

Conflict of Interest Policy

Article I

Purpose

The purpose of the conflict of interest policy is to protect this tax-exempt organization, InterNACHI Foundation's, when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director or paid officer of INTERNACHI FOUNDATION or might result in a possible excess benefit transaction. This policy is intended to supplement but replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II

Definitions

1. Conflict of Interest

A conflict of interest can arise whenever an interested person or a member of his or her family:

- a. Has an existing or potential interest which impairs or might appear to impair his or her independent judgment in the discharge of responsibilities to INTERNACHI FOUNDATION, or
- b. May receive a direct or indirect material benefit from a transaction by INTERNACHI FOUNDATION due to his or her financial interest.

2. Interested Person

Any director or any paid officer of INTERNACHI FOUNDATION who has a direct or indirect financial interest, as defined below, is an interested person.

3. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or immediate family member:

- a. An ownership or investment interest greater than 30% in any entity with which INTERNACHI FOUNDATION has a transaction arrangement,
- b. A salary arrangement with INTERNACHI FOUNDATION or with any entity or individual with which the INTERNACHI FOUNDATION has a transaction or arrangement.

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 governing board or committee decides that a conflict of interest exists.

4. Transaction

- a. Only transactions over \$10,000 are applicable under Art. III.
- b. Transactions include payments for goods and services, as well as grants and other assistance by INTERNACHI FOUNDATION to other nonprofit organizations.

Article III

Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors; however if there is only one director the

procedures set forth in this Article shall not apply.

2. Determining Whether a Conflict of Interest Exists

If there is more than one director, after disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation at the board 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 may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - c. After exercising due diligence, the board shall determine whether INTERNACHI FOUNDATION 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.
 - d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in INTERNACHI FOUNDATION'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.
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4. Violations of the Conflicts of Interest Policy

- a. If the board has reasonable cause to believe a member has failed to disclose actual or possible conflicts 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 determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.
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Article IV

Records of Proceedings

If there is more than one director, the minutes of the board 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 decision as to whether a conflict of interest in fact existed.
 - b. The names of the persons who were present for discussions and votes and/or abstentions 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.
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Article V

Compensation

- a. A voting member of the board who receives compensation, directly or indirectly, from INTERNACHI FOUNDATION for services is precluded from voting on matters pertaining to that member's compensation.
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Article VI

Statements

Each director or paid officer shall sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands INTERNACHI FOUNDATION is a nonprofit organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII

Periodic Reviews

To ensure INTERNACHI FOUNDATION operates in a manner consistent with its tax-exempt 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 and the result of arm's length bargaining.
- b. Whether INTERNACHI FOUNDATION's transactions with interested persons further INTERNACHI FOUNDATION's tax-exempt 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, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

The foregoing policy was approved and adopted by the Board of Directors of INTERNACHI FOUNDATION on this 16th day of November, 2017.



Mark Cohen, Secretary of the Corporation