

NAID[®] Board of Directors
GUIDELINES FOR RESOLUTION OF CONFLICTS OF INTERESTS
(Approved by NAID Board of Directors on May 14, 2008)

According to the NAID by-laws, no NAID Member-company representative may serve on the NAID Board of Directors in a situation or circumstance where they as an individual, or the NAID Member-company they represent, act in a manner that is contrary or destructive to the purpose, goals, interests or mission of the association.

Every Member of the Board of Directors has an obligation to notify the Executive Director or President in writing of any situation or change of circumstance that may arise related to their activities, or those of the company they represent, that could be considered contrary to the purpose, interests, goals or mission of the association as soon they become aware of the situation or change in circumstance.

Every NAID Member has the right to notify the Executive Director or President in writing of any situation or change of circumstance that may arise related to the activities of a Member of the Board of Directors, or those of the company that Board Member represents, which could be considered contrary to the purpose, interests, goals or mission of the association as soon they become aware of the situation or change in circumstance.

Within 15 business days of receipt of any such written notice, the Executive Director or President shall call a special meeting of the Executive Committee for the purpose of determining if the situation or change of circumstance constitutes a potential conflict of interest. If the Board Member being the subject of notice of the potential conflict of interest serves on the Executive Committee, that Member may not participate in the meeting and the remaining Executive Committee Members will select another voting Member of the Board of Directors to stand in their place.

In making this determination of whether or not the situation or circumstance constitutes a potential conflict of interest, the Executive Committee may investigate further, including interviewing any or all parties to the matter. Within 30 days of the receipt of the notice, the Executive Committee is to render a determination by majority vote that either 1) the situation or change in circumstance does constitute a potential conflict of interest or that 2) the situation or change in circumstance does not constitute a potential conflict of interest. In either event, all parties to the filing will be notified in writing of the decision of the Executive Committee within 10 business days of the determination.

Where the Executive Committee determines that a potential conflict of interest exists, the rights and duties of the Board Member who is the subject of the inquiry shall be suspended and the Executive Director or President shall call a full meeting of the Board of Directors to review and investigate the complaint within 15 business days from the determination by the Executive Committee. All parties who are material to the filing shall be invited to present confidential testimony at this meeting. The highest ranking eligible Board Member shall preside over the meeting.

The NAID Board of Directors shall resolve the potential conflict of interest in one of the following manners, any of which shall require the affirmative vote of no less than two-thirds of all eligible Board Members:

- 1) Agree on specific instructions or requirements for the remediation of the conflict of interest, including timeframe for compliance. An agreement to comply with such remedial measures by the Board Member shall be documented in writing within 5 business days of issuance. Failure to produce such written agreement as described and/or failure to comply with accepted remedial measures shall result in a continuation of the conflict of interest resolution process.
- 2) Removal from office of the Board Member who is found to have a conflict of interest with their responsibilities as a NAID Board Member.

All voting is exclusive of the Board Member who is the subject of the investigation. The ruling of the Board of Directors is final.

In the absences of the agreement of two-thirds of the eligible Board Members, the suspended Board Member who is the subject of the inquiry shall be exonerated from the charge of conflict of interest and resume their full responsibilities and all rights shall be reinstated.

The due process described herein shall be completed within 90 days from the filing of the original notice. The proceedings related to the resolution of potential conflicts of interest shall be considered confidential until due processes, as described within these guidelines, has been exhausted.