

Child Abuse Network, Inc.

Conflict of Interest Policy

I. Introduction and Application of Policy

This conflict of interest policy is designed to assist board members, staff and volunteers of the Child Abuse Network, Inc. (“CAN”) in properly identifying potential and actual conflicts of interest. This policy is further designed to provide a framework and procedure to manage identified conflicts. This policy applies to board members, staff and certain volunteers of the CAN. A volunteer is covered under this policy if that person has been granted significant independent decision making authority with respect to financial or other resources of CAN. Persons covered under this policy are hereinafter referred to as “Interested Parties.” It is critical for every Interested Party to understand that s/he is expected to regulate his or her activities with respect to CAN with the highest level of integrity. This Conflict of Interest Policy is designed to serve as a guideline for regulating conflicts of interest, but should not be deemed to be all inclusive nor shall it supersede an Interested Party’s fiduciary duty owed to CAN under applicable law.

II. Conflict of Interest

A conflict of interest may exist when the interests or concerns of an Interested Party, or a relative, business associate or other affiliate of an Interested Party (“Affiliated Party”) may reasonably be viewed as competing with the interests or concerns of CAN. An Affiliated Party shall include, but not necessarily be limited to, an immediate family member or business associate of an Interested Party, or any entity in which such an immediate family member or business associate has (or has the potential to have) an ownership or investment interest or compensation arrangement. There are a variety of situations that raise conflict of interest concerns including, but not limited to, the following:

Financial Interests - A conflict may exist where an Interested or Affiliated Party directly or indirectly benefits or profits as a result of a decision made or transaction entered into by CAN. The following is a non-inclusive list of examples of potential financial conflicts of interest:

- CAN contracts to purchase or lease goods, services or properties from an Interested or Affiliated Party;
- CAN purchases an ownership interest in or invests in a business entity owned by an Interested or Affiliated Party;
- CAN offers employment to an Interested or Affiliated Party, other than a person who is already employed by CAN;
- An Interested or Affiliated Party is provided with a gift, gratuity or favor, of a substantial nature, from a person or entity which does business, or seeks to do business, with CAN; and
- An Interested or Affiliated Party is gratuitously provided use of the facilities, property, or services of CAN.

Other Interests - A conflict may also exist where an Interested or Affiliated Party obtains a non-financial benefit or advantage that s/he would not have obtained absent his/her

relationship with CAN, or where his/her duty or responsibility owed to CAN conflicts with a duty or responsibility owed to another organization. The following is a non-inclusive list of examples of potential non-financial conflicts of interest:

- An Interested Party seeks to obtain preferential treatment by CAN for himself/herself or an Affiliated Party;
- An Interested Party seeks to make use of confidential information obtained from CAN for his/her own benefit, or for the benefit of an Affiliated Party or other organization;
- An Interested Party makes personal use (or provides use for an Affiliated Party) of CAN's property, staff services, supplies or resources; and
- An Interested Party seeks to take advantage of an opportunity, or enable an Affiliated Party or other organization to take advantage of an opportunity, which s/he has reason to believe would be of interest to CAN.

III. Disclosure of Actual or Potential Conflicts of Interest

An Interested Party is under a continuing obligation to disclose any actual or potential conflict of interest as soon as it is known, or reasonably should be known.

An Interested Party shall complete a questionnaire, in the form included with this policy, to fully and completely disclose the material facts about any actual or potential conflicts of interest. The disclosure statement shall be completed upon his/her association with the organization, and shall be updated annually thereafter. An additional disclosure statement shall be filed at such time as an actual or potential conflict arises.

For board members, copies of the disclosure statements shall be provided to the Executive Committee. The original statements shall be provided to the Executive Director to be placed in the appropriate corporate files.

In the case of staff or volunteers, the disclosure statements shall be provided to the Executive Director, or in the case of the Executive Director's disclosure statement shall be provided to the Executive Committee.

IV. Procedures for Review of Actual or Potential Conflicts - Generally

Whenever there is reason to believe that an actual or potential conflict of interest exists between CAN and an Interested Party, the Executive Committee shall determine the appropriate organizational response. This shall include, but not necessarily be limited to, invoking the procedures described in Section VI, below, with respect to a specific proposed action or transaction.

Where the actual or potential conflict involves an employee of the organization other than the Executive Director, the Executive Director shall, in the first instance, be responsible for reviewing the matter and may take appropriate action as necessary to protect the interests of the organization. The Executive Director shall report to the President of the Board of Directors the results of any review and the action taken. The President, in

consultation with the Executive Committee, shall determine if any further action is required.

V. Procedures for Addressing Conflicts of Interest - Specific Transactions

Where an actual or potential conflict exists between the interests of CAN and an Interested Party with respect to a specific proposed action or transaction, CAN shall refrain from the proposed action or transaction until such time as the proposed action or transaction has been approved by the disinterested members of the board of directors of the organization. The following procedures shall apply:

- An Interested Party who has an actual or potential conflict of interest with respect to a proposed action or transaction of the corporation shall not in any way participate in, or be present during, the deliberations and decision making of the organization with respect to such action or transaction. The Interested Party may, upon request, be available to answer questions or provide material factual information about the proposed action or transaction;
- The disinterested members of the board of directors may approve the proposed action or transaction upon finding that it is in the best interests of the corporation. The board shall consider whether the terms of the proposed transaction are fair and reasonable to the organization and whether it would be possible, with reasonable effort, to find a more advantageous arrangement with a party or entity that is not an Interested or Affiliated Party;
- Approval by the disinterested members of the board of directors shall be by vote of a majority of directors in attendance at a meeting at which a quorum is present. An Interested Party shall not be counted for purposes of determining whether a quorum is present, nor for purposes of determining what constitutes a majority vote of directors in attendance; and
- The minutes of the meeting shall reflect that the conflict disclosure was made, the vote taken and, where applicable, that the Interested Party abstained from participation and voting.

VI. Violations of Conflict of Interest Policy

If the board of directors has reason to believe that an Interested Party has failed to disclose an actual or potential conflict of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the Interested Party and making such further investigation as may be warranted in the circumstances, the board determines that the Interested Party has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.