



CONFLICT OF INTEREST POLICY

Article I: Purpose

This conflict of interest policy is designed to foster public confidence in the integrity of CORE Foundation Inc (the "Organization") and to protect the Organization's interest when it is contemplating entering a transaction (defined below) that might benefit an interested person (defined below).

Article II: Definitions

The following are considered *interested person(s)* for the purposes of this policy:

1. The Chair, Treasurer and each member of the Board of Directors.
2. The, Executive Director, Operations Director, Accountant, or any person with the responsibilities of any of these positions (whether or not the person is an officer of the Organization under the Organization's Bylaws and the Virginia Corporations Code).
3. Any *key employee*, meaning an employee whose total annual compensation (including benefits) from the organization and its affiliates is more than \$50,000 **and** who (a) has responsibilities or influence over the organization similar to that of officers, directors, or trustees; **or** (b) manages a program that represents 10% or more of the activities, assets, income, or expenses of the organization; **or** (c) has or shares authority to control 10% or more of the organization's capital expenditures, operating budget, or compensation for employees.

Interest means any commitment, investment, relationship, obligation, or involvement, financial or otherwise, direct or indirect, that may influence a person's judgment, including receipt of compensation from the Organization, a sale, loan, or exchange transaction with the Organization.

A *conflict of interest* is present when, in the judgment of the Board of Directors, an interested person's stake in the transaction is such that it reduces the likelihood that an interested person's influence can be exercised impartially in the best interests of the Organization.

Transaction means any transaction, agreement, or arrangement between an insider and the Organization, or between the Organization and any third party where an insider has an interest in the transaction or any party to it.

Article III: Procedures

1. Duty to Disclose

Each interested person shall disclose to the Board all material facts regarding his or her interest in the transaction, promptly upon learning of the proposed transaction.

2. Determining Whether a Conflict of Interest Exists

With regard to an interested person, the Board shall determine if a conflict of interest exists. Any interested person(s) involved with the transaction shall not be present during the Board's discussion or determination of whether a conflict of interest exists, except as provided in Article IV below.

3. Procedures for Addressing a Conflict of Interest

The Board shall follow the procedures set forth in Article IV to decide what measures are needed to protect the Organization's interests in light of the nature and seriousness of the conflict, to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are appropriate.

Article IV: Review by the Board

The Board may ask questions of and receive presentation(s) from interested person(s) but shall deliberate and vote on the transaction in their absence. The Board shall ascertain that all material facts regarding the transaction and the interested person's conflict of interest have been disclosed to the Board and shall compile appropriate data, such as comparability studies, to determine fair market value for the transaction.

After exercising due diligence, which may include investigating alternatives that present no conflict, the Board shall determine whether the transaction is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable to the Organization; the majority of disinterested members of the Board then in office may approve the transaction.

Article V: Records of Proceedings

The minutes of any meeting of the Board pursuant to this policy shall contain the name of each interested person who disclosed or was otherwise

determined to have an interest in a transaction; the nature of the interest and whether it was determined to constitute a conflict of interest; any alternative transactions considered; the members of the Board who were present during the deliberations on the transaction, those who voted on it, and to what extent interested persons were excluded from the deliberations; any comparability data or other information obtained and relied upon by the Board and how the information was obtained; and the result of the vote, including, if applicable, the terms of the transaction that was approved and the date it was approved.

Article VI: Annual Disclosure and Compliance Statements

Each director, each corporate officer, the top management official, the top financial official, and each key employee of the Organization, shall annually sign a statement on the form attached, that:

- affirms that the person has received a copy of this conflict of interest policy, has read and understood the policy, and has agreed to comply with the policy; and
- discloses the person's financial interests and family relationships that could give rise to conflicts of interest.

Article VII: Violations

If the Board has reasonable cause to believe that an interested person of the Organization has failed to disclose actual or possible conflicts of interest, including those arising from a transaction with a related interested person, it shall inform such interested person of the basis for this belief and afford the interested person an opportunity to explain the alleged failure to disclose. If, after hearing the interested person's response and making further investigation as warranted by the circumstances, the Board determines that the interested person has failed to disclose an actual or possible conflict of interest, the Board shall take appropriate disciplinary and corrective action.

Article VIII: Annual Reviews

To ensure that the Organization operates in a manner consistent with its status as an organization exempt from federal income tax, the Board shall authorize and oversee an annual review of the administration of this conflict of interest policy. The review may be written or oral. The review shall consider the level of compliance with the policy, the continuing suitability of the policy, and whether the policy should be modified and improved.