

METROPOLITAN EMPLOYEES BENEFITS ASSOCIATION AND TRUST

Board Governance Policy Handbook

CONFLICT OF INTEREST POLICY

In accordance with section 6.1.21 of the Trust Agreement, as amended, establishing the Metropolitan Employees Benefits Association and Trust, the Board of Trustees adopt the following Conflict of Interest Policy.

1. Covered Persons

This conflict of interest policy (referred to herein as "Policy") applies to the following "Covered Persons":

- (a) The trustees and alternate trustees of the Metropolitan Employees Benefits Association and Trust ("Trust");
- (b) The administrator(s) of the Trust; and
- (c) Employees of the Trust.

2. Conduct of Covered Persons

This Policy requires all Covered Persons to act in the best interest of the Trust and to avoid self-interested conduct.

In no event may a Covered Person make, participate in making, or use or attempt to use his/her official position to influence a decision affecting the Trust in which he/she knows or has reason to know he/she has a disqualifying conflict of interest. A Covered Person has a conflict of interest if the decision will have a reasonably foreseeable material financial effect on his/her economic interests.

a. **Special Rule Regarding Gifts**

Covered Persons may not accept any gifts, entertainment or any thing of value (collectively referred to herein as "Gifts") from current or potential vendors of the Trust, or any intermediaries of such vendors (collectively referred to herein as "Vendors"), with one exception: a Covered Person is permitted to accept Gifts from Vendors if the total value of all Gifts from a single Vendor does not exceed \$150 per calendar year; and

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For the purposes of this Section 2(c) and Section 3, below, a Covered Person is considered to have accepted a Gift from a Vendor if such Gift is accepted by: (1) the spouse, an ancestor, a lineal descendant, or the spouse of a lineal descendant of the Covered Person; or (2) a corporation, partnership, trust or other business or venture of any kind in which that Covered Person has a 50% or more ownership interest. (collectively "Lineal Covered Person")

b. Exceptions

This Policy does not prohibit the following transactions between Covered Persons and the Trust:

- (1) Except as provided by section 5.15 of the Trust Agreement, reasonable compensation for services or property provided to the Trust by Covered Persons, if the services or property are necessary for the establishment or operation of the Trust; and
- (2) Reimbursement of expenses properly and actually incurred by a Covered Person in the performance of his/her duties with the Trust;
- (3) Payment and or provision of benefits in accordance with any Trust Health and Welfare Plan to a Trustee under the same terms and conditions as are applicable to Trust Participants. (see § 6.4.1 in this connection)

However, no Covered Person may receive compensation from the Trust, except for reimbursement of expenses properly and actually incurred, if that Covered Person already receives full-time pay from: (1) an employer or an association of employers whose employees are participants in the Trust; or (2) an employee organization whose members are participants in the Trust. This is consistent with § 6.4.2

c. Referral

If a Covered Person is approached by a Vendor who wishes to discuss services that it can provide to the Trust, the Covered Person may listen to the Vendor, but then should refer such Vendor to the administrator or other appropriate consultant of the Trust for follow up.

3. Statement of Gifts Received

A Covered Person must complete and submit a statement within 14 days of receiving any Gift in excess of \$150 a year from a Vendor. Gifts made to a Lineal

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Covered Person must also be reported on the statement, as if the Gift was accepted by the Covered Person.

The statement must include the following information:

- (a) The name, address, and general business activity of the Vendor;
- (b) The name, address, and title of the Covered Person (and, if the recipient is not a Covered Person, the recipient's name, address and relationship to the Covered Person); and
- (c) A description of the Gift, its value, and the date the Gift was received.

All Covered Persons must submit the completed statement to the Chairperson or Co-Chairperson of the Board of Trustees.

4. Disqualification and Violation

If a Covered Person knows or has a reason to know that he/she has a conflict of interest, that Covered Person is disqualified and must recuse him/herself from the decision making process.

5. Annual disclosure

All Trustees and Alternate Trustees must submit annually (within 30 days of the plan year end) a signed disclosure to the Chairperson or Co-Chairperson of the MEBA Trust indicating that they will abide by the parameters set forth in this policy.