

## TIP Conflict of Interest Policy

Effective Date: May 16, 2022

### 1. Purpose

The purpose of this Conflict of Interest Policy is to protect the interest of the Telecom Infra Project, Inc. ("TIP"), when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Director of TIP 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 conflicts of interest applicable to nonprofit, mutual benefit corporations.

### 2. Definitions

Capitalized terms not otherwise defined below are defined in TIP's other Organizational Documents (which may be accessed at <https://telecominfraproject.com/organizational-documents/>) and which may be updated from time-to-time in accordance with each TIP Participant's Participation Agreement.

#### 2.1 Interested Person.

Any Director or Officer, or individual who has been duly authorized by the Board of Directors to make certain agreements or decisions on behalf of TIP ("Authorized Agent"), who has a direct or indirect financial interest, as defined below, is an Interested Person.

#### 2.2 Financial Interest.

A person has a Financial Interest if the person or such person's employer or sponsor has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which TIP has a transaction or arrangement.
- b. A compensation arrangement with TIP or with any entity or individual with which TIP has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which TIP 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 the Board of Directors decides that a conflict of interest exists.

### **3. Procedures**

#### **3.1 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 Board of Directors.

#### **3.2 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, the individual will leave the Board of Directors meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Directors shall, after consultation with such advisors and/or legal counsel as deemed appropriate, decide if a conflict of interest exists.

Reasonable Directors may differ as to what decisions, actions, or omissions may be in TIP's best interest. Recognizing that the Director or Authorized Agent, as applicable, may be employed or sponsored by a TIP Participant and may be serving as a Director or Authorized Agent in connection with such Director's or Authorized Agent's employment or sponsored position, such Director or Authorized Agent will be deemed to have a potential conflict if (i) a decision, act, or omission by TIP would be adverse to, or materially beneficial to, such Director's or Authorized Agent's employer or sponsor; and (ii) such Director or Authorized Agent cannot reasonably hold a position that such decision, act or omission, as applicable, by TIP, would be adverse to, or materially beneficial to, such Director's or Authorized Agent's employer or sponsor.

#### **3.3 Procedures for Addressing the Conflict of Interest.**

An Interested Person may make a presentation at the Board of Directors meeting. After the presentation, the Interested Person will leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

The Chairman of the Board of Directors will, if appropriate, appoint a disinterested person to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the Board of Directors will determine whether TIP 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.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors will determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in TIP's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it will make its decision as to whether to enter into the transaction or arrangement.

### **3.4 Violations of the Conflicts of Interest Policy.**

If the Board of Directors has reasonable cause to believe an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.

If, after hearing the response and after making further investigation as warranted by the circumstances, the Board of Directors determines the Interested Person has failed to disclose an actual or possible conflict of interest, it will take appropriate disciplinary and corrective action.

## **4. Records of Proceedings**

The minutes of the Board of Directors will 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.

## **5. Compensation**

An Authorized Agent Director who receives compensation, directly or indirectly, from TIP for services is precluded from voting on matters pertaining to that Authorized Agent's compensation.

No Authorized Agent Director whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from TIP, either individually or collectively, is prohibited from providing information to the Board of Directors or any Administrative Committee regarding compensation.

## **6. Periodic Reviews**

To ensure TIP operates in a manner consistent with tax-exempt purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews may be conducted. The periodic reviews will, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arms' length bargaining; and

- b. Whether arrangements with management organizations conform to TIP's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further TIP's nonprofit purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

## **7. Use of Outside Experts**

When conducting the periodic reviews as provided for in Section 6, TIP may, but need not, use outside advisors.

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