

King Creek Water Supply Corporation

CORPORATE POLICY STATEMENT

CP01 - Conflict of Interest Policy

1.0 Policy

- 1.1 All King Creek Water Supply Corporation (KCWSC) business transactions and relationships must be free from even the appearance of impropriety.
- 1.2 It is your responsibility as a KCWSC Board Member to act in a fair and impartial manner in all business dealings, to place the interests of KCWSC over personal interests in matters relating to KCWSC business, and to avoid financial, business, or other transactions or situations in which personal interests might conflict with, or appear to conflict with, the interests of KCWSC. Such situations may arise from relationships with customers, competitors, and suppliers, present or prospective contractors, or from the acquisition or use of company assets for personal gain.

2.0 Definitions

- 2.1 *Employee* - For the purposes of this procedure, "employee" includes KCWSC employees hired to carry on work of KCWSC.
- 2.2 *Family* – Includes your spouse, father, mother (or an individual who acts in the capacity of a father or mother), child, sibling, or dependent relative. Your in-laws, including the same relationships delineated above.
- 2.3 *Contractor* - Includes providers of products and services to KCWSC, including but not limited to vendors, subcontractors, consultants, banks, and other professionals who may be engaged by KCWSC.

3.0 Conflict of Interest

- 3.1 Generally, a conflict of interest exists when you have divided loyalties—when you have a direct or indirect personal interest in a transaction or matter such that it might reasonably appear to affect the judgment that you exercise on behalf of KCWSC, influence your actions, or lead you to neglect KCWSC business interests. In your dealings with third parties such as contractors, customers, and competitors, you must avoid any activity or interest that might be adverse, or appear to be adverse, to the business interests of KCWSC.
- 3.2 Your involvement in or association with an outside organization whose business or interest conflicts with that of KCWSC also may create a conflict of interest.
- 3.3 While it is not possible to specify every situation that could cause a conflict of interest, common sense should dictate whether a particular activity or situation involves an actual or potential conflict and requires disclosure to the KCWSC Board of Directors.

4.0 Violations

- 4.1 Violation of this procedure may result in termination of Board Membership.

5.0 Responsibilities

5.1 President

- 5.1.1 Oversee the implementation of this procedure.

5.2 All Board Members

- 5.2.1 Foster a workplace atmosphere that encourages and facilitates honesty, integrity, and impartiality in all business dealings.
- 5.2.2 Maintain awareness of potential conflict of interest problems.
- 5.2.3 Encourage timely disclosure by employees in doubtful situations.
- 5.2.4 Initiate prompt action if an actual or potential conflict of interest occurs.