

CONFLICT OF INTEREST POLICY

(EXHIBIT A)

ARTICLE I: PURPOSE

The purpose of the Conflict of Interest Policy (the “Policy”) is to protect the Corporation’s interest when it is contemplating entering into a transaction or arrangement that might also benefit the private interest of an officer, director, employee or independent contractor of the Corporation. The Policy is designed to ensure that all institutional decisions are made solely to promote the best interests of the Corporation without favor or preference based on personal considerations, and to provide the highest ethical conduct. This Policy is intended to supplement, but not replace any applicable New York State or federal laws governing conflicts of interest applicable to nonprofit corporations, and to clarify the Corporation’s principles and practices for guidance in resolving ethical and legal questions that might arise relating to business transactions.

We believe the trust and confidence of our donors, agencies and other supporters depend on our continuing to maintain the highest standards of ethical and lawful conduct. It is the Corporation’s position that all individuals involved with its mission must comport themselves so that there is not even the appearance of conflict between personal interests and those of the Corporation. To ensure high standards of conduct, the Corporation desires to set forth the common understandings that must exist among the members of its community.

ARTICLE II: DUTY OF LOYALTY AND GENERAL REQUIREMENTS

1. **The Law.** Conflict-of-interest statutes are contained in the New York Not-for-Profit Corporation Law and focus primarily on the duty of loyalty of the officers and board of director members (the “Board”). This duty broadly commands the Board to be faithful to an organization’s best interests and to refrain from using their organizational position or knowledge to advance a personal agenda at the organization’s expense. The law does not require a prohibition of all conflicts of interests. The goal is to permit the Corporation to manage conflicting interests successfully and to reach optimum decisions with knowledge of the conflicts.
2. **Confidential Information.** In addition, one of the Corporation’s most valuable assets is its confidential information, which includes donor lists, research data, financial data, computer software and equipment information. The security and integrity of all confidential data must be diligently protected. Accordingly, officers, directors, employees and independent contractors should not disclose or use any confidential information involving the Corporation for personal benefit or for purposes not related to the Corporation.
3. **Basis of Decisions.** All institutional decisions are to be made solely to promote the best interests of the Corporation without favor or preference based on personal considerations, and to provide the highest ethical conduct. Officers, directors, employees or independent contractors may not obtain for themselves, their relatives, or their friends a material benefit of any kind from their association with the Corporation, or from the knowledge gained therefrom.

The fairness of transactions involving potential conflicting interests is to be analyzed by comparing them with similar transactions negotiated by parties dealing at “arm’s length” – that is, parties that have no other relationship and are presumed to base their decisions on rational economic interests. So long as transactions are disclosed to the Board, and the transactions are found to be in the best interests of the Corporation, they may lawfully be undertaken.

ARTICLE III: DEFINITIONS

1. **Key Person.** Key Person is defined as any person, other than a director or officer, whether or not an employee of the Corporation, who:
 - a. has responsibilities, or exercises powers or influence over the Corporation as a whole similar to the responsibilities, powers, or influence of directors and officers;
 - b. manages the Corporation, or a segment of the Corporation that represents a substantial portion of the activities, assets, income or expenses for the Corporation; or
 - c. alone or with others controls or determines a substantial portion of the Corporation’s capital expenditures or operating budget.

2. **Related Parties.** Related Parties is defined as:
 - a. any director, officer, committee member, employee, independent contractor or Key Person of the Corporation;
 - b. relatives of any such individuals in (a) which includes spouses or domestic partners, ancestors, siblings and half-siblings or their spouses, natural or adopted children, grandchildren and great-grandchildren or their spouses;
 - c. any entity in which any individual described in (a) or (b) above has thirty-five percent (35%) or greater ownership or beneficial interest or if a partnership or professional corporation, any ownership in excess of five percent (5%); or
 - d. any other entity or trust in which any individual in (a) or (b) serves as a director, trustee, officers or employee or has a material financial interest.

