

CONFLICT OF INTEREST POLICY FOR CoreNet Global, Inc. Volunteers

ARTICLE I Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization's reputation with regard to the unencumbered, unquestionable decision making of its leadership as well as the interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director or committee member of CoreNet Global, Inc. ("CoreNet") or might result in a possible excess benefit transaction. 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/Party.** Any director, principal officer, or member of a committee with Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. **Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - a. An ownership or investment interest in any entity with which CoreNet has a transaction or arrangement,
 - b. A compensation arrangement with CoreNet or with any entity or individual with which CoreNet has a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which CoreNet is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial (defined as a gift or favor in excess of \$2,500.00, fair market value).

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 Board or committee decides that a conflict of interest exists.

3. **Component.** Any Corenet Global Chapter, Community or SIG.
4. **Conflict of Interest.** A conflict of interest refers to a clash between the interests of CoreNet, which the interested person is obligated to uphold, and: their private pecuniary interest (either by way of their employment or other financial interests – e.g., stock holdings); or their allegiance, their duty of loyalty, to CoreNet is or can be compromised. This policy applies primarily to instances where a conflict may arise as a result of business dealings of any manner (e.g., the buying or selling of goods/products or services between parties) as opposed to traditional altruistic endeavors by the interested party (e.g., member company donating money

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or resources, or sponsoring an event with CoreNet). The foregoing includes an Interested Party serving in any leadership capacity (e.g., Board Member, Officer, Committee Chair) of a competitive organization. In addition, an Interested Party may not serve in any voting leadership capacity (e.g., Board Member or Officer) within one of CoreNet's Components.

ARTICLE III **Procedures**

1. **Self-Determination.** Based on the foregoing definitions, an interested party is encouraged to err on the side of greatest discretion and “self-determine” if a conflict exists and, if finding so, both disclose the determination and take the appropriate step of remedying the Conflict, e.g., resigning from the leadership position, or recusing themselves from impacted decisions.

2. **Duty to Disclose.** Notwithstanding the foregoing, in connection with any actual or possible Conflict of Interest, an interested person must disclose the existence of the Conflict of Interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

3. **Determining Whether a Conflict of Interest Exists.** After disclosure of the Conflict of Interest and all material facts, and after any discussion with the interested person, he/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.

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

- a. An interested person may make a presentation at the 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 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 CoreNet 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 or how any other type of Conflict can be resolved.
- d. If, in the case of a financial interest, a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in CoreNet'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.

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

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- a. If the Board or committee has reasonable cause to believe a member has failed to disclose actual or possible Conflict 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 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.

6. **Confidentiality.** Every Board/Committee member shall exercise care not to disclose confidential information acquired in such status regarding CoreNet more use such information in a manner that would be advantageous to that person's interests.

ARTICLE IV **Records of Proceedings**

The minutes of the 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 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**

1. A voting member of the Board who receives compensation, directly or indirectly, from CoreNet for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from CoreNet for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from CoreNet, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI **Annual Statements**

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Each director, principal officer and member of a committee with Board delegated powers shall annually sign a statement that affirms such person:

- a. Has received a copy of the Conflict of Interest policy,
- b. Has read and understands the policy,
- c. Has disclosed all outside leadership positions, with competitive organizations or Components, which he/she holds or is expected to hold for the coming year.
- d. Has agreed to comply with the policy, and
- e. Understands that in order for CoreNet to maintain its federal tax exemption it must engage primarily in activities that accomplish its tax-exempt purposes.

ARTICLE VII **Periodic Reviews**

To ensure CoreNet 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 CoreNet'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, CoreNet may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

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CoreNet Global, Inc.
Volunteer Leadership
CONFLICT of INTEREST CERTIFICATE

The Undersigned, a member of the CoreNet Global, Inc. Board of Directors for the ____ (year) Fiscal Year term, certifies that he/she has received, read, and agrees to abide by the terms of the “Conflict of Interest Policy for CoreNet Global, Inc., Volunteers” document (a copy of which was delivered with this original certificate).

I currently serve, or it is anticipated I will serve within the next twelve (12) months, in a leadership capacity, of the following organizations:

AGREED:

Signature: _____
Printed name: _____ **Date** _____