



SECTION 7. CONFLICTS OF INTEREST: This conflict of interest policy is intended to protect MPI from conflict of interest situations that can result in unethical or illegal practices, and to provide a process that, will enable a transaction to be reviewed and treated as valid and binding even though there is or may be a conflict of interest with respect to the transaction.

7.1. A *Conflict of Interest* arises when a person's duty of loyalty to the organization comes into conflict with a competing financial, personal, or other material interest that he or she (or a relative) may have in a proposed transaction. A *Conflict of Interest* can arise in a variety of circumstances where an interest could reasonably be viewed by others as affecting the objectivity or independence of a decision maker. As a Board member, you are to avoid Conflicts of Interests and, in the rare instances where they are unavoidable, you should make full disclosure of the facts that give rise to the Conflict of Interest in accordance with the process set forth below and nonetheless have a continuing obligation to ensure any action is fair to the organization. Moreover, you must put the interests of MPI ahead of your own. If an opportunity related to the organization's purposes comes to you either as a Board member or otherwise, you must make it available to the organization before you take it for yourself or another entity.

7.1.1 For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest, though they are no way intended to be limitations on the types of potential Conflicts of Interests that may exist:

- a. A Transaction between MPI and a Board member or Family Member.
- b. A Transaction between MPI and an entity in which a Board member or Family Member has a Material Financial Interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative.
- c. A Board member competing with MPI or having a Material Financial Interest in, or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of, or consultant to, an entity or individual that competes with MPI.
- d. A Board member accepting gifts, entertainment, or other favors from any individual or entity that: (a) does or is seeking to do business with, or is a competitor of MPI; or (b) has received, is receiving, or is seeking to receive a loan or grant, or to secure other financial commitments from MPI; under circumstances where it might be inferred that such action was intended to materially influence or possibly would materially influence the Board member in the performance of his or her duties.
- e. Board members can only receive reimbursement for reasonable expenses and costs incurred in carrying out their Board responsibilities. Illinois law prohibits loans by the organization to its directors and officers. If a Board member is also an employee, compensation can be paid but such person member should not participate in setting his or her compensation.

7.1.2 Definitions:



- a. A *Family Member* is a spouse, domestic partner, parent, child, or spouse of a child, brother, sister, or spouse of a brother or sister, of a Board member.
- b. A *Material Financial Interest* in an entity is a financial interest of any kind that, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Board member's or Family Member's judgment with respect to transactions to which the entity is a party. This includes all forms of compensation or anything of financial value.
- c. A *Transaction* is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, the establishment of any other type of pecuniary relationship. The making of a donation or grant to MPI is not a Transaction.
- d. For purposes of this policy, the term "Board" may be interchanged with "Committee," "Task Force," "Advisory Council," or other governing body where the decision making ability regarding a proposed Transaction lies with such Committee, Task Force, Advisory Council, or other governing body, respectively. For example, a non-Board member on an Advisory Council must disclose his or her Conflict of Interest to the Advisory Council for the Advisory Council to then reach an appropriate outcome. The Chair of the International Board of Directors may resolve any issues related to Conflicts of Interest within a Committee, Task Force, Advisory Council, or other governing body.

7.2 Procedures to address a Conflict of Interest:

- 7.2.1 *Duty to Disclose:* Regarding any actual or potential Conflict of Interest, a Board member must disclose the financial or personal interest and all material facts to the Board and the CEO. Such disclosure shall be made as soon as the Conflict of Interest is known to the Board member.
- 7.2.2 *Recusal:* A Board member who has a Conflict of Interest shall not participate in, vote on, or be permitted to hear the Board's discussion of the matter except to disclose material facts on the matter before the Board and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- 7.2.3 After disclosure of a material or personal interest and all material facts, and after any discussion with the interested Board member, the remaining Board members will decide if a Conflict of Interest exists and how the situation should be addressed. For Conflicts of Interest within a Committee, Task Force, Advisory Council, or other governing body, the Chair of the International Board of Directors may resolve the issues that such governing body was unable to resolve.
- 7.2.4 After exercising due diligence, the Board shall determine whether to enter into the proposed Transaction. If appropriate, the Board can investigate and decide on alternatives to the proposed Transaction. In rare instances, the Conflict of Interest may so seriously impede a Board member's ability to carry out his or her fiduciary responsibilities to MPI that resignation or removal from the Board or MPI is appropriate.



