

PENSACOLA AND PERDIDO BAYS ESTUARY PROGRAM, INC.
CONFLICT OF INTEREST POLICY

(Adopted November 8, 2023)

Article I
Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's ("Pensacola and Perdido Bays Estuary Program, Inc." or "PPBEP") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of PPBEP 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 charitable organizations. To the extent there is conflict between this Conflict of Interest Policy and Florida or Alabama law and procedures applicable to local governments on conflicts of interest, the provisions of Florida and Alabama law will apply and control.

Article II
Definitions

1. Interested Person. Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which PPBEP has a transaction or arrangement;
- b. A compensation arrangement with PPBEP or with any entity or individual with which PPBEP has a transaction or arrangement; or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which PPEBP is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if a determination is made that a conflict of interest exists.

Article III Procedures

1. 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 and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall determine whether a conflict of interest exists. In the event a conflict exists, the interested person shall be disqualified from voting on the matter from which the conflict arises and shall file disclosure forms as required under Chapter 112, Florida Statutes.

3. Procedures for Addressing the Conflict of Interest.

- a. An interested person may make a presentation at the governing board or committee meeting.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether PPBEP 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 governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in PPBEP'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 governing board or committee 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 governing board or committee determines the

member has failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action.

Article IV Records of Proceedings

The minutes of the governing board and all committees with board delegated powers 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 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.

Article V Compensation

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

Article VI Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the Conflict of Interest Policy;
- b. Has read and understands the Policy;

- c. Has agreed to comply with the Policy; and
- d. Understands PPBEP is charitable and in order to maintain its federal tax exemption must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII Periodic Reviews

To ensure PPBEP operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews 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 PPBEP's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

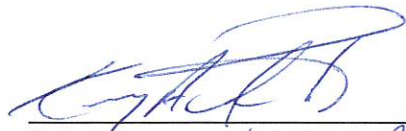
Article VIII Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, PPBEP may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

**AFFIRMATION OF BOARD MEMBERS REGARDING
CONFLICT OF INTERESTS POLICY**

The undersigned member of the Board of Pensacola and Perdido Bays Estuary Program, Inc. hereby affirms that they:

- a. Have received a copy of the foregoing Conflict of Interest Policy;
- b. Has read and understands the Policy;
- c. Has agreed to comply with the policy; and
- d. Understands PPBEP is charitable and in order to maintain its federal tax exemption must engage primarily in activities which accomplish one or more of its tax-exempt purposes.


Print Name: KERRY A. Smith
Date: 11/08/2023

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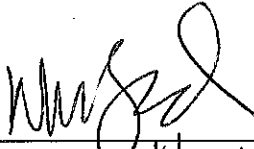
Print Name: Michael Norberg

Date: 11/8/2023

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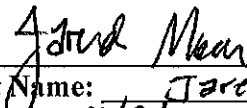
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Print Name: Woodrow Speed
Date: 11/8/2023

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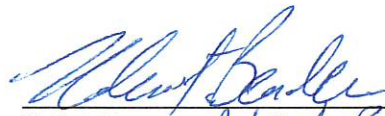
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Print Name: Jared Moow
Date: 11/8/23

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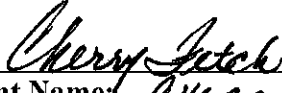

Print Name: Robert Bender
Date: 11/8/23

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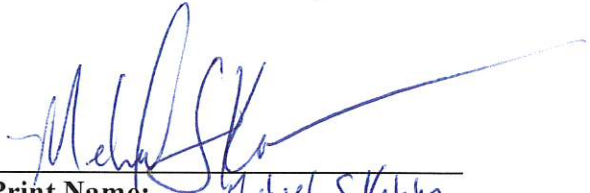
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Print Name: Cherry Fitch
Date: 11/8/2023

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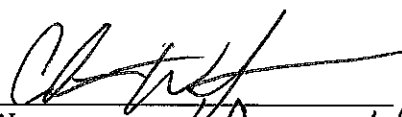
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Print Name: Michael S. Cohen
Date: 11/8/23

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Print Name: COLTEN WRIGHT
Date: 1/4/24