

Conflict of Interest Policy of Childhelp, Inc.

Article I: Purpose

The purpose of the conflict of interest policy is to protect the interest of Childhelp, Inc. (the "Charity") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Charity or might result in a possible excess benefit transaction within the Internal Revenue Code of 1986, as amended. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II: Definitions

1. **Interested Person.** With respect to the Charity, any of its directors, principal officers, or members of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below.

2. **Financial Interest.** A person has a financial interest with respect to the Charity if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Charity has a transaction or arrangement,
- b. A compensation arrangement with the Charity or with any entity or individual with which the Charity has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Charity is negotiating a transaction or arrangement.

For these purposes, the term "compensation" includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III: Procedures

1. **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 Charity's directors and members of its committees with governing board delegated powers considering the proposed transaction or arrangement.

2. **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 governing 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.

3. **Procedures for Addressing the Conflict of Interest.**

- a. An interested person may make a presentation at the governing board or committee 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.
- b. The chairperson of the governing 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 governing board or committee shall determine whether the Charity 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.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Charity's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. **Violations of the Conflicts of Interest Policy.**

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or

possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV: Records of Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. 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 governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. 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 with the proceedings.

Article V: Compensation

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Charity for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Charity for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Charity, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI: Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms 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 the Charity is charitable and 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 VII: Periodic Reviews

To ensure the Charity operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Charity's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VIII: Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Charity may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Childhelp, Inc.

Conflict of Interest Disclosure Statement

Each the directors and officers of Childhelp, Inc. (the “Charity”), and all members of committees to which the Board of the Charity has delegated powers, is required to provide an annual statement under the Conflict of Interest Policy of Childhelp, Inc. (the “Conflict of Interest Policy”) and to provide additional disclosures whenever a conflict of interest situation arises in which he or she has a financial interest. This Disclosure Statement should be used to fulfill both requirements.

Part A of this Disclosure Statement contains the affirmations required to be included in the annual statements required by Article VI of the Conflict of Interest Policy.

Part B requires that you provide information concerning the relationships between yourself and members of your family and the Charity, as well as a list of all entities that do business with the Charity, or with which a transaction or relationship involving the Charity is being considered, in which you or a member of your family have a substantial involvement or economic interest.

By signing this Disclosure Statement, you are providing the confirmations required by Part A and representing and warranting that the information provided in Part B is true, correct and complete as of the date of your signature. Please provide the information required by Part B, sign and date the Disclosure Statement, and return the Disclosure Statement to _____.

Part A

I hereby confirm that:

1. I have received a copy of the Conflicts of Interest Policy.
2. I have read and understand it.
3. I agree to comply with the Conflicts of Interest Policy.
4. I understand that the Charity is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax exempt purposes.

Part B

Please complete items (1) – (3) below. In completing these items, please treat your spouse, if you are married, any domestic partner, all ancestors and descendants and each spouse or domestic partner of an ancestor or descendant as members of your family.

- (1) List all relationships between the Charity and you or members of your family, such as your or your family member’s status as an employee, officer, director, trustee, committee member or major donor of the Charity.

(2) List all entities that do business with the Charity, or with which a transaction or relationship involving the Charity is being considered (e.g., as vendors, service providers, the purchaser or seller of assets, or otherwise), with which you or a member of your family have a relationship including, but not limited to, a relationship arising out of status as an employee, officer, director, trustee, committee member, major donor, investor or otherwise. The list should describe the current or possible business relationship or transaction, the nature and extent of the relationship and the name of any family member involved.

(3) List all entities that do business with the Charity, or with which a transaction or relationship involving the Charity is being considered (e.g., as vendors, service providers, the purchaser or seller of assets, or otherwise), in which you or a member of your family have an ownership or investment interest of at least 5%. The list should describe the current or possible business relationship or transaction, the nature and extent of the ownership or investment interest and the name of any family member involved.

The undersigned hereby represents and warrants to Childhelp, Inc. that the statements made in Part A, above, are true and correct, and the information provided in Part B, above, is true, correct and complete.

Dated: _____

Printed Name: _____

Signature: _____