- 7.3. Failure to Disclose. If the Board has reason to believe that a Board member has failed to disclose a Material Financial Interest, it shall inform the Board member of the basis of such belief and provide an opportunity to explain the alleged failure to disclose. If after hearing the response and considering any other relevant information the Board determines there was a failure to disclose, the Board may implement remedial action against the Board member, including, but not limited to, censure, suspension, or expulsion from the Board or MPI.
- 7.4 Annual Attestation and Disclosure for Board members.
- 7.4.1 Each new Board member shall be required to review a copy of this policy and to acknowledge in writing that he or she has done so.
- 7.4.2 Each Board member shall annually complete an annual disclosure form identifying any relationships, positions, or circumstances in which the Board member is involved that he or she believes could contribute to a Conflict of Interest arising. Such relationships, positions, or circumstances might include service as a director of or consultant to a not-for-profit organization, or ownership of a business that might provide goods or services to MPI. Any such information regarding business interests of a Board member or a Family Member shall be treated as confidential and shall generally be made available only to the Chair, the Executive Director, and any Committee or governing body appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.
- 7.4.3 Board members must disclose at each meeting any Conflict of Interest that may arise as to specific agenda items to be addressed at the meeting.

SECTION 8. DIRECTORS AND OFFICERS LIABILITY COVERAGE: MPI will maintain Directors and Officers liability insurance coverage for all members of the MPI Board and trustees of the MPI Foundation.

SECTION 9. ANTITRUST POLICY AND GUIDELINES

- 9.1 The antitrust laws are the rules under which our competitive economic system operates. Their primary purpose is to preserve and promote free competition. It is our policy strictly to comply in all respects with the antitrust laws.

Association meetings or workshops by their very nature bring competitors together. Accordingly, it is necessary to avoid discussions of sensitive topics and especially important to avoid recommendations with respect to sensitive subjects. Agreements to fix prices, allocate markets, engage in product boycotts, and to refuse to deal with third parties are automatically illegal under the antitrust laws. It doesn't matter what the reason for the agreement might be.

Accordingly, at any association meeting discussions of prices, including elements of prices such as allowances and credit terms, quality ratings of suppliers, and discussions that may cause a competitor to cease purchasing from a particular supplier, or selling to a particular customer, must be avoided. Also, there should be no discussion that might be interpreted as a dividing up of territories or customers.



An antitrust violation does not require proof of a formal agreement. A discussion of a sensitive topic, such as prices, followed by parallel action by those involved in or present at the discussion is enough to show a price fixing conspiracy. As a result, those attending an association sponsored meeting must remember the importance of avoiding not only unlawful activities, but even the appearance of unlawful activity.

As a practical matter, violations of these rules can have serious consequences for a company and its employees. The Sherman Antitrust Act is both a civil and criminal statute. Violations are felonies punishable by penalties of up to the greater of \$100 million or twice the profits gained or damages incurred up to 10 years imprisonment. The U.S. Justice Department, state attorneys general, and any person or company injured by a violation of the antitrust laws may bring civil actions for three times the amount of the damages, plus attorneys' fees and injunctive relief. International antitrust regimes, particularly in the E.U., are similarly to U.S. antitrust law in many respects.

Antitrust investigations and litigation are lengthy, complex, disruptive, and expensive. Therefore, all companies and their employees must not only comply with the antitrust laws in fact, but must conduct themselves in a manner that avoids even the slightest suspicion that the law is being violated. Associations, because they bring competitors together, are natural targets, along with their members alleged to have participated with or through the association.

9.2 The following is a non-exhaustive list of topics that must not be the subject of any type of agreement, whether expressed or implied, formal or informal, and therefore **should not be discussed** at any event or gathering of MPI at any level of the organization.

- Prices to be charged to clients, customers, or by suppliers, including elements of pricing or timing of when pricing may change;
- Division or allocation of markets or customers or market share of any particular competitor;
- Specific distribution or sales methods or channels;
- Business strategies or financial forecasts;
- Potential mergers, combinations, or acquisitions or preliminary discussions related thereto;
- Coordination of bids/proposals or requests for bids/proposals;
- Terms and conditions of sales, including credit or discount terms;
- Terms for distribution of products;
- Targets for production levels or other measures of output;
- Specific profit levels or methods to increase profits;
- A boycott of or a refusal to deal with a customer or supplier;
- Compilation of approved or target lists of customers or suppliers or target;
- Standards or methods to eliminate or reduce competition.

9.3 If you are in doubt about discussing a particular topic, you may consult with legal counsel for MPI to be sure the discussion is permitted. Generally speaking, if you have to ask, it's probably best to avoid the topic. The provisions in this antitrust policy do not constitute legal advice. MPI makes no guarantees that its members or their employers will be immune from liability under applicable antitrust and competition laws. You should seek



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legal counsel, as needed. Members who fail to comply with this policy may be subject to penalty, including, but not limited to, termination of membership.