



Conflict of Interest Policy for the Employee Ownership Foundation

(November 2007)

The purpose of this policy and the following procedures is to prevent the personal interests of Interested Parties (as defined below) from (i) interfering with the performance of their duties to the Employee Ownership Foundation, or (ii) resulting in personal financial, professional, or political gain on the part by any such person to the detriment of the Employee Ownership Foundation.

Definitions:

“EOF” means the Employee Ownership Foundation, a 501(c)(3) corporation.

“EC” means the Executive Committee of the Employee Ownership Foundation.

“BOT” means the Board of Trustees of the Employee Ownership Foundation.

“Immediate Family Member” means a person’s spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers, and sisters-in-law, and any person who shares any such person’s home.

“Interested Part(ies)” are all persons in a position of trust with respect to the Employee Ownership Foundation including but not limited to the Executive Committee, Officers, Volunteers, and staff of The ESOP Association and/or the Employee Ownership Foundation.

“Officer(s)” means the members of the Executive Committee of the Employee Ownership Foundation and any other duly elected officers of the Employee Ownership Foundation.

“CSO” means the Chief Staff Officer of the Employee Ownership Foundation

“Staff Member(s)” means any person who is an employee of The ESOP Association, the (c)(6) corporation to which the Employee Ownership Foundation is affiliated and is performing services for the Foundation, or who is an employee of the Employee Ownership Foundation.

“TEA” means The ESOP Association.

“TEA BOD” means a member of the Board of Directors of The ESOP Association.

“Volunteer” means a person, other than a Staff Member, who provides services and/or expertise for the Employee Ownership Foundation without receiving compensation for their services and/or expertise.

POLICY & PRACTICES

1. All Interested Parties owe a duty of loyalty to the Employee Ownership Foundation. This duty places on each interested party the obligation to act in the best interests of the Employee Ownership Foundation. Interested Parties must avoid placing themselves in positions that may produce divided loyalty or which could create the appearance of divided loyalty. It is the duty of each Interested Party to refrain from using Employee Ownership Foundation property, information or his or her position with the Employee Ownership Foundation for personal gain. Specific examples of situations which may result in conflicts are listed below. This list should not be considered all-inclusive. Questions regarding conduct under particular circumstances should be discussed with the Foundation's Chief Staff Officer, as set forth in Section 5 below. It is the responsibility of each Staff Member to immediately disclose to the CSO of the Foundation the existence of any perceived conflict of interest. If the Staff Member feels that the CSO has ignored a conflict of interest, that Staff Member may report that conflict to the EOF Chair if the CSO does not eliminate the conflict, or report the conflict to the Chair. The Chair may take action to eliminate the conflict.

2. Interested Parties who are also performing services on behalf of EOF shall comply with this policy.

3. No gifts, gratuities or financial rewards may be solicited or accepted by an Interested Party from donees or potential donees in connection with any grant or proposed grant. The giving or receiving of gifts, gratuities or financial rewards by an Interested Party is not only prohibited by this policy, but may also violate self-dealing laws applicable to foundations. Gifts, gratuities and financial rewards accepted by an Immediate Family Member, or by anyone with a specific financial relationship of any Interested Party are prohibited on the same basis described above.

In certain instances, gifts other than money may be accepted or given. These instances include:

- Food or entertainment of reasonable value in the course of a meeting, site visit or other occasion whose purpose is to hold business discussions, express gratitude or to foster better community relations;
- Promotional material or other non-cash gifts of a value not exceeding \$50 for an Interested Party, that s/he retain for personal use that is given to an Interested Party for special occasions or Holiday. An Interested Party will not accept gifts from vendors, or potential vendors, to the EOF. (See attached Member-Vendor Policy.)

4. Any potential conflict of interest, or question regarding whether a particular circumstance violates this policy, shall be disclosed by the Interested Party to the Foundation's CSO. Such disclosure may be made in writing to the CSO or orally to him/her.

5. Following full disclosure of a possible conflict of interest, the CSO shall determine whether the possible conflict violates this policy and, if so whether the matter should be presented to the EC to vote to authorize or reject the transaction or take any other action deemed necessary to address the conflict and protect the Employee Ownership Foundation's best interests. The vote shall be by a majority vote without counting the vote of any interested EC member, even if the disinterested EC members are less than a quorum provided that at least one consenting Foundation EC member is disinterested. An Interested Party shall not participate in any discussion or debate of the Foundation's EC in which the subject of discussion is a contract, transaction, or situation in which there may be a perceived or actual conflict of interest. They may be present to provide clarifying information in such a discussion or debate unless objected to by any present EC member.

6. A. If any staff member of The ESOP Association, or the Employee Ownership Foundation has reason to believe that any person has, or will, violate the Foundation's Conflict of Interest policy, that staff person may bring her or his belief to the attention of the Association's or Foundation's Chief Staff Officer, who shall address the staff person's concern by determining if a conflict of interest exist, or may exist, and take action to eliminate the conflict, or to prevent the conflict.

If the Chief Staff Officer fails to take action satisfactorily to the person who brought the conflict or potential conflict to the Chief Staff Officer's attention, or if, the staff person has reason to believe it is the Chief Staff Officer who has violated, or will violate this policy, the staff person may bring his or her concern to the Chair of the Foundation.

There shall be no repercussion towards the staff person expressing a reasonable view that another person is violating, or will violate this conflict of interest policy.

B. If any trustee of the Employee Ownership Foundation has reason to believe that this policy is being violated, or will be violated, the Trustee may bring his or her belief to the attention of the Chair of the Foundation, who shall address the Trustee's concern by determining if a conflict of interest exists, or may exist, and the Chair shall take action to eliminate the conflict, or action to prevent the conflict.

If the Chair fails to take action satisfactorily to the Trustee who brought the conflict or potential conflict to the Chair's attention, or if the Trustee has reason to believe it is the Chair who has violated or will violate this policy, the Trustee may bring his or her concern to the Immediate Past Chair of the Foundation, or to the Chief Staff Officer of The ESOP Association.

7. Because TEA treats member-vendors as it does non-member-vendors, EOF when acquiring goods and services will use a standard that comports with sound and common business practice. Sound and common business practice is to be defined as purchasing product and service for the best possible price at the best possible level of product quality and service, using competitive bids when the amount involved represents a significant outlay of money. Thus, the EOF policy towards members of TEA who may be vendors to EOF is the same as TEA's policy.

8. There shall be no grants or contracts made by the EOF to any EOF EC member, EOF BOT or an Immediate Family Member of an EC member.

A copy of this policy shall be given to all Interested Parties upon commencement of the person's relationship with the Employee Ownership Foundation and a copy shall also be published on the Employee Ownership Foundation's website.

I have reviewed the Conflict of Interest Policy of The Employee Ownership Foundation and I affirm that I will comply and that I am in compliance with the policy.

Member, Board of Trustees of
The Employee Ownership Foundation

Date: _____