



Conflict of Interest Policy

[Adopted pursuant to GO&D / *GCH* Bylaws, Article 3, Section 6.]

Article 1

Section 1. Policy

It shall be the policy of Global Operations and Development / *Giving Children Hope* that no member, while serving the Corporation in a leadership capacity, either as an Officer, a Director, a Committee Chair, or in another type of leadership capacity, will take personal advantage of his or her leadership role by allowing a situation to exist that may be construed as a conflict of interest situation.

Section 2. Purpose

The purpose of the Conflicts of Interest Policy is to protect the interests of the Corporation when it is contemplating entering into a transaction, contract, or arrangement that might benefit the private interest of an Interested Director, Officer or Person (as defined below). An Interested Director, Officer or Person may not use his or her position with respect to the Corporation, or confidential corporate information obtained by him or her relating to the Corporation, in order to achieve a financial benefit for himself or herself or for a third person, including another nonprofit or charitable organization. This policy is intended to supplement but not replace any applicable laws governing conflicts of interest in nonprofit and charitable corporations.

Article 2 **Definitions**

Section 1. Compensation

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

Section 2. Family

The family of any individual shall include only his or her spouse; his or her siblings and their spouses; his or her ancestors; and his or her descendants and their spouses.

Section 3. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

- (a) An existing or potential ownership or investment interest in any entity with which the Corporation has a transaction, contract, or other arrangement, or
- (b) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction, contract, or other arrangement, or
- (c) An existing or potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction, contract, or other arrangement, or
- (d) An existing or potential ownership or investment interest in, or compensation arrangement with, any entity whose business or operation has been or will be directly affected by a decision or action of the Corporation.

Section 4. Interested Director

Interested Director shall mean any Director of the Corporation who has a material financial interest, as defined above, or who serves as a Director or Officer of any entity with which the Corporation has a transaction, contract, or other arrangement.

Section 5. Interested Officer

Interested Officer shall mean any Officer who has a material financial interest, as defined above, or who serves as a Director or Officer of any entity with which the Corporation has a transaction, contract, or other arrangement. For purposes of this policy, the President of the Corporation shall be treated as an Officer.

Section 6. Interested Person

Interested Person shall mean either:

- (a) Any person currently being compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full- or part-time employee, independent contractor, or otherwise; or
- (b) Any person whose family member, as defined in Section 2, is currently being compensated by the Corporation for services rendered to it within the previous 12 months, whether as a full- or part-time employee, independent contractor, or otherwise.

Article 3 **Procedures**

Section 1. Duty to Disclose

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and all material facts to the directors and members of committees with board delegated powers considering the proposed transaction, contract or arrangement.

Section 2. Duty to Abstain

No Director shall vote on any matter in which he or she has a material and direct financial interest that will be affected by the outcome of the vote.

In the event of such an abstention, the abstaining Director shall state the reason for the abstention, which shall be noted in the minutes of the Board of Directors.

Section 3. 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 or 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 5. Procedures for Addressing the Conflict of Interest

- (a) An interested person may make a presentation at the Board or committee meeting, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.
- (b) The Chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (c) After exercising due diligence, the Board or committee shall determine whether the Corporation can obtain a more advantageous transaction, contract, or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- (d) If a more advantageous transaction, contract, or other arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested Directors whether the transaction, contract, or arrangement is in the Corporation's best interest and for its own benefit and whether it is fair and reasonable to the Corporation, and shall make its decision as to whether to enter into the transaction, contract, or arrangement in conformity with such determination.

Section 6. Violations of the Conflicts of Interest Policy

If the Board or committee has reasonable cause to believe that a Director or Officer has failed to disclose an actual or possible conflict of interest, it shall inform the Director or Officer of the basis for such belief and afford the Director or Officer an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the Director or Officer and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall recommend to the Board of Directors appropriate disciplinary and corrective action.

The violation of this conflicts of interest policy is a serious matter and may constitute “cause” for removal or termination of a Director or Officer, or the termination of any contractual relationship the Corporation may have with an Interested Person or other party.

Article 4 **Records of Proceedings**

Section 1. Minutes

The minutes of the board and all committees with board-delegated powers 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 board’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 discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Article 6 **Compensation Committees**

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member’s compensation.

Article 7
Annual Statements

Each Director and Officer shall annually sign a statement which affirms that such person:

- (a) Has received a copy of the conflicts of interest policy;
- (b) Has read and understands the policy;
- (c) Has agreed to comply with the policy; and
- (d) Understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article 8
Periodic Reviews

The Board shall periodically consider whether and how this Conflicts of Interest Policy should be revised or amended to better meet its objectives. In connection with any periodic review concluded by the Corporation to ensure that it operates in a manner consistent with its charitable purposes, the Board shall report on the matters referred to it and their resolution.

Statement Regarding Confidentiality, Competition, and Disclosure of Potential Conflicts of Interest

I have been selected to serve on the Board of Directors of Global Operations and Development / *Giving Children Hope*.

I have received a copy of the Conflicts of Interest Policy, and have read and understand it. I agree to comply with the Policy requirements.

I understand that my sources of income and financial interest and/or my business dealings with GO&D / *GCH* may create a conflict of interest or apparent conflict of interest.

I agree to disclose (1) any significant source of income or other financial interest I or an family member has which may be directly or indirectly affected by a decision of GO&D / *GCH* or its Board of Directors, and/or (2) any significant interest I or a family member has in an organization with which GO&D/*GCH* is dealing or with which it is considering conducting business, either at the time of my appointment (or when this policy is implemented) or when that information is relevant to matters under consideration by the Board of Directors on which I serve.

I agree that if (1) my income or other financial interest may be directly or indirectly affected by an action or decision of GO&D/ *GCH* or its Board of Directors, or (2) my interest involves an organization with which GO&D / *GCH* is dealing or considering dealing, I will not vote on the transaction under consideration and will excuse myself from the meeting while the matter is under consideration unless the remaining directors or Board members request that I participate in the discussion.

I understand that it is my responsibility to keep the Board informed of any changes in my income, my other financial interests, organizations with which GO&D/ *GCH* is considering business, and/or the impact GO&D/ *GCH*'s actions that may create conflicts of interest.

I understand that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Date

Signature

Printed Name