

CONFLICT OF INTEREST POLICY
Asia Video Industry Association
AVIA

1.0 Purpose

The purpose of this conflict of interest policy is to protect the interests of the Asia Video Industry Association (“**AVIA**”) and AVIA’s members in situations where a Director of the Board or an employee of AVIA takes actions or has interests that conflict or interfere with the interests of AVIA.

A conflict situation can arise when a director or employee takes actions or has interests that may make it difficult to perform his or her work for AVIA objectively and effectively or when such person has a personal interest in a transaction or arrangement that interferes with or conflicts with the interests of AVIA.

This policy is intended to supplement but not replace any applicable laws governing conflicts of interest relating to nonprofit organizations.

2.0 Definitions

2.1 Persons Covered by this Policy

This conflict of interest policy applies to each member of the Board of Directors of AVIA (“the **Board**”) and each employee of AVIA (each such person is a “**Covered Person**”).

2.2 Definitions

“**Conflicts Committee**” is a duly appointed disinterested person or committee of the Board to whom the Board has delegated the power and authority to consider and address Conflicts of Interest.

A Covered Person has a “**Financial Interest**” in a transaction or arrangement if the Covered Person has or anticipates having, directly or indirectly, through business, ownership, investment or a Family Member any of the following:

- (i) An ownership or investment interest in any entity with which AVIA has or is contemplating a transaction or arrangement;
- (ii) A compensation arrangement (including any direct or indirect remuneration and gifts or favors, the value or apparent value in total of which exceeds US\$1,000 or the maximum value permitted by the applicable law, whichever is lower) with any entity or person with which AVIA has or is contemplating a transaction or arrangement;

- (iii) A relationship as an officer, director or partner of, or significant donor or lender to, any entity with which AVIA has or is contemplating a transaction or arrangement; and
- (iv) Authority to make material decisions, whatever the person's formal title, on behalf of any entity with which AVIA has or is contemplating a transaction or arrangement.

A Financial Interest is not necessarily a Conflict of Interest. A Covered Person who has a Financial Interest in a transaction or arrangement will be deemed to have a Conflict of Interest only if the Board or the Conflicts Committee decides that a Conflict of Interest exists pursuant to Section 3.2 below.

A ***“Conflict of Interest”*** exists when a Covered Person's personal interest and/or those of the Covered Person's Family Member or close friends interferes or conflicts in any way with the interests of AVIA. Although it is not possible to list every possible conflict, the following are some common examples:

- (i) Soliciting or accepting, directly or indirectly, gifts or favors or other personal benefits (other than insubstantial gifts, favors or other benefits) as a result of the Covered Person's position or authority at AVIA;
- (ii) Accepting a loan or guarantee of obligations from or through the assistance of, any entity or person contracting with AVIA;
- (iii) Having a direct or indirect Financial Interest in an entity or person contracting with AVIA (other than ownership of less than 1% of the outstanding securities of a publicly traded corporation or equivalent percentage of ownership interest in a privately held corporation); or
- (iv) Having an employment or consulting relationship with any entity or person contracting with AVIA.

A ***“Family Member”*** of a Covered Person includes a spouse, domestic partner, parent, lawful guardian, grandparent, great-grandparent, brother and sister (whether whole, half-blood, or step), children, grandchildren, or great-grandchildren (whether natural, adopted, or step), and the spouses of any of them.

3.0 Financial Interests in Contemplated Transactions or Arrangements or any Actual or Potential Conflict of Interest

3.1 Duty to Disclose

Each Covered Person shall, promptly upon discovering the existence of any Financial Interest in a transaction or arrangement or other actual or potential Conflict of Interest, disclose in writing all material facts of such Financial Interest or actual or potential Conflict of Interest to the Board or the Conflicts Committee.

