

# NEK Broadband

## Conflict of Interest Policy

The purpose of this Policy is to protect the interests of NEK Broadband by: (i) preventing the personal interest of Board Members, Directors, Officers, or Employees from interfering with the performance of their duties to NEK Broadband and (ii) avoiding any inappropriate personal financial, professional or political gain on the part of such persons at the expense of NEK Broadband. This Policy is intended to supplement but not replace any applicable federal or state laws governing conflicts of interest.

### DEFINITIONS

**“Affected Organization”** is either (a) an entity doing, or seeking to do, business with NEK Broadband or (b) a direct or potential competitor of NEK Broadband.

**“Board”** means the Governing Board of NEK Broadband.

**“Conflict of Interest” or “Conflict”** means a conflict of interest, or the appearance thereof, between the private interests and official responsibilities of a Covered Person or a member of a Covered Person’s Immediate Family. A conflict of interest by a Covered Person shall be presumed when a Covered Person or a member of their Immediate Family: (i) does business with, or serves as a director, trustee, officer, employee or holder of more than 10% of ownership interests of, an Affected Organization; (ii) is affiliated, either through employment or volunteer activities, with an Affected Organization; (iii) has any other formal affiliation or material interest in an Affected Organization; or (iv) could expect financial gain or loss or other personal benefit from a particular decision or transaction of NEK Broadband other than the procurement of broadband or voice services.

**“Covered Person”** means a Board Member, Director, an Officer, or an Employee .

**“Director”** means the Executive Director of NEK Broadband.

**“Employee”** means any individual who may be employed on a full or part time basis by NEK Broadband.

**“Immediate Family”** means a spouse, parent, child, sibling, spouse of a child or sibling of, or other individual living in the same household as, a Covered Person.

**“Board Member”** means any individual who becomes a member of the NEK Broadband Governing Board pursuant to the by-laws of NEK Broadband.

**“Officer”** means the Chair of the Board, Vice Chair, Executive Committee member, Treasurer and Secretary of NEK Broadband and any other officer elected from time to time by the Board of NEK Broadband.

## **GENERAL POLICY**

NEK Broadband is committed to honesty, integrity and fairness in the conduct of its activities.

It is understood that certain types of conflicts may arise due to the fact that Board Members are appointed by NEK Broadband's member municipalities and as such, these Board members may have obligations to both the appointing municipality and to NEK Broadband. Likewise, Covered Persons may have a substantial role in determining when and where services will be deployed and such deployment protocols may favor the personal interests of some Covered Persons. This Conflict of Interest Policy is not generally intended to affect these inherent conditions.

However, the interests of Board Members, Directors, Officers, or Employees may involve them in other organizations or activities that may intersect with the affairs of NEK Broadband. It would disadvantage NEK Broadband to prohibit Covered Persons from becoming involved in outside activities, but their participation in such activities must not impair the fairness or integrity of NEK Broadband actions or decision-making. Board Members, Directors, Officers and Employees should act in the best interests of NEK Broadband and disclose any conflicting loyalties with personal interests and/or with Affected Organizations with which they are employed or volunteer.

The fact that a proposed transaction or arrangement involves an actual or potential Conflict of Interest does not necessarily mean it is illegal or prohibited, it merely requires that the following Practices and Procedures be followed. Any actual or potential Conflict of Interest must be disclosed pursuant to the Practices and Procedures and any Covered Person must disclose on the record and/or abstain from participating in any decision-making with respect to any matter that involves a Conflict of Interest.

No Covered Person shall derive any personal profit or gain, directly or indirectly, because of his or her service to, or relationship with, NEK Broadband, unless the transaction is specifically approved by the Board following disclosure as provided under the Practices and Procedures set forth below. No Covered Person shall conduct private business with, or provide personal services to, NEK Broadband, unless such business or service is conducted in an open and objective manner to ensure proper review and authorization, equal competitive opportunity and equal access to information. No Covered Person shall furnish or transmit sensitive information about NEK Broadband's business dealings or strategy to any other entity unless under a business relationship previously approved by the Governing Board, and in any case no Covered Person may receive or expect to receive compensation for supplying such information. NEK Broadband strictly prohibits any self-dealing activity which involves a prohibited financial transaction.

## **PRACTICES AND PROCEDURES**

**1. Notice of Policy and Annual Statements** Every Covered Person shall sign a Conflict of Interest Disclosure and Confidentiality Statement upon commencement of such person's term of office, employment or relationship with NEK Broadband and thereafter at least annually. Failure to sign statements does not nullify the application of the Policy to the individual.

**2. Current Disclosure** Each Covered Person is under an obligation to inform NEK Broadband of any potential Conflict of Interest with respect to a particular grant, action or policy under consideration by the Governing Board. Any such potential Conflict of Interest on the part of any Covered Person shall be disclosed to the Executive Committee of NEK Broadband and the Governing Board, and made a matter of record as soon as the issue in question is raised and a potential Conflict of Interest is known.

**3. Board Member/Board Action** Following disclosure of a potential Conflict of Interest, the Executive Committee or the Board, as the case may be, shall determine whether a Conflict of Interest exists and, if so, what actions are necessary to address the Conflict of Interest to ensure that a Covered Person with a Conflict of Interest does not participate in the vote of any Executive Committee or Board action related to such Conflict of Interest.

**4. Recusal** If a Conflict of Interest is determined in step 3, then the interested Board Member, Director, Officer, Employee or Independent Contractor who has a Conflict of Interest may participate in Board discussion only to the extent permitted by the Executive Committee or Board.

**5. General Practice** In any situation not specifically covered by the previous paragraphs, Covered Persons shall consider carefully any potential conflict between their personal interests and those of NEK Broadband and shall refrain from any action that might be perceived as an actual or potential Conflict of Interest pending approval by the Board Members or the Board, as the case may be.

**6. Involvement with Potential or Actual Affected Organizations** The foregoing policies and practices are not intended to discourage Covered Persons from serving as board members or otherwise being involved in volunteer activities with a wide spectrum of Affected Organizations. Thus, from time to time, potential Conflicts of Interest or the appearance of such conflicts, will inevitably arise. Such potential Conflicts of Interest or appearances thereof shall be handled as outlined in the foregoing paragraphs.

## Conflict of Interest Disclosure

As a Board Member, Director, or Employee, I understand that I have an obligation to disclose any potential or actual conflict of interest.

Below, I have listed all Affected Organizations (defined as (a) an entity doing, or seeking to do, business with NEK Broadband or (b) a direct or potential competitor of NEK Broadband) that I or a member of my Immediate Family have a relationship with that have sought or may potentially in the future seek to do business with from NEK Broadband. The term "relationship" means any relationship with an Affected Organization person or organization, whether financial (including a significant donation in an amount sufficient to create meaningful influence over the affairs of an organization), employment (including a volunteer assignment, part-time job or consulting or independent contractor position) or fiduciary (such as a board member or officer).

Name of Entity or Program

Position or Interest

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I hereby certify that I have received, read, understand and agree to comply with the foregoing statement and NEK Broadband's Conflict of Interest Policy and that the information provided above is complete and accurate to the best of my knowledge.

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Date

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Name (printed or typed)

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Signature