

A BOARD GUIDE

# Conflicts of Interest

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Putting the organization's interests before personal gain

Recognizing, disclosing, and managing conflicts of interest—outside roles, relationships, financial interests, corporate opportunities, and the annual disclosure obligation

## WHY IT MATTERS

# Why Conflicts of Interest Matter

A conflict doesn't require bad intent—only divided loyalty

### Loyalty is at stake

Personal interests can quietly erode the loyalty and judgment owed to the organization

### Appearance counts

Even a perceived conflict can damage trust and the organization's reputation

### No list is complete

No list captures every conflict; principled judgment and disclosure fill the gaps

### Real consequences

Undisclosed conflicts taint decisions and contracts—and can be grounds for termination

**GUIDING PRINCIPLE** Avoid situations that create, or appear to create, a conflict between personal interests and the organization

## CORE PRINCIPLES

# What a Conflict Is—and the Standards

The standards every director and employee is expected to uphold

### **Put the company first**

Place the organization's and customers' interests before personal gain

### **Conflict, defined**

Arises when personal interests, activities, or relationships affect responsibilities and loyalty

### **Avoid appearances**

Steer clear of situations that create even the perception of a conflict

### **When in doubt, ask**

Contact your manager, HR, or Ethics & Compliance whenever unsure

### **Company property**

Use company equipment, assets, and information only for proper purposes

### **No personal advantage**

Never use company information to compete or for personal gain

COMMON SITUATIONS

# Where Conflicts Typically Arise

Recurring situations the policy specifically addresses

## Outside employment

Working for or serving a competitor while employed is prohibited

## Outside board seats

Serving as an officer or director requires advance approval

## Supplier relationships

Disclose family ties to suppliers; never influence bidding or contracting

## Corporate opportunities

Don't take opportunities found through your role without approval

## Personal loans

No company loans or guarantees to directors, officers, or relatives

## Financial interests

Disclose investments that might appear to influence your judgment

RED FLAGS

# Categories to Watch

Where conflicts most often hide

Outside employment

Personal relationships

Political relationships

Financial interests

Supplier & vendor ties

Hiring or supervising relatives

Corporate opportunities

Personal loans

Competitor affiliations

## DISCLOSE & MANAGE

Promptly disclose any actual, potential, or perceived conflict; managers then manage and escalate it appropriately

## KEY TERMS

# Definitions

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### **Conflict of interest**

When personal interests, activities, or relationships affect loyalty and responsibilities to the organization

### **Competitor**

A company in the same or similar business, whether the role is paid or unpaid

### **Close relative**

Spouse, partner, parents, children, siblings, household members, or anyone with a close personal relationship

### **Corporate opportunity**

A business opportunity discovered through one's role, company property, or information

# Questions the Board Should Ask

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A few questions reveal whether conflicts are under control

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## **Do we require annual conflict disclosures from everyone?**

An annual disclosure surfaces conflicts even when none seem obvious

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## **Who approves senior leaders' outside board seats?**

Senior outside roles should need documented, board-level approval before service

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## **How do we keep relatives out of supplier selection?**

Employees must never influence bidding or contracting involving a relative's business

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## **Are disclosed conflicts actively managed, not just filed?**

Every disclosed conflict needs an owner who manages and escalates it

# Firm Lawyers

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## Matthew Boyden

is a trial lawyer and former federal prosecutor with more than thirty-five years of experience. He represents companies and executives in high-stakes criminal, civil, regulatory, and governance matters, and is regularly engaged where litigation risk, regulatory scrutiny, and institutional exposure intersect. His practice includes federal criminal defense, complex civil litigation, internal investigations, and board-level advisory work, including securities, sanctions and trade controls, anti-corruption, and anti-money laundering.

## Larry Finder

is a trial lawyer and former United States Attorney with more than four decades of experience handling complex criminal, civil, and regulatory matters of national significance. He represents individuals, corporations, and boards confronting serious legal, institutional, and reputational risk. He served in increasingly senior roles at the U.S. Department of Justice, including Chief of the Criminal Division and First Assistant U.S. Attorney, before being appointed United States Attorney for the Southern District of Texas in 1993.

## Ryan McConnell

is a former federal prosecutor and trial lawyer who represents companies, boards, and executives in high-stakes criminal, civil, and governance matters. He has tried nearly twenty federal jury trials and conducted hundreds of investigations involving complex fraud, cross-border enforcement, and sensitive regulatory issues. His practice focuses on federal criminal defense, complex civil litigation, internal investigations, and advising boards and senior executives on matters requiring judgment under pressure.