NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

MEMBERS OF THE BOARD OF DIRECTORS, AFFILIATED BOARDS, OFFICERS, EMPLOYEES, STANDING AND ADVISORY COMMITTEES

POLICY OF CONFLICTS OF INTEREST

GENERAL POLICY

Members of the Board of Directors, Affiliated Boards, Officers, Employees. Members of the Standing and Advisory Committees of The National Guard Association of the United States (the “Association”) must conduct their personal affairs in such a manner as to avoid any possible conflict of interest with their duties and responsibilities as members of the Association.

WHEREAS, the governance of Association is vested in the Board of Directors; and

WHEREAS, said Board of Directors recognizes that due to the varied interests and backgrounds of its members of the Board of Directors, Affiliated Boards, Officers, Employees, members of the Standing and Advisory Committees (the “Member(s)”, situations may arise that involve an interest on the part of a Member that might be interpreted as a conflict of interest; and

WHEREAS, said Board of Directors, consistent with the law, desire to set forth a clear statement of its policy governing situations where one or more of its Members has an interest that may be interpreted as being a conflict of interest:

NOW, THEREFORE, IT BE RESOLVED, That the following policy on conflict of interests is hereby adopted:

1. It is the policy of the Board of Directors of Association to require full disclosure by each of its Members of interests or activities that Members may have or be engaged in that might cause Members to act other than in the best interest of the Association.

2. In furtherance of this policy each Member shall:

   A. Make full disclosure of any possible conflict of interest at any time that a Member has an interest or engages in an activity that relates to a matter that is subject to board action.

   B. Annually answer a questionnaire designed to disclosure possible conflicts of interest.

3. There is hereby created a Conflicts Review Committee composed of Chairman of the Board, President and General Counsel of Association, that shall review each completed annual questionnaire, make such further investigation of possible conflicts of interest as it may determine to be appropriate, and it shall have a discussion to make a report to the Board of Directors concerning its review and investigations. The Conflicts Review Committee shall also investigate any other possible conflict of interest involving Members or others which may be brought to its attention from time to time, and shall make appropriate reports to the Board of Directors concerning the same.
BE IT FURTHER RESOLVED: That to implement the foregoing policy of full disclosure of possible conflicts of interest, the following shall serve as a guide to the types and interests and activities that should be fully reported to the Association.

1. **OUTSIDE INTERESTS**

   A. To hold, directly or indirectly, a position or a material financial interest in any outside concern from which the individual has reason to believe the Association secures goods or services (including the services of buying or selling stocks, bonds or other securities), or that provides services competitive with the Association. For this purpose, the Board of Directors hereby defines a “material financial interest” as an interest meeting any one of the following tests:

      1. Owning or holding capital stock, obligations, or a combination of both, having an aggregate value in excess of $100,000 of any concern the capital stock or obligations of which are listed on any nationally recognized securities exchange that does business with the Association.
      2. Having an interest in any other outside concern that does business with the Association.

   B. To compete, directly or indirectly, with the Association.

2. **OUTSIDE ACTIVITIES**

To render directive, managerial, or consultative services to, or to be an employee, officer, trustee or director of any outside concern that does business with, or competes with the services of the Association, or to render other services in competition with the Association.

3. **GIFTS, GRATUITIES AND ENTERTAINMENT**

To accept gifts, excessive entertainment, or other favors from any outside concern that does, or is seeking to do, business with, or is a competitor of the Association under circumstances from which it might be inferred that such action was intended to influence or possible would influence the individual in the performance of his duties. This does not include the acceptance of items or nominal or minor value that are clearly tokens of respect or friendship and not related to any particular transaction or activity of Association.

4. **INSIDE INFORMATION**

To disclose or use information relating to the Association’ business for the personal profit or advantage of the individual or his or her immediate family, or any business entity in which the individual has a “material financial interest.”

BE IT FURTHER RESOLVED: No contract or transaction shall be void or voidable for the reason that it is between the Association and one or more of its directors or officers, or between trustees, or officers, or have a financial or personal interest; or for the reason that one or more interested directors or officers participate in or vote in the meeting of the Board of Directors or a committee thereof which authorizes such contract or transaction if:
1. The material facts as to Member of the Board of Directors’ relationship or interest and as to the contract or transaction have been fully disclosed to the Board of Directors or the Directors of the Board of Directors; and

2. The Board of Directors; or a committee thereof, in good faith reasonably justified by the facts authorize the contract or transaction by the affirmative vote of a majority of the disinterested directors constitute less than a quorum.

For purposes of the above, common or interested directors may be counted in determining the presence of quorum of a meeting of the Board of Directors, or committee thereof, which authorizes the contract or transaction.

BE IT FURTHER RESOLVED; that the Association policy on conflicts of interest shall be reviewed annually for the information and guidance of the Board of Directors; and that any new Member shall be advised of the policy upon entering on the duties of his or her office.

This standard shall apply to all Members of the Board of Directors; all Members of the Board of Affiliate entities, all officers and employees of the Association and Affiliated entities; and Members of all Standing and Advisory Committees. All such policies shall also be applicable to any Member or one’s immediate family or any person acting on his or her behalf.

Such Members, officers and employees will be required to attest annually to their familiarity with the Association policies in this regard and to provide information concerning any possible conflict of interest so that disclosure may, if necessary by made.

Whenever there exists a conflict, a matter in question shall be review by the Conflict Review Committee and it shall be determine if such shall be made public by disclosure to the Board of Directors.
THE NATIONAL GUARD ASSOCIATION OF THE UNITED STATES

CONFLICT OF INTEREST STATEMENT

Pursuant to the purposes and intent of the Conflict of Interest Statement adopted by the Board of Directors requiring disclosure of certain interests, a copy of which has been furnished to me. I hereby state that I have the affiliations or interests and have taken part in the following transactions that, when considered in conjunction with my position with or relation to The National Guard Association of the United States, might possibly constitute a conflict of interest. (Check “None” where applicable.)

1. **Outside Interest an Investments**

   Identify any outside interests and/or investments as described in the policy of the Board of Directors that you may have: (    ) None

2. **Outside Activities**

   Identify any outside activities as described in the resolution of the Board of Directors that you may have: (    ) None

3. **Gifts, Etc.**

   Identify any gifts, gratuities or entertainment that you have received that might influence your judgment or actions concerning business of the National Guard Association of the United States: (    ) None

4. **Disclosure or Use of Information**

   Identify any affirmation relating to The National Guard Association of the United States’ business that has been disclosed or used for the personal profit or advantage of yourself, members of your immediate family, or any business entity in which you have “material financial interest”: (    ) None

5. **Other**

   List any other activities in which you are engaged that might be regarded as constituting a conflict of interest: (    ) None

I hereby agree to report to the President any change in the responses to each of the foregoing questions which may result from changes in circumstances before completion of my next questionnaire.

_________________________________________  ________________________________
Date                                             Signature of Member

____________________________
Name (Please print)

12/02