

Conflict of Interest Policy

Of

The Sheet Metal and Air Conditioning Contractors' National Association

Policy on Conflicts of Interest and Disclosure of Certain Interests

This conflict of interest policy is designed to help directors, officers, committee members, task force members and employees of the Sheet Metal and Air Conditioning Contractors' National Association ("SMACNA") identify situations that present potential conflicts of interest and to provide SMACNA with a procedure that, if observed, will allow a transaction to be treated as valid and binding even though a director, officer, committee member, task force member, or employee has or may have a conflict of interest with respect to the transaction. In the event there is an inconsistency between the requirements and procedures prescribed herein and those in federal or state law, the law shall control. All capitalized terms are defined in Part 2 of this policy.

1. Conflict of Interest Defined. For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest:

A. Outside Interests.

- (i) A Contract or Transaction between SMACNA and a Responsible Person or Family Member.
- (ii) A Contract or Transaction between SMACNA and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative.

B. Outside Activities.

- (i) A Responsible Person competing with SMACNA in the rendering of services or in any other Contract or Transaction with a third party.
- (ii) A Responsible Person's having a Material Financial Interest in; or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of, or consultant to; an

entity or individual that competes with SMACNA in the provision of services or in any other Contract or Transaction with a third party.

C. Gifts, Gratuities and Entertainment. A Responsible Person accepting gifts, entertainment, or other favors from any individual or entity that:

- (i) does or is seeking to do business with, or is a competitor of SMACNA; or
- (ii) has received, is receiving, or is seeking to receive a loan or grant, or to secure other financial commitments from SMACNA;
- (iii) is a charitable organization;

under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value that are not related to any particular transaction or activity of SMACNA

D. Serving as a Trustee.

A Responsible Person will not be deemed to have a Conflict of Interest solely by reason of serving as a Trustee of a Trust Fund, sponsored by SMACNA, including Trust Funds subject to the Employee Retirement Income Act of 1974 as amended (ERISA), by complying with his/her fiduciary responsibilities on behalf of said Trust(s) as required by law.

2. Definitions.

- A. A *Conflict of Interest* is any circumstance described in Part 1 of this Policy.
- B. A *Responsible Person* is any person serving as a director, officer, committee member, task force member, or employee of SMACNA.
- C. A *Family Member* is a spouse, domestic partner, parent, child, or spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.
- D. A *Material Financial Interest* in an entity is a financial interest of any kind that, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person's or Family Member's judgment with respect to transactions to which the entity is a party. This includes all forms of compensation. Anything over \$750 would be considered to be a "material financial interest".
- E. A *Contract or Transaction* is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, the establishment of any other type of pecuniary relationship, or review of a charitable organization SMACNA. The making of a gift to SMACNA is not a Contract or Transaction.

3. Procedures.

- A. Before board or committee action on a Contract or Transaction involving a Conflict of Interest, a director, officer, committee member, task force member, or employee having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.

- B. A director, officer, committee member, task force member, or employee who plans not to attend a meeting at which he or she has reason to believe that the board, committee, or task force will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair of the meeting shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- C. A person who has a Conflict of Interest shall not participate in or be permitted to hear the board's, committee's, or task force's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- D. A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's inability to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the board of directors of SMACNA does not have a Conflict of Interest when he or she stands for election as an officer of SMACNA.
- E. Responsible Persons who are not members of the board of directors of SMACNA, or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of board or committee action, shall disclose to the Chief Executive Officer of SMACNA or if he or she is the one who has the conflict of interest, then to the President of SMACNA any Conflict of Interest that such Responsible Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Responsible Person. The Responsible Person shall refrain from any action that may affect SMACNA's participation in such Contract or Transaction.

In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the Chief Executive Officer of SMACNA or if he or she is the one who has the conflict of interest, then to the President of SMACNA, who shall determine whether there exists a Conflict of Interest that is subject to this policy.

