



**Cedar Shake &
Shingle Bureau**

ADOPTED APRIL 15, 2019

CSSB BOARD OF DIRECTORS' & OFFICERS' CONFLICT OF INTEREST POLICY

The Cedar Shake & Shingle Bureau (“CSSB”) requires its directors and officers to observe and adhere to the highest standards of business and personal ethics in the discharge of their duties and responsibilities on behalf of CSSB, and to act in good faith and in the best interests of the CSSB and its Members at all times. The CSSB Board of Directors (“Board”) recognizes that in order to preserve and enhance the trust and confidence of CSSB Members and the public in the integrity of CSSB and to maintain the support of CSSB Members, it is essential that the CSSB’s business and affairs are conducted, and are perceived as conducted, professionally, objectively, legally, ethically, and without interference, or the perception of interference, arising from the personal interests of its directors and officers involved in making decisions for the CSSB.

Each director and officer must avoid any actual or potential conflict, or the perception of any actual or potential conflict, between their own respective personal, professional, or business interests and the interests of the CSSB and its Members, in connection with any and all decisions they make for or on behalf of the CSSB. Each director and officer must also be aware of the potential for such conflicts, and act with candor and care in reporting and dealing with them.

ARTICLE I. PURPOSE

Pursuant to Article V, Section 1 of the CSSB’s Bylaws, the Board has adopted this Directors’ and Officers’ Conflict of Interest (“Policy”) in order to, in connection with the conduct of the business of the CSSB, (a) foster the confidence of CSSB Members and the public in the integrity of the CSSB; (b) protect the CSSB’s interest whenever it is contemplating entering into a transaction or arrangement, or taking an action, or the Board is discussing a matter that might benefit, or appear to benefit, or might adversely affect, or appear to adversely affect, the Personal Interest (defined below) of a director or officer; (c) provide guidance to CSSB directors and officers in avoiding any actual or potential Conflict of Interest, or the appearance of any actual or potential Conflict of Interest; and (d) establish procedures to be followed when an actual or potential Conflict of Interest arises.

This Policy establishes guidelines, procedures, and requirements for (i) identifying a Conflict of Interest and situations that may result in an actual, potential, or perceived Conflict of Interest; and (ii) appropriately managing a Conflict of Interest in accordance with legal requirements and the goals of accountability and transparency.

This Policy applies to all CSSB directors and officers. Before assuming their duties and responsibilities for the CSSB, all directors and officers shall sign a copy of this Policy, acknowledging that they have reviewed and understand the Policy and agree to abide by and adhere to the letter and spirit of its terms.

ARTICLE II. DEFINITIONS

A. “Conflict of Interest” arises in situations where, in the judgment of the Board:

(1) the outside interests or activities (including Personal Interests, defined below) of a director or officer interfere, conflict, or compete with the CSSB’s interests;

(2) the stake of a director or officer in a matter, transaction, or arrangement to be considered or discussed by the Board is such that it reduces the likelihood that such person’s influence or judgment can be exercised impartially in the best interests of the CSSB; or

(3) a director or officer has divided loyalties between the CSSB and a person or entity involved in a matter, transaction, or arrangement to be considered or discussed by the Board.

B. “Personal Interest” exists when any director or officer has directly, or indirectly through a Related Party (defined below):

(1) an ownership or investment interest in any entity, including but not limited to, a CSSB Member or vendor, involved in a matter, transaction, or arrangement to be considered or discussed by the Board;

(2) a compensation, employment, or other contractual or business arrangement with any person or entity, including but not limited to, a CSSB Member or vendor, involved in a matter, transaction, or arrangement to be considered or discussed by the Board;

(3) a potential ownership or investment interest in, or compensation arrangement with, any person or entity, including but not limited to, a CSSB Member or vendor, with which the CSSB is negotiating a transaction or arrangement; or

(4) a legal commitment or financial interest, including by virtue of a board appointment, employment position, or volunteer arrangement, to act in the interests of another person or entity involved in a matter, transaction, or arrangement to be considered or discussed by the Board.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A Personal Interest is not necessarily a Conflict of Interest. Under Article III.B below, a director or officer who has a Personal Interest may have a Conflict of Interest only if the Board decides that a Conflict of Interest exists.

