

CAFAmerica
CONFLICT OF INTEREST POLICY

1. Purpose.

From time to time, in the life of every organization, conflicts of interest or the appearance of such conflicts arise in the organization's decision-making process. In adopting this Policy, the Board of Directors is mindful that the appearance that a decision of Charities Aid Foundation America (CAFAmerica) has been improperly influenced by an individual with a conflict of interest can be as damaging to CAFAmerica as the existence of an actual conflict. For this reason, directors, officers and employees must strive to avoid to the greatest extent possible even the appearance that an individual with a conflict has exercised improper influence on a CAFAmerica decision. This conflict of interest policy is designed to foster public confidence in the integrity of CAFAmerica. Nothing contained in this policy shall be interpreted as inconsistent with CAFAmerica's policy of encouraging and supporting the active involvement of its directors, officers and employees in the community.

2. Conflicts of interest covered by this policy.

This policy applies to all situations in which a director, officer, or other employee of CAFAmerica: (1) is in a position to make, or exercise substantial influence over, a significant decision of CAFAmerica, and (2) has a "material private interest" (financial or otherwise) that could cause, or reasonably be perceived as causing, the individual to exercise his or her authority or influence in a manner not solely motivated by the best interests of CAFAmerica.

For purposes of this policy, a "material private interest" may arise in a transaction between CAFAmerica and: (1) a director, officer, or other employee of CAFAmerica; (2) a family member (limited for these purposes to a spouse or domestic partner, parents or children) of a director, officer or other employee of CAFAmerica; or (3) an organization in which any of the individuals listed above have a significant financial or non-financial interest. For purposes of this policy, an individual has a "significant financial interest" if he or she has a 5% or greater ownership or profits interest in an organization (whether directly or through another organization), and an individual has a "significant non-financial interest" in any organization that he or she serves as an officer, director, employee, or senior advisor.

A conflict covered by this policy may arise, for example, where:

- A director has a significant financial interest in, or serves as an officer, director, employee, or senior advisor to an organization that is, or is likely to be, involved in a significant transaction with CAFAmerica that will be approved by the Board of Directors.
- A director brings a business opportunity to management involving an organization in which the director has a significant financial interest, or for which the director serves as an officer, director, employee, or senior advisor.

- A director recommends a transaction between CAFAmerica and an organization in which the director has a significant financial interest or for which the director serves as an officer, director, employee, or senior advisor.

This policy shall in no way alter or limit the powers of the Member of CAFAmerica, as set forth in the General Corporation Law of the State of Delaware and CAFAmerica's bylaws, as they may be amended from time to time. In addition, in recognition of the nature of the relationship between CAFAmerica and Charities Aid Foundation, a conflict shall be deemed not to exist and this Policy shall not apply to any person by reason only of their serving as an officer, director, employee, or senior advisor of Charities Aid Foundation as well as serving as a director of CAFAmerica as the appointee or representative of Charities Aid Foundation.

3. Procedures.

a. Disclosure of all conflicts and potential conflicts.

Directors, officers and employees have an obligation to promptly and fully disclose in writing all conflicts and potential conflicts covered by this policy to, in the case of directors and the Chief Executive Officer, the President of the Board and, in the case of officers and employees, to the Chief Executive Officer, who shall report the relationship or interest to the President of the Board.

If CAFAmerica learns that a director, officer or employee has failed to disclose an actual or possible conflict of interest, it shall inform the individual and allow the individual to explain the alleged failure to disclose. If the foregoing fails to resolve the question of whether a conflict exists or appears to exist with regard to a director, officer or employee, the matter shall be resolved by the Board of Directors.

b. Determining Whether a Conflict of Interest Exists.

With regard to an employee or officer other than the Chief Executive Officer, the Chief Executive Officer shall determine whether a conflict of interest exists. An employee may appeal any adverse determination to the Board. With regard to the Chief Executive Officer and directors, the Board members other than the director who has the potential conflict shall determine whether a conflict of interest exists.

c. Recusal required when a conflict of interest exists.

No director, officer or employee may take part in any decision by CAFAmerica that would directly or indirectly benefit such director, officer or employee or any family member (as

defined in section 2 above), business partner, or organization with which any of the foregoing has a significant financial or non-financial interest. Such director, officer or employee may participate in discussions regarding the matter to be decided, but shall not be present when the decision is made.

Approval by the Board of a transaction involving a conflict of interest shall require, after disclosure of all material facts concerning the conflict, an affirmative vote of a majority of the directors who are not required to recuse themselves under the previous paragraph and have concluded that the proposed transaction is fair and reasonable to CAFAmerica and would have been made on substantially the same terms whether or not a conflict existed.

The recusal requirement set forth in this section 3.c. shall apply as a matter of policy notwithstanding the terms of Sections 1(b) and 1(c) of Article VI of CAFAmerica's bylaws.

4. Records of Proceedings.

With respect to any Board discussion, decision or action involving matters covered by this Policy, the minutes of the Board meeting at which such discussion, decision or action takes place shall reflect in detail the Board deliberations and the voting process, specifically indicating that the officer, director, or employee whose situation was considered was not present in the room during the vote. In addition, any market data or information considered by the Board in approving or disapproving a proposed transaction covered by this policy shall be attached to the minutes of the Board meeting at which such consideration took place.

5. Annual Statements.

A copy of this Policy and a Disclosure Statement shall be furnished annually to all directors, officers, and employees of CAFAmerica, and shall be furnished to all new directors, officers, and employees at that time they begin service to CAFAmerica.

Further, every director and officer shall file an annual statement with the President of the Board listing the following affiliations that involve or could reasonably be expected to involve a conflict of interest, as defined above, covered by this policy: (1) employers, (2) board memberships, and (3) significant financial interests or other significant personal involvements.

6. Annual Reviews.

To ensure that CAFAmerica operates in a manner consistent with its charitable purposes and its status as an organization exempt from federal income tax, the Board shall receive 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.