

EMMA NORTON SERVICES, INC.

CONFLICT OF INTEREST POLICY

SECTION 1. PURPOSE:

Emma Norton Services, hereafter called ENS, is a nonprofit, tax-exempt organization. Maintenance of its tax-exempt status is important both for its continued financial stability and for public support. Therefore, the IRS as well as state regulatory and tax officials view the operations of ENS as a public trust, which is subject to scrutiny by and accountable to such governmental authorities as well as to members of the public.

Consequently, there exists between ENS and its board, officers, and management employees and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The board, officers and management employees have the responsibility of administering the affairs of ENS honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of ENS. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with ENS or knowledge gained therefrom for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

SECTION 2. PERSONS CONCERNED:

This statement is directed not only to directors and officers, but to all employees who can influence the actions of ENS. For example, this would include all who make purchasing decisions, all persons who might be described as "management personnel," and anyone who has proprietary information concerning ENS.

SECTION 3. AREAS IN WHICH CONFLICT MAY ARISE:

Conflicts of interest may arise in the relations of directors, officers, and management employees with any of the following third parties:

- Persons and firms supplying goods and services to ENS.
- Persons and firms from whom ENS leases property and equipment.
- Person and firms with whom ENS is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
- Competing or affinity organizations.
- Donor and others supporting ENS.
- Agencies, organizations, and associations which affect the operations of ENS.
- Family members, friends, and other employees.

SECTION 4. NATURE OF CONFLICTING INTEREST:

A conflicting interest may be defined as an interest, direct or indirect, with any persona or firms mentioned in Section 3. Such an interest might arise through:

- Owning stock or holding debt or other proprietary interests in any third part dealing with ENS
- Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third part dealing with ENS.

- Receiving remuneration for services with respect to individual transactions involving ENS
- Using ENS's time, personnel, equipment, supplies, or good will for other than ENS-approved activities, programs, and purposes.
- Receiving personal gifts or loans from third parties dealing or competing with ENS. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. No personal fit of money should ever be accepted.

SECTION 5. INTERPRETATION OF THIS STATEMENT OF POLICY

The areas of conflicting interest listed in Section, and the relations in those areas which may give rise to conflict, as listed in Section, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the directors, officer, and management employees will recognize such areas and relation by analogy.

The fact that one of the interests described in Section 4 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of ENS.

However, it is the policy of the board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the board, officers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

SECTION 6. DISCLOSURE POLICY AND PROCEDURE:

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

- The conflicting interest is fully disclosed;
- The person with the conflict of interest is excluded from the discussion and approval of such transaction;
- A competitive bid or comparable valuation exists; and
- The (board or a duly constituted committee thereof) has determined that the transaction is in the best interest of the organization.

Disclosure in the organization should be made to the chief executive officer (or if she or he is the one with the conflict, then to the board chair), who shall bring the matter to the attention of the (board or a duly constituted committee thereof). Disclosure involving directors should be made to the board chair, (or if she or he is the one with the conflict, then to the board vice-chair) who shall bring these matters to the (board or a duly constituted committee thereof).

The (board or a duly constituted committee thereof) shall determine whether a conflict exists and in the case of the existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to ENS. The decision of the (board or a duly constituted committee thereof) on these matters will rest in their sole discretion. And their concern must be the welfare of ENS and the advancement of its purpose.