

Service as a leader for the Raleigh Regional REALTOR® Association (RRAR) gives rise to certain legal obligations to the Association. One obligation is the fiduciary duty owed to RRAR by the leader. It requires the exercise of reasonable care in performing duties to RRAR exhibiting honesty and good faith and encompasses the responsibilities of both care and loyalty. The duty of loyalty requires RRAR leaders to avoid conflicts of interest and look out for RRAR's best interests, not their own.

A conflict of interest may exist when one participates in the decision-making process on an issue for RRAR while concurrently having other business, professional or personal interests that could tend one toward bias or predisposition on the issue. The fiduciary duty of a leader also requires a leader to avoid the appropriation of programs and activities, particularly business prospects that properly belong to RRAR. RRAR's leaders must also maintain the confidentiality of RRAR information.

Even where the RRAR leader might be appointed or elected regionally or by virtue of the RRAR leader's professional position within a particular organization or practice area, **the obligations of the RRAR leader are to RRAR as an organization, not to the RRAR leader's constituency.** The following policies apply to all RRAR leaders, including but not limited to Officers, Directors, and members of all RRAR decision-making bodies, such as the Board of Directors or Executive Committee.

Conflict Of Interest Policy

According to *Black's Law Dictionary*, a conflict of interest is defined as, "A term used in connection with public officials and fiduciaries and their relationship to matters of private interest or gain to them." Any RRAR leader will be considered to have a conflict of interest whenever that leader:

- A. Is a principal, partner, officer, director, member, manager or greater than one percent (1%) owner of a business providing products or services to or competing with RRAR;
- B. Is a principal, partner, officer, director, member, manager or greater than one percent (1%) owner of a business being considered as a provider of products or services to or competing with RRAR; or
- C. Holds any unique and substantial interest in a business, financial or otherwise, such as a familial, personal, employer-employee, contractor-contracted, shareholder or governance relationship with the business.

Any RRAR leader with a potential conflict of interest must immediately disclose their interest at the outset of any discussions by a decision-making body pertaining to the potential conflict.

Such RRAR leaders shall be excused from such discussion unless otherwise requested by the board of directors and shall respond to any questions asked of them. Furthermore, no RRAR leader with a conflict of interest may vote on any matter in which the RRAR leader has a conflict of interest, including votes to block or alter the actions of the decision-making body in order to benefit the business in which they have an interest. Minutes of appropriate meetings shall reflect that such disclosure was made, and that the leader excused himself or herself from the discussion of the pros and cons and vote on the matter.

Financial/Ownership Disclosure Policy

- A. If the RRAR leader has personal knowledge that RRAR is considering doing business with an entity in which the RRAR leader has any financial or ownership interest, then such leader must disclose the existence of his or her financial or ownership interest.
- B. If the RRAR leader has a financial or ownership interest in an entity that the RRAR leader knows is offering competing products and services as those offered by RRAR, then such RRAR leader must disclose the existence of his or her financial or ownership interest.

RRAR leaders with a financial or ownership interest must disclose their interest at the outset of any discussions by a decision-making body pertaining to the Business or any of its products or services. The RRAR leader shall be excused from such discussion unless otherwise requested by the board of directors and shall respond to any

questions asked of him or her. Furthermore, no RRAR leader with a financial or ownership interest, including votes to block or alter the actions of the decision-making body in order to benefit the Business in which he or she has an interest. Minutes of appropriate meetings shall reflect that such disclosure was made, and that the leader excused himself or herself from the discussion of the pros and cons and vote on the matter.

Corporate Opportunities Policy

Any RRAR leader who learns of a business opening, investment, project, or program through his or her service to RRAR may not pursue that opportunity outside of RRAR without first offering it to RRAR. Only if RRAR decides not to proceed (i.e., abandons the corporate opportunity) may he or she proceed independently of RRAR. NOTE: No RRAR leader is prohibited from engaging in conduct in the same general line of commerce as RRAR, but he or she must conduct his or her own activities in good faith and without injury to RRAR. For example, assume that part of your service on a committee entails development of an educational course to be delivered to RRAR members. It would be a violation of this policy to take the work of the committee and use it to create an educational course for your personal financial gain.

Confidential Information Policy

Any RRAR leader must (a) maintain in confidence and not disclose or cause to be disclosed to anyone, other than RRAR, any information designated as confidential at RRAR's sole discretion; prior to or during deliberation by RRAR; (b) keep any materials containing confidential information in a safe and secure place to protect against inadvertent disclosure; and (c) preserve confidential information indefinitely, even after expiration of the leader's service. Upon expiration of the leader's service, the leader must promptly return to RRAR staff, upon request, any materials containing confidential information sent to or acquired by the leader relating to the leader's work for RRAR. For example, assume that the executive committee, during its search for a CEO, designates the deliberations as "confidential" to preserve the integrity of the search. It would be a violation of this policy for members of the committee to disclose such deliberations to anyone outside the committee except as may be required to conduct the committee's business or as required by law.

Service Statement

Any person serving RRAR in an elected or appointed position must sign a service statement in a form designated by RRAR prior to serving.

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As a Volunteer Leader of the Raleigh Regional Association of REALTORS[®], Inc. (RRAR), you have special responsibilities. Therefore, it is important that you agree to the following:

1. You have read and understand the attached Conflict of Interest, Financial/Ownership Disclosure, Corporate Opportunities and Confidential Information Policies and agree to abide by their terms, as may be amended from time to time at RRAR's discretion.

2. You hereby represent that you currently do not have any conflict of interest as described in the attached Conflict of Interest Policy, except as follows (*if none, insert "none"*):

3. You hereby represent that you currently do not have any ownership interest as described in the attached Ownership Disclosure Policy, except as follows (*if none, insert "none"*):

4. You will (a) maintain in confidence and not disclose or cause to be disclosed to anyone, other than RRAR, any information designated as confidential at RRAR's sole discretion prior to or during deliberation; (b) keep any materials containing confidential information in a safe and secure place to protect against inadvertent disclosure; (c) preserve confidential information indefinitely, even after expiration of your service. Upon expiration of your service, you will promptly return to RRAR staff, upon request, any materials containing confidential information that you have been sent or acquired relating to your work for RRAR.

5. You hereby assign to RRAR all right, title, and interests in and to any information or material developed, conceived, or created relating to RRAR projects, including any and all copyrights and other proprietary interests.

6. You will refer all news media requests seeking interviews with or comment from you as a representative of RRAR to the RRAR Chief Executive Officer or their designee, who is responsible for providing prompt response to those inquiries. You may not speak to the media on behalf of RRAR unless you have secured the prior, express permission of the CEO or their designee. Please note: This does not restrict you from talking to the media in your capacity as an individual REALTOR[®].

7. I have received information provided by RRAR on Antitrust compliance for volunteer leaders (initial) _____

Please sign this letter and return to RRAR to confirm your acceptance of these conditions. Thank you very much for your cooperation and your continuing work and devotion to RRAR.

Agreed to by: _____
(Signature)

(Print Name): _____

(Date): _____