

CFC International Board of Directors Conflicts of Interest Policy

1. Policy Definitions.

- (a) Affiliate. An “Affiliate” of the Corporation means any entity controlled by, in control of, or under common control with, the Corporation.
- (b) Director. A “Director” means any member of the governing board of the Corporation, whether designated as director, trustee, manager, governor, or by any other title.
- (c) Key Employee. A “Key Employee” means any person who is in a position to exercise substantial influence over the affairs of the Corporation.
- (d) Officer. An “Officer” means any director, trustee, manager, governor, or by any other title, any individual holding an office of the Corporation identified in the Certificate of Incorporation and/or By-Laws.
- (e) Related Party. A “Related Party” means (i) any Director, Officer or Key Employee of the Corporation, or any Affiliate; (ii) any Relative of any Director, Officer or Key Employee of the Corporation, or any Affiliate; or (iii) any entity in which any individual described in clauses (i) and (ii) herein has a thirty-five percent (35%) or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent (5%).
- (f) Related Party Transaction. A “Related Party Transaction” means any transaction, agreement or any other arrangement in which a Related Party has a financial interest and in which the Corporation, or any Affiliate, is a participant. The assessment of, and any determination concerning, any Related Party Transaction, must be considered in strict compliance with the adopted policies and procedures of the Corporation.
- (g) Relative. A “Relative” of an individual means his or her spouse, domestic partner, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses or domestic partners of brothers, sisters, children, grandchildren and/or great-grandchildren.

2. Policy Requirements.

Any real, or potential, financial transaction with a “Related Party” (as defined herein), particularly any “Related Party Transaction” (as defined herein), and/or any other matter generally constituting a possible conflict of interest, with this Corporation and/or an “Affiliate” (as defined herein) must be addressed in accordance with the terms of this Board of Directors Conflicts of Interest Policy. Any Related Party Transaction, or any other conflicted matter, authorized in a manner that is materially inconsistent with the terms of this policy may be subsequently rendered void or voidable by a vote of the majority (50% +1) of the Board of Directors, excluding any individual with voting privileges and an interest in the subject transaction or matter.

3. General Disclosure.

Prior to initial election, or upon hiring, as appropriate, and annually thereafter, each “Director,” “Officer” and “Key Employee” (each as defined herein) shall be required to complete, sign and submit to the Secretary, or an authorized designee, as appropriate, a written statement identifying, to the best of the Director's knowledge, any entity of which he/she is an Officer, Director, Trustee, Member, Owner (either as a sole proprietor or a partner), or employee and with which the Corporation has a relationship, and any transaction in which the Corporation is a participant, and in which the Director might have a conflicting interest, as well as those where a “Relative” (as defined herein) might have a conflicting interest. The Secretary shall provide a copy of all completed disclosure statements to the Audit and Finance Committee or, if there is no such Committee, to the Board of Directors. A copy of each disclosure statement shall be available to any Director on request.

4. Specific Disclosure.

If at any time during his or her term of service, a Director, Officer or Key Employee acquires an interest, or circumstances otherwise arise, which could give rise to a real or potential Related Party Transaction, or any other conflicted matter, he or she shall promptly disclose, in good-faith, to the Board of Directors, or an authorized committee thereof, as appropriate, the material facts concerning such interest.

5. Conflicts Review Committee.

Unless another standing committee should have a charge authorizing it to address the topics discussed herein, either an Audit and Finance Committee or an *ad hoc* Conflicts Review Committee of the Board of Directors, comprised entirely of individuals considered to meet the statutory standard of “Independent Director” (as defined herein) without an interest in the given transaction or matter, shall be duly appointed and convened by the Board to review any real or potential Related Party Transaction, or matter which might be considered to constitute a conflict of interest for a particular “Related Party” (as defined herein). If no Audit and Finance or formal Conflicts Review Committee is charged, the Board (excluding any interested Director) may act in its stead.

6. Standard of Review.

In any instance where a Related Party Transaction, or other conflicted matter, is being reviewed, and is so material that it would customarily warrant formal approval by the Board of Directors, either the Audit and Finance Committee, or an *ad hoc* Conflicts Review Committee, (as appropriate) shall thoroughly review the transaction or matter and submit to the Board a recommendation as whether or not it should be approved, or the Board, itself, shall thoroughly review the transaction and render a binding determination as to whether it should be to approved.

7. Authorization of Related Party Transactions

The Corporation shall not enter into any Related Party Transaction, or any other conflicted matter, unless such a transaction or matter is determined by the Board to be fair, reasonable and in the Corporation's best interest at the time of such determination.

8. Authorization of Transactions Concerning Substantial Financial Interest.

With respect to any Related Party Transaction, or other conflicted matter, in which a Related Party has a substantial financial interest, the Board of Directors, or an authorized committee thereof, as appropriate shall:

- (a) prior to entering into such Transaction, or matter, to the extent practicable, consider alternative transactions and/or a review of information compiled from at least two (2) independent appraisals of other comparable transactions;
- (b) approve the transaction by not less than a two-thirds (2/3s) majority vote of the Directors or committee members, as appropriate, present at the meeting; and,
- (c) contemporaneously document the basis for approval by the Board, or authorized committee, as appropriate, which shall include the preparation of a written report, to be attached to the minutes of any meeting where the transaction or matter was deliberated or authorized, identifying the details of the transaction or matter; alternate transactions considered; materials or other information reviewed, Directors present at times of deliberations; names of those who voted in favor, opposed, abstained or were absent; and, the specific action authorized.

