

EXHIBIT A
Indiana Water Environment Association
Conflict of Interest Policy

The purpose of this Conflict of Interest Policy is to protect the interest of Indiana Water Environment Association (the "Corporation"), when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, key employee or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and tax-exempt organizations.

1. **Definitions.**

- a. **Interested Person.** Any director, key employee, or officer who has a direct or indirect financial interest, as defined below, is an interested person.
- b. **Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
 - A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
 - A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.
- b. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
- c. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board of Directors decides that a conflict of interest exists.

2. **Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors considering the proposed transaction or arrangement.

3. **Determination of a Conflict of Interest.** After disclosure of the financial interest and all material facts, and after any presentation by the interested person or any discussion with the interested person, he or she shall leave the Board of Directors meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board members shall decide if a conflict of interest exists.

4. **Procedures for Addressing the Conflict of Interest.**

- a. An interested person may make a presentation at the Board of Directors meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the Board of Directors shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board of Directors shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. **Violations of the Conflict of Interest Policy.**

- a. If the Board of Directors has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of Directors determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and/or corrective action.

5. **Records of Proceedings.** The minutes of the Board of Directors shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board of Directors' decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

6. **Compensation.**

- a. A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the Board of Directors whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

7. **Annual Statements.** Each director and principal officer shall annually sign a statement, in the form attached hereto as Exhibit I (as amended from time-to-time by the Board of Directors) which affirms that such person:

- a. Has received a copy of the conflict of interest policy,
- b. Has read and understands the conflict of interest policy,
- c. Has agreed to comply with the conflict of interest policy, and
- d. Understands that the Corporation is exempt from federal income taxation and that, in order to maintain such status, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

8. **Periodic Reviews.** To ensure the Corporation operates in a manner consistent with its tax-exempt purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic review shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further tax-exempt purposes and do not result in private inurement.

9. **Use of Outside Experts.** When conducting the periodic reviews as provided for in Section 9, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

Exhibit I
Conflict of Interest Disclosure Form

I, the undersigned, am (or am about to become) an Interested Person of the Indiana Water Environment Association. I understand that the Corporation has developed and approved a Conflict of Interest Policy (the "Policy") for all Interested Persons who have certain relationships with the Corporation. I have received a copy of the Policy, have read and understand the Policy, and agree to comply with the Policy. I further understand that the Corporation is exempt from federal tax and that, in order to maintain such status, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

In compliance with this Policy, I hereby disclose to the Corporation the following ownership, employment, activity, investment or other interest which might constitute a Financial Conflict, as such term is defined in the Policy:

Potential Financial
Interest and/or Conflict

Previously
Disclosed?

Approved by an
Executive Officer of
Corporation?

I hereby certify that the above matters are all of the matters of which I am aware as of this date, and which I believe may create a financial conflict, or the appearance of a financial conflict, in violation of the Policy. I further agree to disclose, as soon as reasonably possible, any future financial conflicts which may arise prior to the next execution of this annual form.

Date

Signature

Printed Name