3. **Related Party Transaction.** Related Party Transaction is defined as any transaction, agreement or other arrangement, including compensation, in which one or more Related Parties would have a financial interest and the Corporation would be a participant; except that a transaction shall not be a Related Party Transaction if:
 - a. the transaction or the Related Party’s financial interest in the transaction is de minimis; or

- b. the transaction would not be customarily reviewed by the Board or by Boards of organizations similar to the Corporation in the ordinary course of business and is available to others on the same or similar terms.
- 4. Covered Arrangement. Covered Arrangement is defined as each *proposed* transaction, agreement or other arrangement, including compensation, in which:
 - a. one or more Related Parties would have a financial interest and the Corporation would be a participant (a Related Party Transaction); or
 - b. there could be an actual or perceived conflict of interest for some other reason, including any transaction, agreement or other arrangement in which the interests of a Related Party could be seen as competing with the interests of the Corporation.
- 5. Compensation. Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

ARTICLE IV: PROCEDURES

- 1. Duty to Disclose. In connection with any actual or possible conflict of interest, a director, officer, committee member, employee or independent contractor must immediately disclose in writing the existence and nature of her/his financial interest to the Board of the Corporation and/or members of any the Corporation's committees considering the proposed transaction or arrangement.
- 2. Determining Whether a Conflict of Interest Exists. After disclosure of a possible Covered Arrangement, the Related Party must leave the Board or committee meeting in which the transaction is discussed. Related Parties are not allowed to participate actively or aggressively as advocates on behalf of the Covered Transaction either formally at Board or committee meetings or informally through private contact, communication, and discussion. The remaining Board or committee members shall decide if a conflict of interest exists.
- 3. Procedures to Address a Conflict of Interest. The following procedure shall be taken:
 - a) The President of the Board shall, if appropriate, appoint a disinterested person or committee of disinterested directors to investigate alternatives to the Covered Arrangement.
 - b) The Board or committee shall exercise due diligence by using comparable market data, among other objective tests, if available, to determine whether the Corporation can obtain a more advantageous arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

- c) If a more advantageous transaction or 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 Covered Arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the Covered Arrangement.
 - d) The Board or committee must determine whether the Covered Arrangement is material to the financial, reputational or other interests of the Corporation. If a committee is the body which determines that the Covered Arrangement is material, then it must promptly notify the Board of this determination and may condition its approval, if any, of the Covered Arrangement upon the further review, input or approval of the Board.
4. Violation of Conflict of Interest Policy. If the Board has reasonable cause to believe that a member of the Board, committee, officer, employee or independent contractor of the Corporation has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis of such belief and afford the person an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the person and making such further investigation as may be warranted in the circumstances, the Board should determine that the person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action as is needed in the circumstances, including removal from office or termination of employment.

ARTICLE V: REQUIRED CONTEMPORANEOUS RECORD OF CONFLICT OF INTEREST PROCEEDINGS

The minutes of the Board and all committees shall contain the following information:

- a) The names of the person(s) who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest;
- b) The nature of the financial interest;
- c) The actions taken to determine whether a conflict of interest was present;
- d) The Board's or committee's decision as to whether a conflict of interest in fact existed;
- e) The content of the discussions, including any alternative transactions to the Covered Arrangement and comparable market data;
- f) The names of the persons who were present for discussions and a record of their votes relating to the Covered Arrangement;

ARTICLE VI: PERIODIC REVIEWS

To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted to include the following subjects:

- a) Whether compensation arrangement and benefits are reasonable and are the result of arm's length bargaining;
- b) Whether any arrangements with outside service organizations conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the Corporation's charitable purposes and do not result in impermissible private benefit;
- c) Whether agreements with other organizations or employees further the Corporation's charitable purposes and do not result in impermissible private benefit.

ARTICLE VII: INITIAL AND ANNUAL DISCLOSURE STATEMENTS

Prior to the initial election, appointment or hiring of any director, officer, employee or independent contractor and annually thereafter, such individual must complete, sign and submit to the Corporation a written disclosure statement which affirms that such person:

- a) Has received a copy of the Policy; and
- b) Has read and understands the Policy; and
- c) Has agreed to comply with the Policy; and
- d) Has identified to the best of his/her knowledge any entity or trust which such individual is an officer, director, trustee, member, owner or employee that has a relationship to any transaction in which the Corporation is a participant to, or any other interests which could give rise to a conflict of interest.

All such forms shall be collected by the Corporation's Secretary who shall report on all completed forms to the Audit Committee. All such forms will be held by the Corporation and available for inspection by the Audit Committee and any member of the Board.