9. Restrictions.

With respect to any Related Party Transaction, or any other conflicted matter, considered by the Board, or an authorized committee, as appropriate, no Related Party shall:

- (a) be present at, or participate in, any deliberations;
- (b) attempt to influence deliberations; and/or
- (c) cast a vote on the matter.

Nothing herein shall prohibit the Board, or authorized committee, as appropriate, from requesting that a Related Party present information concerning a Related Party Transaction, or any other conflicted matter, at a Board, or Committee, meeting prior to the commencement of deliberations or voting relating thereto.

10. Audit-Related Disclosure of Conflicts.

It shall be the duty of the Secretary to see to it that all newly-received and annually-submitted Director interest disclosure statements and any case-specific Related Party Transaction reports, together the minutes of any related meetings, are promptly provided to the Chair of the Audit and Finance Committee or, if there is no Audit and Finance Committee, to the President of the Board of Directors, in an effort to assure that they are properly considered for auditing purposes.

Code of Ethical Conduct & Annual Potential Conflicts Disclosure Statement

—CFC International Code of Ethical Conduct—

This Corporation is committed to maintaining the highest standard of conduct in carrying out our fiduciary obligations in pursuit of our tax-exempt mission and purposes. As such, each and every Director, Officer and Key Employee (to the extent applicable) shall adhere to the following code of conduct:

By-Laws & Policies.

- be aware of and fully abide by the constitution, bylaws, rules and regulations of the Corporation and policies of the corporation, pursuant to the New York Not-for-Profit Corporation Law (NFPCL).
- assure compliance of the Corporation with respect to all statutes, regulations and contractual requirement.
- respect and fully support the duly-made decisions of the Board of directors in accordance with their fiduciary duties of obedience and loyalty.
- respect the work and recommendations of committees who are duly charged and have convened and deliberated accordingly, pursuant to the NFPCL.
- work diligently to ensure that the board fully assumes its role as a policy-making, governing body.
- view and act towards the Chief Executive Officer as the chief administrative officer with the sole responsibility for the day-to-day management of the organization, including personnel, and for implementation of board policies and directives.

Informed Participation.

- attend most, if not all, meetings of the Board and assigned committees.
- remain informed of all matters, including financial, that come before the Board and/or assigned committees.
- respect and follow the “chain of command” of the Board and administration.
- constructively and appropriately bring to the attention of the Board, Officers, committee chairs and/or appropriate staff any questions, personal views, opinions and comments of significance on relevant matters of governance, policymaking and our constituencies.
- oppose, on the record, Board actions with which one disagrees or is in serious doubt.
- appropriately challenge, within the structure and bylaws of the corporation, those binding decisions that violate the legal, fiduciary or contractual obligations of the corporation.
- do not fully commit to others or self to vote a particular way on an issue before participating in a deliberation session in which the matter is discussed and action duly taken.
- act in ways that do not interfere with the duties or authority of staff.

Conflict of Interest, Representation & Confidentiality.

- represent the best interests of the corporation at all times and to declare any and all duality of interests or conflicts of interests, material or otherwise, that may impede or be perceived as impeding the capacity to deliberate or act in the good faith, on behalf of the best interests of the Corporation.
- conform to the procedures for such disclosure and actions as stated in the bylaws or otherwise established by the board, pursuant to NFPCL.
- not seek or accept, on behalf of self or any other person, any financial advantage or gain that may be offered because, or as a result, of the board member's affiliation with the Corporation.
- publicly support and represent the duly made decisions of the Board.
- speak positively of the organization to the Corporation members, and all current and potential stakeholders and constituencies.
- not take any public position representing the Corporation on any issue that is not in conformity with the official position of the corporation.
- not use or otherwise relate one's affiliation with the board to independently promote or endorse political candidates or parties for the purpose of election.
- maintain full confidentiality and proper use of information obtained as a result of board service in accordance with board policy or direction.

Interpersonal.

- speak clearly, listen carefully to and respect the opinions of fellow board members and key staff.
- promote collaboration and partnership among all members of the board.
- maintain open communication and an effective partnership with the Board's officer and committee leadership.
- remain "solution focused", offering criticism only in a constructive manner.
- not filibuster or engage in activities during meetings that are intended to impede or delay the progress and work of the board because of differences in opinion or other personal reasons.
- always work to develop and improve one's knowledge and skills that enhances one's abilities as a Director.

