

BOARD OF GOVERNORS
CONFLICT OF INTEREST POLICY
Approved by the Board of Governors July 27, 2007

Purpose and Statement of Policy:

The Board of Governors Conflict of Interest Policy is intended to protect the interests of the Washington State Bar Association when it is contemplating entering into a transaction, arrangement, or other action that might benefit the private interest of an Officer or Governor of the WSBA. The proper leadership of the WSBA depends upon members of the Board of Governors (including the Officers) who give of their time and knowledge for the benefit of the WSBA and its goals. Governors have a duty of loyalty to the WSBA, which requires them to exercise their powers in the interest of the WSBA, and not in their own interests or those of another person or entity.

Governors bring varied backgrounds and interests to the work of the WSBA and may have interests that are in conflict with those of the WSBA. The existence of an actual or potential conflict of interest should be addressed by full disclosure of the conflict to the Board of Governors. The Governor having the conflict should withdraw from any discussion or vote on any matter in which the conflict is involved.

The Board of Governors of the WSBA accordingly resolves as follows:

Procedures:

1. **Duty to Disclose:** It is the duty of each Officer and Governor to be conscious of any actual or potential conflict of interest between that Officer or Governor and the Association, and to act with candor and care in such a situation. An Officer or Governor must disclose to the Board of Governors, before the Board takes any action on the matter, the nature and extent of any direct, indirect or potential conflict of interest that the Officer or Governor, or any member of his or her immediate family may have, whether individually, through business relationships or transactions, or through investment relationships or transactions. For purposes of this policy, the term "immediate family" includes the following: (1) an Officer's or Governor's spouse or domestic partner; (2) a child of an Officer or Governor or of an Officer's or Governor's spouse or domestic partner; and (3) other dependent relatives of an Officer or Governor or of an Officer's or Governor's spouse or domestic partner if living in his or her household. Conflicts of interest that require disclosure include, but are not limited to, (a) any ownership or financial interest in any entity with which the WSBA has a transaction, arrangement or other action, (2) any compensation arrangement with the WSBA or with any entity or individual with which the WSBA has a transaction, arrangement or other action, and (3) any potential ownership or financial interest in, or compensation arrangement with, any entity or individual with which the WSBA is negotiating a transaction, arrangement or other action. An Officer's or Governors' disclosure shall be noted in the minutes of the Board meeting and made a part of the records of the WSBA.
2. **Meeting Procedure:** The Board of Governors shall provide a disinterested review of the matter that is the subject of a conflict of interest. An Officer or Governor having a conflict of interest should absent himself or herself from any discussion of the matter, should not use his or her personal influence with respect to the matter, and should abstain from casting any vote. To the extent that the remaining members of the Board determine that the Officer or Governor can provide information that may be useful, the Officer or Governor having a conflict may provide that information to the Board and answer pertinent questions from the other members of the Board before the Board casts its vote. An Officer or Governor having a conflict of interest shall not be counted as present for the



purpose of determining whether a quorum is established, even if permitted by law. The Officer's or Governor's absence from the discussion and vote of the Board, and the establishment of the quorum without counting that Officer or Governor, shall be noted in the minutes of the Board meeting and made a part of the records of the WSBA.

3. Due Diligence: This policy is not intended to prohibit or restrain the WSBA from entering into transactions with an Officer or Governor or person or entity in which an Officer or Governor has an interest. Those transactions should be approved, however, only in circumstances where the approval process is scrupulously disinterested and fair, and where the best interest of the WSBA is the clear and overriding consideration leading to the approval. If any Officer or Governor discovers that the Board has acted on a proposal in ignorance of an undisclosed conflict of interest, the Officer or Governor should promptly disclose the matter to the entire Board, and the Board should promptly re-examine the matter using the procedures outlined in this policy.
4. Corporate Opportunity: Before an Officer or Governor enters into a transaction which he or she reasonably should know may be of interest to the WSBA, the Officer or Governor should disclose the transaction to the Board in sufficient detail, and with adequate advance notice, that the Board has adequate information and time to allow it to act or decline to act with respect to the transaction.
5. Annual Statements: Each year each Officer and Governor shall complete and deliver to the President a disclosure statement in the form approved from time to time. By executing the statement each Officer and Governor shall acknowledge his or her knowledge of this policy, and disclose any conflicts of interest that the Officer or Governor may have, or be likely to have, with the WSBA. All Officers' and Governors' disclosures shall be made a part of the records of the WSBA.
6. Review of this Policy: The Board of Governors shall review this policy at least annually for the information and guidance of members of the Board. Each new Officer and Governor shall be advised of the policy and asked to complete the disclosure statement.