Tow Truck Operators of Washington
Conflict of Interest Policy

Section 1 – Purpose

The purpose of the conflict of interest provision is to protect this corporation when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation or might result in a possible excess benefit transaction. This provision is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2 – Interested Party

Any director, principal officer, or member of a committee with board delegated powers, who has a direct or indirect financial interest or receives any remuneration from the corporation, is an interested person.

- **Financial interest:** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family an ownership or investment interest in any entity with which the corporation has a transaction or arrangement, or a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the corporation is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
- **Compensation:** A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation (they are not prohibited from providing information to any committee regarding compensation).

Section 3 – Procedures

The Board and its members will abide by the following procedures:

- **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 directors and members of committees with board delegated powers considering the proposed transaction or arrangement.
- **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, he/she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

Section 4 – Addressing Conflicts in Decision Making

After determining that a conflict does or may exist the board or committee can choose one or several of the following action steps:

- Allow an interested person to make a presentation at the meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- The chairperson of the governing board or committee shall, if appropriate, appoint an independent and disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- After exercising due diligence, they shall determine whether the corporation 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, they shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest.
- In conformity with the above determination, it shall make and record in the minutes its decision as to whether to enter into the transaction or arrangement, including 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's or committee's decision as to whether a conflict of interest in fact existed.

Section 5 – Violations

- If the board or committee has reason to believe that a person covered by this policy has failed to disclose an actual or possible conflict of interest, it shall inform the person of the basis for that belief and give the person an opportunity to explain the alleged failure to disclose.
- If, after hearing the person’s response and making any further investigation the circumstances warrant, the board or committee determines that the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action.

Section 6 – Annual Statements

Each director, officer, and member of a committee with board delegated powers shall sign a statement each year (see the Annual Conflict of Interest Statement attached to this policy) affirming that the person:

(a) Has received a copy of this conflict of interest policy;

(b) Has read and understands the policy;

(c) Has agreed to comply with the policy; and

(d) Understands that TTOW is a nonprofit corporation and that its resources must be used to carry out its nonprofit purposes.

Adopted by the Board of Directors, October 2026

By Officers of the Board of Directors of the Tow Truck Operators of Washington

Signature_____ Date_____

Print Name_____

Tow Truck Operators of Washington
Annual Conflict of Interest Statement

Name_____

Position (director, officer, or committee member)_____

Committee(s), if any_____

By signing below, I affirm that I:

- ☐ Have received a copy of the Tow Truck Operators of Washington Conflict of Interest Policy;
- ☐ Have read and understand the policy;
- ☐ Have agreed to comply with the policy; and
- ☐ Understand that TTOW is a nonprofit corporation and that its resources must be used to carry out its nonprofit purposes.

Interests to disclose. List any financial interest, compensation arrangement, or other relationship that is or may be an actual or possible conflict of interest with TTOW (including through business, investment, or family). Write "None" if there is nothing to disclose.

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Signature_____ Date_____

Print Name_____