

Code of Conduct and Conflicts of Interest Policy

Padre Isles Property Owners Association (PIPOA)

[Adopted June 27, 2023]

General. All directors, officers, committee members, employees, and volunteers (Representatives) of the PIPOA shall observe the highest standards of business and personal ethics in the conduct of their duties and responsibilities. Representatives are expected to demonstrate honesty and integrity in fulfilling their functions and comply, to the best of their abilities, with all applicable laws and regulations.

Board Members, Architectural Control Committee (ACC) members and members of other committees: In the event that any member of the Board of Directors or any member of the ACC or other committee has a material interest in any matter, or conflict of interest in any matter, coming before the Board of Directors, or any Committee, for approval, that Director, or committee member, shall disclose the material interest or conflict, and abstain from any participation in the discussion or voting on the matters. The Director's or Committee member's material interest or conflict of interest and abstention shall be noted in the minutes of the meeting.

Executive Director: If the Executive Director has a material interest in any matter affecting the PIPOA, the Executive Director shall report such interest in writing to the Board of Directors. At the next Board meeting, the Board of Directors shall provide instruction as to such safeguards as may be required for the handling of such matters, such as assigning the responsibility to another staff member or Board member or establishing controls on the actions of the Executive Director in handling such matters. The Board President may take such interim actions as deemed necessary to address the situation prior to the next board meeting. However, a final resolution of the matter shall be determined by the Board.

Staff and/or Volunteers: If any other staff member or volunteer has a material interest in any matter affecting the PIPOA, such staff member shall report such interest to the Executive Director and not participate in the handling of such matter except as specifically directed by the Executive Director.

Material Interest: For the purposes of this Code, a "material interest" is defined as a material economic or financial interest of an individual or of a related party to such individual. A material economic or financial interest includes the receipt of wages, commissions, distributions, perquisites or other remuneration, or an investment interest whether as equity or debt, or other financial interest that provides a direct benefit to the person. Indirect financial or economic benefits are not considered to be material, such as participation as a depositor or borrower in a financial institution, or in a manner similarly shared with a substantial group of other members of the PIPOA. The term "related party" includes a spouse, parent, child, sibling, or a person co-habiting with the individual, together with the same list of persons related to the individual's spouse and the spouses of such persons.

Appearance of a Conflict of Interest or Impropriety. Representatives of the PIPOA should be critically aware that some circumstances may create an appearance of impropriety even though no direct conflict of interest exists. Sadly, in this social media age, such situations are capable of creating enormous harm to the PIPOA and/or an individual's reputation. In such cases, a person is strongly encouraged to abstain from participation in the matter to avoid an appearance of a conflict of interest on the same basis as provided above.

In many cases, many of us are not able to recognize these appearances of impropriety when they involve us. When concern of an appearance of impropriety, or the possible creation of a harm to the PIPOA's reputation, exists, each Representative has a duty to relay that concern to the person involved, or in the absence of a resolution, to the entire Board,

General Rights as Members. Nothing in this Code shall prevent any director, officer, committee member, employee, or volunteer from participating in any PIPOA program on the same basis as any other member of the PIPOA and enjoying the rights and benefits of membership in the PIPOA.

Texas Property Code: This Policy acknowledges that the Texas Property Code (TPC), Section 209.0052 allows homeowner organizations to enter into contracts with board members under certain circumstances. Not only does the PIPOA hold itself to a higher standard, our members expect it. The PIPOA does not expect nor intend to enter into contracts or have business dealings with any of its Representatives or their related parties.

Acceptance and Acknowledgement: By January 10th each year, each Representative (director, officer, committee member, employee, and volunteer), and any candidate running for election at the PIPOA's Annual Meeting, shall accept and acknowledge this **Code of Conduct and Conflicts of Interest Policy** by furnishing an executed copy to the PIPOA office. Likewise, any member wishing to be appointed to the board, any committee or be employed shall also furnish an executed copy prior to appointment or employment. In addition, within ten (10) days of this Policy's approval by the Board of Directors, all Representatives shall furnish an executed copy to the PIPOA office.

AGREED AND ACCEPTED

_____ Date _____

Name