3.2 Determining Whether a Conflict of Interest Exists

After disclosure by the Covered Person in writing to the Board of all material facts relating to the Financial Interest in a transaction or arrangement or other actual or potential Conflict of Interest, and after any discussion with the relevant Covered Person, the Board or the Conflicts Committee shall discuss the Financial Interest in such transaction or arrangement or Conflict of Interest and decide, by majority vote, whether an actual, potential, or perceived Conflict of Interest indeed exists. Any Covered Person having a possible Conflict of Interest shall abstain from participation in discussion of, voting upon (in the case of a member of the Board), and/or using his or her personal influence on the matter being considered by the Board or the Conflicts Committee.

3.3. Procedures for Addressing the Conflict of Interest

If the Board or the Conflicts Committee determines that an actual or potential Conflict of Interest exists, the Board or the Conflicts Committee shall determine, by majority vote of disinterested members, whether AVIA should enter into such proposed transaction or arrangement and/or on what conditions or restrictions to manage, reduce or eliminate such conflicts. In making such determination, the Board or the Conflicts Committee shall consider:

- (i) Whether AVIA could, with reasonable efforts, reasonably be expected to be able to enter into a similar transaction or arrangement that is at least as favorable to AVIA as the transaction or arrangement disclosed by the Covered Person and that would not give rise to a Conflict of Interest (an “**Alternative Transaction**”);
- (ii) Whether the proposed transaction or arrangement disclosed by the Covered Person is otherwise in AVIA’s best interest and whether it is fair and reasonable under the circumstances;
- (iii) How the proposed transaction or arrangement might be modified or structured so as to neutralize the adverse effect of any Conflict of Interest; and
- (iv) Such other factors as the Board or the Conflicts Committee deems appropriate in the exercise of its fiduciary duty.

4.0 Failure to Disclose Conflicts of Interest

If the Board or the Conflicts Committee has reasonable cause to believe a Covered Person has failed to disclose in writing to the Board or the Conflicts Committee a Financial Interest in a transaction or arrangement or other actual or potential Conflict of Interest, it shall inform the Covered Person of the basis for such belief and afford the Covered Person an opportunity to explain the alleged failure to disclose.

If, after hearing the Covered Person's response and after making further investigation as warranted by the circumstances, the Board or the Conflicts Committee determines the Covered Person has failed to disclose in writing a Financial Interest in a transaction or arrangement or other actual or potential Conflict of Interest, it shall take appropriate disciplinary and corrective action.

5.0 Quorum

Covered Persons who have a Financial Interest in a transaction or arrangement or other actual or potential Conflict of Interest may be counted in determining the presence of a quorum at a meeting of the Board or any Conflicts Committee that considers, authorizes, approves or ratifies a transaction or arrangement or other Conflict of Interest pursuant to this Policy but such Covered Persons shall not participate in the discussion or vote of the Board or the Conflicts Committee with respect to such matter.

6.0 Records of Proceedings

The minutes of the Board or the Conflicts Committee considering any matter referred to in Sections 3 and 4 hereof shall contain:

(i) The names of the persons who disclosed or otherwise were found to have a Financial Interest or other actual or potential Conflict of Interest, the nature of the Financial Interest or other actual or potential Conflict of Interest, any action taken to determine whether a Conflict of Interest was present, and the Board's or Conflict Committee's decision as to whether a Conflict of Interest in fact existed.

(ii) The names of the persons who were present for discussions and votes relating to any determination of Conflict of Interest, including the content of such discussions, any discussions of Alternative Transaction or other matter, and a record of any votes taken in connection with the proceedings.

7.0 Compensation

A voting member of the Board who receives compensation, directly or indirectly, from AVIA for services is precluded from voting on matters pertaining to such member's compensation.

8.0 Periodic Reviews

The Board shall conduct periodic reviews to ensure AVIA does not engage in activities that could jeopardize its reputation with members and status as a nonprofit organization. The periodic reviews shall, at a minimum, examine whether arrangements with third parties (e.g., consultants, service providers, vendors, partner organizations) conform to AVIA's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, and do not result in inurement or impermissible private benefit. When conducting the periodic reviews as provided for in this Section 8.0, the Board may, but need not, use outside advisors.