THE HERB SOCIETY OF AMERICA, INC.
CONFLICT OF INTEREST POLICY
Approved June 2009

Each member of the board of The Herb Society of America has a duty to give undivided allegiance to The Herb Society of America when making decisions affecting The Society and in any transactions, dealings, or situations involving The Society. It is the policy of The Herb Society of America that directors may not use their position as directors for personal, family, or professional gain. Directors may not obtain for themselves, their relatives, or their friends a financial or material interest of any kind from their connection with The Society.

It is important to note that a conflict of interest exists if a decision could be influenced, i.e. perceived conflict of interest. It is not necessary that influence actually take place.

CATEGORIES OF CONFLICTS OF INTEREST

Conflict-of-Interest Transactions
A conflict of interest with respect to a transaction effected or proposed to be effected by the organization means that:

1. The director knows that he, she or a related person is a party to the transaction or has a beneficial or personal interest in or is so closely linked to the transaction and it is of such financial or personal significance to the director or a related person that the interest would reasonably be expected to exert an influence on the director's judgment if he or she were called upon to vote on the transaction; or
2. The director knows that any of the following persons is either a party to the transaction or has a financial or personal interest in or is so closely linked to the transaction and it is of such financial or personal significance to the person that the interest would reasonably be expected to exert an influence on the director's judgment if he or she were called upon to vote on the transaction:
    a. An entity of which the director is a director, officer, partner, equity owner, agent or employee;
    b. A person that controls, is controlled by, or is under common control with, one or more of the entities described in subsection (a); or
    c. An individual who is a partner, principal, employer, employee, personal friend, business associate, or a significant creditor or debtor of the director.

Examples of situations in which conflicts of interest between a director or related person and The Herb Society of America may arise include, but are not limited to, the following transactions with:

- Persons and/or organizations supplying goods, commercial services and/or property equipment leases.
- Persons and/or organizations with whom The Society is dealing or planning to deal with in connection with the gift, purchase, or sale of real estate, securities, or other property.
- Donors and others supporting The Society.
- Organizations and/or individuals receiving grants from The Society.

Conflict-of-Interest Relationships
Conflicts of interest may arise in situations where a director's personal interests, or the interests of a related person, personal friend, business associate, an entity in which a member holds an equity interest, employer, employee, or a significant creditor or debtor of the director, could reasonably be expected to exert an influence on the director's judgment regarding the general societal matters and/or impair the ability to act in The Society's best interests.

Structural Conflict-of-Interest
Because of an actual, potential or perceived structural conflict of interest, directors may not sit concurrently on the boards of organizations with opposing governing rules or organizations that profit from activities in conflict with the governing rules of The Herb Society of America.

Examples of such organizations include, but are not limited to, those who recommend or manufacture herbal preparations specifically for medical or healthcare management where the practitioners or ultimate product distributors are not covered by Federal or state laws of medical practice.

Simple membership in such an organization is not a conflict of interest as it is acknowledged that board members will participate in broader arenas of personal interest.

Acknowledgment and Annual Disclosure
Directors will receive this Conflict of Interest Policy and the Conflict of Interest Procedures in the application/nomination packet. The directors will be required to sign and date the policy disclosure at the beginning of their term of service as well as sign and update the disclosure at the beginning of each calendar year. Failure to update or sign the policy disclosure form does not nullify the director's obligations under this policy.

Definitions
Related person:

1) the spouse of the director
2) director's parent, sibling, child, grandchild
3) the parent, sibling, child, grandchild of the director's spouse or any individual living at the same home as the director
4) a trust or estate of which any person referenced in this paragraph is a substantial beneficiary
5) a trust, estate, incompetent, conservator, or minor of which the director is a fiduciary.

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STATEMENT CONCERNING POSSIBLE CONFLICT OF INTEREST

By my signature affixed below I acknowledge:

- Receipt of a copy of The Herb Society of America's Conflict of Interest Policy and Conflict of Interest Procedures
- My agreement with the spirit and intent of these policies and procedures.

I agree to report to the executive director and/or president of the board any possible conflicts of interest (other than those stated below) that may develop before completion of the next annual statement.

☿ I am not aware of any conflict of interest.
☿ I do or may have a conflict of interest in the following area(s):

_____
_____

Name: _____ Date: _____

Signature: _____