

**STATEMENT OF POLICY  
POLICY REGARDING CONFLICTS OF INTEREST AND BUSINESS  
TRANSACTIONS BETWEEN THE NEW HAVEN ECOLOGY PROJECT, INC.  
AND ITS RESPECTIVE DIRECTORS**

An appointment as a member of the Board of Directors is a special position of trust and responsibility for the governance of the New Haven Ecology Project, Inc. (hereafter referred to as "NHEP). As a fiduciary for the benefit of the community, fundamental responsibilities included loyalty and fidelity to the interests of NHEP.

Due to varied interests and backgrounds of directors, situations involving dual interest may be interpreted as conflicts of interest. A responsibility of a director is to administer NHEP affairs honestly and economically; exercising his/her best care, skill and judgement for the benefit of NHEP. NHEP representatives must make decisions regarding the purchase of products and services solely on the basis of the best combination of cost, quality and availability. Likewise, the rendering of services by NHEP must be fair and equitable to all purchasers. The following guidelines are established to assure that any dual interests of a director do not impeded his/her ability to serve in the interests of NHEP under the above state principles.

1. Each director shall disclose his/her or his/her immediate family's (spouse, parents, children) direct or substantial interest in any business entity, either as a seller or purchaser of goods or services with NHEP. Additionally, all directors shall disclose any other equipment, directorship or officership held by them or members of their immediate family in any business entity which does business either as a seller or purchaser of goods or services with NHEP. Such disclosures shall be in writing and addressed to the Executive Director when the director becomes aware of a possible conflict or during the annual conflict of interest process.

A substantial interest is defined as the holding of more than ten percent of the outstanding debt or equity of the business entity. A business entity is defined as a firm, organization, company, sole proprietorship or corporation which does business with NHEP.

2. Any contract, transaction or situation involving the interest of any director requiring disclosure shall be reviewed for its impact on NHEP by the Chairman of the Board of Directors. The disinterested members of the Board of Directors shall review all contracts or transactions which they customarily review, and the Executive Director of NHEP shall be responsible for the review of all other contracts and transactions. Said officer may delegate review of routine purchasing and sales matters to other responsible parties.

Failure by a director to disclose all relevant facts and circumstances shall give NHEP the right, at its options, to void any transaction where disclosure was required.

Additionally, NHEP reserves its rights under the Not-For-Profit Corporation law as well as any other action NHEP may deem appropriate in connection with the transactions.

3. Any contract, transaction or situation meeting the following standards will be deemed fair to NHEP, even if a trustee has an interest as described in section one (1).
  - a) In the normal course of business activity, the transaction reflects standard prices and terms no less favorable to NHEP than those offered to any other willing purchaser.

For example, a company provides services or products to NHEP. A director of NHEP also serves on the board of the company. Any contracts awarded to the company will be considered fair to NHEP so long as the cost is comparable to the price normally charged by the company for similar services or products.

As additional examples, any transaction with a brokerage firm which shares a director in common with NHEP shall be fair if it offers investment counseling services at the same price and degree of skill and caution as offered to other individuals and organizations. Any transaction with a bank that shares a common director with NHEP will be considered fair if the terms and interest rates of any account relationship and lending activities are equivalent in quality and price as offered to other similar institutions.

- b) Competitive sealed bids from responsible parties are secured for all products and services where bids are normally sought. The lowest bidder is ultimately selected if the goods or services meet the bid specifications for the products or services. If the low bid is not selected from an organization where a director has a direct/significant interest or serves as a director or officer, the Executive Director of NHEP will be notified in writing of the reasons for the selection of other than the low bid. The fairness of the transaction will be thoroughly assessed.
    - c) If products or services to be purchased are in any areas where competitive bids are not attainable, cost differences don't exist and quality differences are a matter of individual judgement (i.e. professional services), the cost must be reasonable in terms of the prevailing fee charged by persons or firms of similar quality and expertise for similar services.
    - d) If directors receive the benefit of NHEP services or products (e.g. as a patient of the facility), the services or products are provided on the same terms, conditions and charges that prevail for all persons. These services and products shall include for illustration but not limited to diagnostic, therapeutic and surgical services, and all sales of products including food, medicines and rental or equipment.

4. No director shall directly or indirectly disclose or use information relating to NHEP business for the personal profit or advantage of the individual or his/her immediate family.
5. Any director having a duality of interest or possible conflict of interest on any matter should not vote or use his/her personal influence on the matter, and he/she should not be counted in determining the quorum for the meeting, even where permitted by law. The minutes of the meeting should reflect that the disclosure was made, the abstention from voting, and the quorum situation. The foregoing requirement should not be construed as preventing the director from briefly stating his/her position in the matter, nor from answering any pertinent questions of other board members since his/her knowledge may be of great assistance.
6. Annually, the Chairman of the Board of Directors of NHEP shall send to all directors a copy of this policy with a questionnaire to be completed and returned for the purpose of disclosure of any such conflict of interest. An appropriate report shall be submitted to NHEP's Board of Directors concerning any interest so disclosed.

This policy should be reviewed annually for the information and guidance of the respective governing board members. Any new member should be advised of the policy upon entering the duties of his/her office.

**BOARD MEMBERS**

**NEW HAVEN ECOLOGY PROJECT, INC.  
DUALITY AND CONFLICT OF INTEREST STATEMENT**

I have read the New Haven Ecology Project, Inc. (hereafter referred to as “NHEP”) Policy on Duality and Conflict of Interest, and with consideration for the spirit and the provisions of the policy, I state that:

- a. I agree to comply with the spirit and provisions of the Policy.
- b. Neither I nor any member of my immediate family currently has a duality or conflict of interest as described in the State of Policy, except as disclosed below.
- c. I agree to advise the Chairman of the Board of Directors of NHEP, Inc. should I become aware of any possible duality and conflict of interest.
- Indicates the above statements are correct.

If not correct, indicate the exceptions below. Please refer to the specific section, for which there is an exception, in your comments.

**EXCEPTIONS:**

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

Your Name (Please Print) \_\_\_\_\_