

THE DIOCESE OF HAWAII

CONFLICT OF INTEREST POLICY

1. APPLICABILITY.

The following statement of policy relating to potential conflicts of interest shall apply to each member of the Standing Committee and Diocesan Council and all officers of the Diocese.

Each person to whom this statement of policy applies is hereafter referred to as a “Diocesan Representative”.

2. DEFINITIONS.

As used herein:

A potential conflict of interest means a transaction or situation that involves a personal, family or business relationship between a Diocesan Representative and the Diocese that could cause the Diocese to be subject to criticism, embarrassment or the risk of litigation on the part of a responsible person.

Diocese means the Diocese of Hawai`i and The Episcopal Church in Hawai`i (“TECH”), a non-profit corporation.

A responsible person includes a member of TECH, a donor, an active communicant, the State Attorney General (and deputies), the Director of the Hawaii Department of Commerce and Consumer Affairs (and deputies), the Internal Revenue Service (and agents), and the Director of the Hawai`i Department of Taxation (and deputies).

A family member of a Diocesan Representative means parents, brothers and sisters, spouse and children and all persons who share the same home of the Diocesan Representative.

3. RESPONSIBILITIES.

Each Diocesan Representative serves in a position of trust and has a duty to carry out his or her responsibilities and obligations in a manner consistent with that trust. All decisions made on behalf of the Diocese are to be made solely on the basis of an intent to promote and protect the best interests of the Diocese.

Men and women of talent inevitably are involved in the affairs of other institutions and organizations. Effective Diocese Representatives cannot exclude individuals who are entirely free from at least perceived potential conflicts of interest. Although most such potential conflicts of interest which may arise are likely to be inconsequential, it is the responsibility of each Diocesan Representative to assure that the Standing Committee or Diocesan Council, as the case may be, shall be made aware of situations that involve personal, family or business relationships that could be potential conflicts of interest. Thus, each Diocesan Representative will be required

annually (1) to review this statement of policy and (2) to disclose in a timely manner and to the appropriate body any matters that could reasonably give rise to a potential conflict of interest involving the Diocese.

4. **DISCLOSURE.**

Each Diocesan Representative, other than members of the Diocesan Council, shall disclose to the Standing Committee and each member of the Diocesan Council shall disclose to the Diocesan Council each potential conflict of interest that could be construed to affect his or her independent, unbiased judgment in light of his or her decisions-making authority or responsibility. The following standards are provided as guidance in determining potential conflicts of interest:

Business Relationships - One in which a Diocesan Representative or a member of his or her family is an officer, director, employee, partner, trustee or substantial shareholder of an organization that engages in a business transaction with the Diocese.

Substantial Interest - When a Diocesan Representative or a member of his or her family is the actual or beneficial owner of a substantial interest in voting stock or other form of proprietary interest in an organization that engages in a business transaction with the Diocese.

The following are examples of common areas of potential conflicts of interest:

Real estate transactions. The acquisition and disposition of real estate and interests therein (e.g., leases, easements, air rights) when a Diocesan Representative has an interest in the other party to the transaction or in the brokerage firm or a relationship to the salesperson or a direct interest in the transaction.

Service transactions. Dealings with construction companies, service firms, professionals, and insurance companies can lead to potential conflicts of interest.

5. **REFRAIN FROM PARTICIPATION.**

A Diocesan Representative who has or is deemed to have a potential conflict of interest shall refrain from participating in consideration of the transaction giving rise to the potential conflict of interest and shall not vote or participate in the discussion of the matter.