MHBC POLICY FOR CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

**Section 1.** *Disclosure.* All Officers and Directors shall disclose to the Board the material facts concerning any actual or potential conflicts of interest, or direct interest in proposed transactions with the organization, or relationship to parties with interest in proposed transactions with the organization.

**Section 2.** *Recusal.* No Officer or Director shall participate in any determination or decision, or engage in any transaction on behalf of the organization, without the disclosure of the same to the Board of Directors, and compliance with all other pertinent provisions of these Bylaws and any other applicable law.

**Section 3.** *Board authorization.* The Board of Directors may by resolution permit a director or officer to execute their duties under these Bylaws after full disclosure of the material facts surrounding any conflict of interest of the Director or Officer.

**Section 4.** *Related party transactions.* The organization shall not enter into any transaction with a related party to any Director or Officer unless the Board of Directors has complied with the following procedures and made the required determinations. For purposes of this article, the terms “related party” and “related party transaction” shall have the meaning as defined in the New York Not-For-Profit Corporation Law.

* 1. The Board of Directors must determine that the related party transaction is fair, reasonable and in the organization’s best interest.
  2. The Board of Directors must consider alternative transactions to the related party transaction to the extent available, and must determine that the proposed related party transaction is in the best interest of the organization, including the public interestthe organization seeks to promote, as the proposed available alternatives**.**
  3. The Board of Directors must adopt written findings evaluating the criteria required by this section, and its basis for approving the related party transaction.