or purchases made is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the Board or any committee whose jurisdiction includes financial matters, directly or indirectly, related to the operations of the Association, either individually or collectively, is prohibited from providing information to any committee regarding the discharge of NBLSA financial affairs.

Article VI
Annual Statements

Each director, officer, key employee and member of a committee with Board-delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy, and
- c. Has agreed to comply with the policy.

Article VII
Related Party Transaction Policies and
Procedures

Any transaction, agreement or any other arrangement in which a Related Party has a financial interest and in which the Association is a participant (each, a “Related Party Transaction”), will be subject to approval or ratification by the members of the National Executive Board in accordance with the below procedures. A Related Party means (i) any director, officer or key employee of the Association or any affiliate of the Association; (ii) any Immediate Family Member of any director, officer or key employee of the Association or any affiliate of the Association; or (iii) any entity in which any individual described in (i) or (ii) has a 35% or greater ownership or beneficial interest (or in the case of a partnership or professional corporation, a direct or indirect ownership interest of greater than 5%). “Immediate Family Member” includes a person’s spouse, parents, stepparents, children, stepchildren, siblings, mothers- and fathers-in-law, sons- and daughters-in-law and anyone residing in such person’s home (other than a tenant or employee).

The National Executive Board will review the material facts of all Related Party Transactions that require the Board’s approval and either approve or disapprove of the entry into the Related Party Transaction. Prior to entering into the Related Party Transaction, the members of the National Executive Board will consider alternative transactions to the extent available. Further, the members of the National Executive Board will take into account, among other facts it deems appropriate, whether the Related Party Transaction is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances and the extent of the Related Party’s interest in the transaction. The National Executive Board will document in writing the basis for the National Executive Board’s approval of Related Party Transactions, including its consideration of any alternative transactions.