

LEPRECON, INC., CONFLICT OF INTEREST POLICY AND ANNUAL STATEMENT
(approved 5-0-0 by the Board at the 11/16/2014 quarterly meeting)

Article I
General Principles

1. No officer or director of Leprecon, Inc., and no member of a committee with powers delegated from the Board of Directors of Leprecon, Inc., shall receive any financial compensation for their services, but may receive reimbursement for expenses as may be determined by the Board of Directors of Leprecon, Inc.
2. No officer or director of Leprecon, Inc., and no member of a committee with powers delegated from the Board of Directors of Leprecon, Inc., shall derive any direct or indirect personal financial benefit by reason of his or her participation with Leprecon, Inc.
3. No officer or director of Leprecon, Inc., and no member of a committee with powers delegated from the Board of Directors of Leprecon, Inc., shall vote on any matter for which he or she has a conflict of interest.
4. Any officer or director of Leprecon, Inc., and any member of a committee with powers delegated from the Board of Directors of Leprecon, Inc., who is also a member, agent, or employee of any organization with which Leprecon, Inc., has any official dealings, shall identify his or her affiliation with such organization(s).
5. No officer or director of Leprecon, Inc., and no member of a committee with powers delegated from the Board of Directors of Leprecon, Inc., who is also a member, agent, or employee of any organization with which Leprecon, Inc., has any official dealings, shall vote on or otherwise decide any matter involving or relating to that organization.
6. No officer or director of Leprecon, Inc., no appointive officer (archivist, quartermaster, webmaster, publications editor, *etc.*), no volunteer, no convention staff member, and no member of a committee with powers delegated from the Board of Directors of Leprecon, Inc., shall keep, take, copy, or sell any property, lists, databases, or digital assets (including but not limited to websites, social medial sites, and domain names) owned or maintained by Leprecon, Inc., for any personal or unauthorized use.

Article II
Purpose

1. The purpose of this conflict of interest policy is to protect the interests of Leprecon, Inc., when it is contemplating entering into a transaction or arrangement that might result in a possible excess benefit transaction or might benefit the private interest of an officer or director of Leprecon, Inc., or member of a committee with powers delegated from the Board of Directors of Leprecon, Inc.

2. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

Article III **Definitions**

1. “Conflict of Interest” means that the loyalties or actions of a director, officer, or any member of a committee with powers delegated from the Board of Directors of Leprecon, Inc., are divided between the interests of Leprecon, Inc. and the interest of the director, officer, or committee member. Both the fact and the appearance of a conflict of interest should be avoided.
2. “Interested Person” means any director of Leprecon, Inc., any officer of Leprecon, Inc., or any member of a committee with powers delegated from the Board of Directors of Leprecon, Inc., who has a direct or indirect financial interest, as defined below.
3. “Financial Interest” means a person who has, directly or indirectly, through a business, investment, or family relationship:
 - a. An ownership or investment interest in any entity with which Leprecon, Inc., has a transaction or arrangement,
 - b. A compensation arrangement with any entity or individual with which Leprecon, Inc., has a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Leprecon, Inc., is negotiating a transaction or arrangement.
4. “Compensation” includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

Article IV **Procedures**

1. *Duty to Disclose.* In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board of Directors of Leprecon, Inc., and any director, officer, or committee with powers delegated from the Board of Directors of Leprecon, Inc., that is considering the proposed transaction or arrangement.
2. *Determining Whether a Conflict of Interest Exists.* After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. *Procedures for Addressing the Conflict of Interest.*
 - a. An interested person may make a presentation at the board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - b. The chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - c. After exercising due diligence, the governing board or committee shall determine whether Leprecon, Inc., can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
 - d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors or committee members whether the transaction or arrangement is in the best interest of Leprecon, Inc., for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. *Violations of the Conflicts of Interest Policy*
 - a. If the board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
 - b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article V
Records of Proceedings

The minutes of the Board of Directors of Leprecon, Inc., and all committees with powers delegated from the Board of Directors of Leprecon, Inc., shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article VI
Annual Statements

Each director of Leprecon, Inc., each officer of Leprecon, Inc., and each member of a committee with powers delegated from the Board of Directors of Leprecon, Inc., shall annually sign a statement which affirms that such person:

- a. Has received a copy of this Conflict of Interest Policy and Annual Statement,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands that Leprecon, Inc., is charitable and must engage primarily in activities which accomplish one or more of its tax-exempt purposes in order to maintain its federal tax exemption.

Article VII
Periodic Reviews

1. To ensure that Leprecon, Inc., operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted.
2. The periodic reviews shall, at a minimum, include the following subjects:
 - a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
 - b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the written policies of Leprecon, Inc.; are properly recorded; reflect reasonable investment or payments for goods and services; further charitable purposes; and do not result in inurement, impermissible private benefit, or an excess benefit transaction.

Article VIII
Use of Outside Experts

1. When conducting the periodic reviews as provided for in Article VII, Leprecon, Inc., may, but need not, use outside advisors.
2. If outside experts are used, their use shall not relieve the board of its responsibility for ensuring periodic reviews are conducted.

Article IX
Annual Statement

Having read and understood the foregoing, I hereby declare and certify that:

1. At this time, I am a member, agent, or employee of the following organizations:

2. Except as described below, I am not now nor at any time during the past year have been:
- a. A participant, directly or indirectly, in any arrangement, agreement, investment, or other activity with any vendor, supplier, or other party doing business with Leprecon, Inc., that has resulted or could result in personal benefit to me.
 - b. A recipient, directly or indirectly, of any salary payments or loans or gifts of any kind or any free service or discounts or other fees from or on behalf of any person or organization engaged in any transaction with Leprecon, Inc.

3. Any exceptions to (2)(a) or (2)(b) above are stated below with a full description of the transactions and of the interest, whether direct or indirect, which I have (or have had during the past year) in the persons or organizations having transactions with Leprecon, Inc.:

Signature: _____

Date: _____

Printed Name: _____

Leprecon, Inc., Position(s) Held: _____
