

National Biodiesel Accreditation Commission
Conflict of Interest Policy
(As Revised July 13, 2007)

Article I
Purpose

The purpose of the conflict of interest policy is to protect the tax-exempt interest of The National Biodiesel Accreditation Commission (“NBAC”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Commissioner or principal officer or committee member of the NBAC. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit organizations.

Article II
Definitions

1. **Interested Person:** Any Commissioner, Principal Officer, or committee member who has a direct or indirect financial interest, as defined below.
2. **Financial Interest:** A person has a financial interest if the person, directly or indirectly, through business, investment, or family either receives compensation from or has an actual or potential ownership or investment interest in, any entity with which the NBAC has a transaction or arrangement, or with which the NBAC is negotiating a transaction or arrangement.
3. **Compensation:** Includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
4. **Family:** Includes any person within the first degree of consanguinity to the Interested Person

Article III
Procedures

1. **Duty to Disclose.** An interested person must disclose the existence of his or her financial interest in any proposed or potential transaction or arrangement with NBAC. The interested person must disclose all material facts to the Commission or committee considering the matter.
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 interested person shall leave the meeting. The Commission or committee shall then consider whether a conflict of interest exists.
3. **Determining a Course of Action.** If a conflict is found to exist, the Commission or committee shall consider whether a more advantageous transaction or arrangement is reasonably possible under circumstances not producing a conflict of interest. Accordingly, it shall decide to either:
 - a. Appoint a disinterested person to investigate alternatives to the proposed transaction or arrangement and report back with a recommendation; or
 - b. Allow the transaction or the arrangement with the interested party to be approved, or
 - c. Proceed in another fashion to advance the best interests of the National Biodiesel Accreditation Commission.
 - d. If a committee is unable or unwilling to determine a course of action, it may refer the question to the Commission for resolution.

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

- a. If the Commission or committee has reasonable cause to believe a Commissioner or committee member has failed to disclose actual or possible conflicts of interest, it shall inform that person of the basis for such belief and afford him or her an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the person's response and after making further investigation as warranted by the circumstances, a Committee determines the Commissioner or committee member has failed to disclose an actual or possible conflict of interest, it shall refer the allegation to the Commission. If, after making such further investigation as it deems necessary the Commission determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV
Records of Proceedings

The minutes of any Commission or committee meeting in which a conflict of interest is discussed shall contain:

- 1. 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 Commission's or committee's decision as to whether a conflict of interest in fact existed.
- 2. The names of the persons who were present for the discussion, a synopsis of the discussion including any alternatives considered, and a record of any votes taken on the conflict issue.

Article V
Compensation

No Commissioner on the Commission or NBAC committee member shall receive any compensation, directly or indirectly, from the NBAC.

The above policy was adopted by a majority of the Governing Board of the National Biodiesel Board on present at a regular meeting of the Governing Board held the 13th day of July, 2007, a quorum being present.

National Biodiesel Board Chair

Date