- 4. Confidentiality. Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of SMACNA. Furthermore, a Responsible Person shall not disclose or use information relating to the business of SMACNA for the personal profit or advantage of the Responsible Person or a Family Member.
- 5. Review of Policy.
 - A. Each new Responsible Person shall be required to review a copy of this Policy and to acknowledge in writing that he or she has done so.
 - B. Each Responsible Person shall annually complete a disclosure form identifying any relationships, positions, or circumstances in which the Responsible Person is involved that he or she believes could contribute to a Conflict of Interest arising. Such relationships, positions, or circumstances might include service as a director of or consultant to a not-for-profit organization, or ownership of a business that might provide goods or services to SMACNA.

Any such information regarding business interests of a Responsible Person or a Family Member shall be treated as confidential and shall generally be made available only to the Chief Executive Officer, the President, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.

- C. This policy shall be reviewed annually by each member of the board of directors. Any changes to the policy shall be communicated immediately to all Responsible Persons.

SHEET METAL AND AIR CONDITIONING CONTRACTORS' NATIONAL ASSOCIATION

CONFLICT OF INTEREST DISCLOSURE STATEMENT

Note: In order to be more comprehensive, this statement of disclosure/questionnaire also requires you to provide information with respect to certain parties that are related to you.

These persons are termed "affiliated persons" and include the following:

- a. A Family Member who is a spouse, domestic partner, parent, child, or spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person (Note a Responsible Person is any person serving as an officer, employee, committee or task force member, or member of the board of directors of the Sheet Metal and Air Conditioning Contractors' National Association "SMACNA")
- b. any corporation or organization of which you (as a Responsible Person), are a board member, an officer, a partner, participate in management or are employed by, or are, directly or indirectly, a debt holder or the beneficial owner of any class of equity securities; and
- c. any trust or other estate in which you (as a Responsible Person), have a substantial beneficial interest or as to which you serve as a trustee or in a similar capacity.

1. NAME OF EMPLOYEE OR BOARD MEMBER: (Please print)

2. CAPACITY: board of directors
 executive committee
 officer
 task force member
 committee member
 employee (position): _____

3. Have you or any of your affiliated persons provided services (for which you were paid something other than your expenses) or property (other than donated property, charitable contributions, dues or contributions pursuant to a Collective Bargaining Agreement) to SMACNA in the past year?

YES NO

If yes, please describe the nature of the services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

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4. Have you or any of your affiliated persons purchased services or property from SMACNA (exclusive of manuals or other products routinely sold by SMACNA to its members or the public) in the past year?

YES NO

If yes, please describe the purchased services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

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5. Please indicate whether you or any of your affiliated persons had any direct or indirect interest in any business transaction(s) in the past year to which SMACNA was or is a party?

YES NO

If yes, describe the transaction(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

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6. Were you or any of your affiliated persons indebted to pay money to SMACNA at any time in the past year (other than for dues, registration fees, purchase of publications, travel advances or the like)?

YES NO

If yes, please describe the indebtedness and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

7. In the past year, did you or any of your affiliated persons receive, or become entitled to receive, directly or indirectly, any personal benefits from SMACNA or as a result of your relationship with SMACNA, that in the aggregate could be valued in excess of \$750, that were not or will not be compensation or expenses paid on your behalf, directly related to your duties to SMACNA?

____ YES ____ NO

If yes, please describe the benefit(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

8. Are you or any of your affiliated persons a party to or have an interest in any pending legal proceedings involving SMACNA?

____ YES ____ NO

If yes, please describe the proceeding(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

9. Are you aware of any other events, transactions, arrangements or other situations that have occurred or may occur in the future that you believe should be examined by SMACNA's board or its designated agent in accordance with the terms and intent of SMACNA's conflict of interest policy?

____ YES ____ NO

If yes, please describe the situation(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

I HERBY CONFIRM that I have read and understand SMACNA's conflict of interest policy and that my responses to the above questions are complete and correct to the best of my information and belief. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this policy, I will notify [designated officer or director] immediately.

Signature

Date