

## ARTICLE III - DIRECTORS

10. Conflict of Interest. Members of the Board of Directors shall annually sign the conflict of interest policy statement as adopted by the Board of Directors.

### **DRAFT** – TDI conflict of interest policy statement

A Director of Topsham Development, Inc. (TDI) has a conflict of interest if the Director has an existing or potential business, financial or personal interest or holds an elected or appointed position that could impair or might reasonably appear to impair the exercise of independent, unbiased judgment in the discharge of his or her responsibilities to TDI. A conflict will be deemed to exist if the business, financial or personal interest or elected or appointed position is held by the Director or by a family member (spouse, parent, siblings, children or other close relative), or any organization in which the Director; or family member as defined, is an officer, director, employee, trustee or material stockholder. If the Director in question disputes as to whether a conflict of interest is present, the matter shall be decided by a majority vote of the Board of Directors.

#### **Appropriate Action:**

1. Directors will immediately disclose to the Board of Directors any known conflicts of interest or any that may arise in the future. Such disclosure shall be included in the minutes of the current or next meeting of the Board of Directors.
2. The Board will vote on whether the Director disclosing a conflict of interest will or will not be allowed to be present for discussion of the issue.
3. If the Board votes to exclude the Director from the room during the discussion, the Director will be permitted to make a statement on the issue prior to leaving the room.
4. No Director will be permitted to vote on any specific issue in which he or she has a conflict of interest.
5. A Director may be removed from the Board of Directors for failure to comply with this policy.

#### **Failure to Disclose Conflict Shall Not Affect Validity of Action Taken:**

The fact that a Director with a conflict of interest fails to disclose the conflict, as required by this policy, and participates in a vote on an issue in which he or she has a conflict of interest shall not affect the validity of the action taken by the Board of Directors on the issue.

#### **Topsham Development, Inc. Conflict of Interest Acknowledgement**

I have read and understand the conflict of interest policy of Topsham Development Inc. (TDI) as set forth in Article \_\_\_ of the Bylaws of TDI set forth above. I know of no present conflicts of interest under the policy and agree to disclose to the TDI Board of Directors any conflicts of interest that may arise in the future.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.