— CFC International Annual Potential Conflicts Disclosure Statement —

As a Director or Officer or Key Employee of the Corporation, prior to being seated on the Board of Directors or commencing employment with the Corporation, as appropriate, and annually thereafter, you are required to truthfully, completely and accurately disclose all information requested herein and to promptly update all such information as circumstances may change from time-to-time. With regard to this Conflicts Disclosure Statement, be advised, all material terms identified by quotation marks are defined by Appendix “A” of the By-Laws of the Corporation, which is entitled “By-Law & Corporate Policy Definitions.”

please mark ‘Yes’ or ‘No’ where indicated & provide additional information when requested

Financial Information Return Disclosure.

Responses to the following questions are required in order to complete financial information returns annually submitted to the Internal Revenue Service and the Office of the Attorney General.

1. Have you served as an Officer, Director, Trustee, key employee, partner or member of, or hold a thirty-five percent (35%) or greater ownership or beneficial interest, or in the case of a partnership or professional corporation a direct or indirect ownership interest in excess of five percent (5%), in, an entity, which during the most recently completed, or current, fiscal year, had, or are reasonably anticipated to have, a direct, or indirect, business relationship, with the Corporation?

 If Yes, briefly describe below & attach a detailed explanation
No Yes

2. Have you, individually, or through an entity where you hold a thirty-five percent (35%) or greater ownership or beneficial interest, or in the case of a partnership or professional corporation a direct or indirect ownership interest in excess of five percent (5%), during the most recently completed, or current, fiscal year, had, or are reasonably anticipated to have, a direct, or indirect, business relationship, with any individual who is a current or former “Officer,” “Director” or “Key Employee” of the Corporation?

 If Yes, briefly describe below & attach a detailed explanation
No Yes

3. Do you have a “Relative” who, during the most recently completed, or current, fiscal year, had, or is reasonably anticipated to have, a direct, or indirect, business relationship with the Corporation?

 No Yes If Yes, briefly describe below & attach a detailed explanation

4. Have you been provided with, properly reviewed and reasonably understand the terms of the Corporation’s current written Board of Directors Conflicts of Interest Policy?

 No Yes If Yes, briefly describe below & attach a detailed explanation

5. Have you, or did you have a “Relative” who, during the most recently completed, or current, fiscal year, had, or is reasonably anticipated to have, any transaction with the Corporation that might reasonably be considered a real or potential conflict of interest pursuant to the Corporation’s Board of Directors Conflicts of Interest Policy, which has not been otherwise disclosed herein?

 No Yes If Yes, briefly describe below & attach a detailed explanation

Independent Director Assessment Disclosure.

In order to qualify as an “Independent Director,” as defined by the New York Not-for-Profit Corporation Law, an Officer or Director must respond in the affirmative to each of the following questions, although failure to respond in the affirmative to all questions shall not necessarily preclude such an Officer or Director from serving on the Board of Directors.

1. Are you currently, or have you been within the last three (3) fiscal years, an employee of the Corporation, or an “Affiliate” of the Corporation?

 No Yes If Yes, briefly describe below & attach a detailed explanation

2. Do you have a "Relative" who is, or has been within the last three (3) years, a "Key Employee" of the Corporation or an Affiliate of the Corporation?

 If Yes, briefly describe below & attach a detailed explanation
No Yes

3. Have you received, within the last three (3) fiscal years, more than ten thousand dollars (\$10,000) in direct compensation from the Corporation, or an "Affiliate" of the Corporation, other than reimbursement for out-of-pocket expenses?

 If Yes, briefly describe below & attach a detailed explanation
No Yes

4. Do you have a "Relative" who has received, within the last three (3) fiscal years, more than ten thousand dollars (\$10,000) in direct compensation from the Corporation, or an "Affiliate" of the Corporation, other than reimbursement for out-of-pocket expenses?

 If Yes, briefly describe below & attach a detailed explanation
No Yes

5. Are you a current officer or employee of, or do you have a substantial financial interest in, any entity that has made "payments" to, or received "payments" from, the Corporation or an "Affiliate" of the Corporation, for property or services in an amount which, within the last three (3) fiscal years, exceeds the lesser of twenty-five thousand dollars (\$25,000) or two percent (2%) of such entity's consolidated gross revenue. For purposes of this question, the definition the term "payments" does not include charitable contributions.

 If Yes, briefly describe below & attach a detailed explanation
No Yes

6. Do you have a Relative who is a current officer or employee of, or has a substantial financial interest in, any entity that has made “payments” to, or received “payments” from, the Corporation or an “Affiliate,” for property or services in an amount which, within the last three (3) fiscal years, exceeds the lesser of twenty-five thousand dollars (\$25,000) or two percent (2%) of such entity's consolidated gross revenue. For purposes of this question, the definition the term “payments” does not include charitable contributions.

 If Yes, briefly describe below & attach a detailed explanation
No Yes

—Certification—

I, the undersigned, certify that I have read and understand this Code of Ethical Conduct & Annual Conflicts Disclosure Statement. I agree that my actions will comply with the disclosures found in this document. I further affirm that neither I, as a Related Party nor any Relative have, or had, an interest, or has taken any action, that contravenes, or is likely to contravene, the Conflicts of Interests Policy of the Corporation or, otherwise impedes my ability to act as a fiduciary and in the best interests of the Corporation, except those that may have been disclosed herein.

Director Signature

Date