C. “Interested Person” means any director or officer who has a direct or indirect Personal Interest.

D. “Related Party” means any one of the following persons or entities:

(1) Any director, officer, or employee of the CSSB;

(2) Any Relative of any individual described in subsection (1) above;

(3) Any entity of which any individual described in subsection (1) or (2) above serves as a director, officer, or employee; and

(4) Any entity in which any individual described in subsection (1) or (2) above has a material ownership, financial, or beneficial interest.

E. “Relative” means any one of the following persons:

(1) The spouse or domestic partner of an Interested Person;

(2) The parents or grandparents of an Interested Person;

(3) The siblings or half-siblings, children (whether natural or adopted), and grandchildren of an Interested Person; and

(4) The spouse or domestic partner of any person described in subsection (3) above.

ARTICLE III. PROCEDURES

A. “Duty to Disclose” An Interested Person must disclose the existence of any actual, potential, or perceived Conflict of Interest as soon as such Interested Person is or should be aware that there may be a Conflict of Interest, and before the Board considers or discusses the matter, transaction, or arrangement that gives rise to the Conflict of Interest.

(1) The disclosure shall be made to the Board.

(2) The Interested Person shall be given the opportunity to disclose all material facts to the Board concerning the matter, transaction, or arrangement, or the outside interests or activities of such Interested Person, that give rise to the Conflict of Interest.

(3) Any director or officer may recuse himself or herself at any time from involvement in any decision or discussion in which the director or officer believes he or she has or may have a Conflict of Interest, after disclosing the Conflict of Interest to the Board and the circumstances that give rise or may give rise to it, without going through the procedure set forth in Article III.B. below.

B. “Determining Whether a Conflict of Interest Exists” After disclosure of the actual, potential, or perceived Conflict of Interest, the Board shall determine whether a Conflict of Interest exists by following the procedures set forth in this Section B:

(1) The Interested Person shall disclose all material facts relating to the potential Conflict of Interest to the Board.

(2) After any discussion between the Board and the Interested Person, the Interested Person shall leave the Board meeting while the determination of a Conflict of Interest is discussed and voted upon.

(3) The Board members, other than the conflicted Interested Person(s), shall decide by a majority vote if a Conflict of Interest exists. The discussion and determination of the existence of a Conflict of Interest shall be documented in accordance with the procedures set forth in Article IV below.

(4) The Board's determination that a Conflict of Interest exists shall require the Board to follow the procedures set forth in Article III.C. below.

C. "Procedures When a Conflict of Interest Exists" After a Board determination that a Conflict of Interest exists, the Board shall follow the procedures described in this Section C:

(1) An Interested Person may make a presentation at the Board meeting, but after the presentation, the Interested Person shall leave the meeting during the Board's consideration and discussion of, and its vote on, the matter, transaction, or arrangement involving the Conflict of Interest.

(2) The Interested Person shall not attempt to intervene with or improperly influence the Board's deliberations or voting on the matter, transaction, or arrangement involving the Conflict of Interest.

D. "Violations of the Conflict of Interest Policy"

(1) If the Board has reasonable cause to believe an Interested Person has failed to disclose an actual, potential, or perceived Conflict of Interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.

(2) If, after hearing the Interested Person's response and after making further investigation as warranted by the circumstances, the Board determines that the Interested Person has failed to disclose an actual, potential, or perceived Conflict of Interest, it shall take appropriate disciplinary and corrective action, up to and including termination of employment or removal from the Board.

(3) Each director and officer is responsible for reporting to the Board any suspected failure to disclose a Conflict of Interest by any Interested Person.

E. "Confidentiality"

(1) The CSSB shall maintain the confidentiality of any disclosures made in connection with this Policy and limit access to the information to the Board.

(2) Each director and officer shall exercise care not to use, publish, or disclose confidential information acquired in connection with disclosures of actual, potential, or perceived Conflicts of Interest during or subsequent to his or her employment by CSSB or participation on the Board.

ARTICLE IV. RECORD OF CONFLICT OF INTEREST PROCEEDINGS

A. The minutes of the meeting(s) of the Board shall contain:

(1) The names of the persons who disclosed or otherwise were found to have an actual, potential, or perceived Conflict of Interest;

(2) The nature of the disclosed interest; and

(3) The Board's decision as to whether a Conflict of Interest in fact existed.

B. The Board minutes shall be approved as reasonable, accurate, and complete on or before the later of:

(a) The next Board meeting; or

(b) Sixty (60) days after the final actions of the Board are taken.