

THE WYOMING COUNTY BUSINESS ASSISTANCE CORPORATION

CONFLICT OF INTEREST POLICY

1. Purpose. This Conflict of Interest Policy (“Policy”) is adopted in accordance with the provisions of Section 2824(1) of the Public Authorities Law and Section 715-a of the Not-for-Profit Corporation Law. The purpose of this Policy is to protect The Wyoming County Business Assistance Corporation (the “Corporation”) when it is considering entering into a transaction or arrangement that might benefit the private interest of a Related Party, and to set forth procedures for handling potential or actual Conflicts of Interest and Related Party Transactions. (All capitalized terms shall have the meanings set forth in this Policy.)

2. Definitions.

(a) “*Conflict of Interest*” means an actual or potential: (i) Related Party Transaction; or (ii) circumstance in which a Key Person, director or officer of the Corporation has an outside interest or activity that (A) influences, or reasonably appears to influence, his/her ability to exercise objectivity, (B) impairs, or reasonably appears to impair, his/her ability or independence in fulfilling his/her duties to the Corporation, or (C) reasonably tends to conflict with the proper discharge of his/her duties to the Corporation.

(b) “*Financial Interest*” means, directly or indirectly: (i) an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement (provided, however, that an ownership interest not exceeding 2% of a corporation with shares traded on a nationally recognized exchange shall not be a Financial Interest); (ii) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or (iii) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

(c) “*Key Person*” means any individual, other than a director or officer, whether or not an employee of the Corporation, that: (i) has responsibilities, or exercises powers or influence over the Corporation as a whole similar to the responsibilities, powers, or influence of directors and officers; (ii) manages the Corporation, or a segment of the Corporation that represents a substantial portion of the activities, assets, income or expenses of the Corporation; or (iii) alone or with others controls or determines a substantial portion of the Corporation’s capital expenditures or operating budget.

(d) “*Related Party*” means: (i) any director, officer or Key Person of the Corporation or any affiliate of the Corporation; (ii) any Relative of any individual described in clause (i) of this subparagraph; or (iii) any entity in which any individual described in clauses (i) or (ii) of this subparagraph has a thirty-five percent (35%) or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent (5%).

(e) “Related Party Transaction” means any transaction, agreement or any other arrangement in which: (i) a Related Party has a Financial Interest; and (ii) the Corporation or any affiliate of the Corporation is a participant. The following transactions, however, are excepted from the definition of Related Party Transaction: (iii) the transaction or the Related Party’s Financial Interest in the transaction is de minimis; (iv) the transaction would not customarily be reviewed by the Corporation’s Board of Directors (the “Board”) or boards of similar organizations in the ordinary course of business and is available to others on the same or similar terms; and (v) the transaction constitutes a benefit provided to a Related Party solely as a member of a class of the beneficiaries that the Corporation intends to benefit as part of the accomplishment of its mission which benefit is available to all similarly situated members of the same class on the same terms.

(f) “Relative” means an individual’s spouse, domestic partner, ancestor, sibling (whole or half-blood), child (natural or adopted), grandchild, great-grandchild, and the spouse of such individual’s sibling, child, grandchild or great-grandchild.

3. Procedures for Disclosure and Resolution of Conflicts of Interest.

(a) Promptly after a Key Person, director or officer discovers a Conflict of Interest, he or she (hereinafter, an “Interested Person”) shall disclose the matter at a meeting of the Board of Directors or the Governance Committee, or by written or electronic communication to the Secretary of the Corporation. If disclosure is made to the Secretary, the Secretary shall direct the matter to the Board for discussion at its next regularly scheduled meeting or special meeting.

(b) The Board may request that the Interested Person explain the circumstances of the Conflict of Interest to the Board. The Interested Person shall not, however, be present at, participate in or attempt to influence the Board’s deliberation or vote regarding the Conflict of Interest.

- (i) If the Board determines that the agreement, transaction or arrangement is a Related Party Transaction, then the Board shall follow the procedures for Related Party Transactions set forth in Section 4 of this Policy.
- (ii) If the Board determines that a Conflict of Interest exists, but the agreement, transaction or arrangement does not constitute a Related Party Transaction, then the Board may proceed with its consideration of the transaction, provided however, that the Interested Person shall abstain from deliberation and voting regarding the transaction.
- (iii) If the Board determines that a Conflict of Interest does not exist, then the Board may proceed with its consideration of the

transaction, and the Interested Person may participate in the deliberation and voting regarding the transaction, if applicable.

- (iv) The existence and resolution of the potential Conflict of Interest and/or Related Party Transaction shall be documented in the minutes of the meeting(s) at which the matter was discussed and voted upon.

4. Related Party Transactions. The Corporation may enter into a Related Party Transaction only if the Board determines, after consideration of reasonable and available alternatives, that the transaction is fair, reasonable and in the Corporation's best interest at the time of such determination (such determination, the basis for approval and the consideration of alternative transactions shall be contemporaneously documented in the minutes of the meeting(s) at which the Related Party Transaction was considered and approved). Related Party Transactions shall be approved by not less than a majority of the directors (not counting the Interested Person for purposes of voting or quorum).

5. Confidentiality. Each Related Party and Key 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 the Corporation. In addition, a Related Party or Key Person shall not disclose or use information relating to the business of the Corporation for the personal profit or advantage of any Related Party or Key Person, including himself or herself, or a Relative thereof.

6. Annual Disclosure. Prior to the initial election of any director, and annually thereafter, each director of the Corporation shall complete, sign and submit to the Secretary of the Corporation a written statement identifying, to the best of the director's knowledge, any entity of which such director is an officer, director, trustee, member, owner (either as a sole proprietor or a partner) or employee and with which the Corporation has a relationship, and any transaction in which the Corporation is a participant and in which the director might have a Conflict of Interest. The Secretary of the Corporation shall provide a copy of all completed statements to the Board.