

VILLAGE ENTERPRISE CONFLICT OF INTEREST POLICY

Management Employee Conflict of Interest

Any officer, or management employee, who contemplates engaging in any transaction or matter in which he or she, or an interested third party, may directly or indirectly profit financially or materially, shall disclose all material facts about such transaction to the Board before engaging in the transaction in which a duality or conflict of interest may arise. If the Board determines that the contemplated transaction is just, fair, reasonable, and in the best interest of Village, it may authorize the transaction. The minutes shall reflect that the duality or conflict of interest was disclosed and discussed. If the transaction is material it will be fully disclosed in Village's audited financial statements.

Attachment 14: Conflict of Interest

Each Board member, prior to joining the Board, and all present Board members, shall submit in writing to the Chair a list of all businesses or other organizations of which the Board member is an officer, director, trustee, member, owner (either as a sole proprietor or partner), shareholder, employee or agent, with which Village has or might reasonably in the future enter into, a relationship or a transaction in which the Board member would have conflicting interests. The Chair shall become familiar with the statements of all Board members in order to guide her or his conduct should a conflict arise.

Any Board member, Officer or Management Employee (collectively "Obligated Person") who contemplates engaging in any transaction or matter in which he or she may directly or indirectly profit financially or materially, shall disclose all material facts about the Transaction to the appropriate Board of Directors before engaging in the transaction in which a duality or conflict of interest arises. These requirements shall apply to an Obligated Person receiving an honorarium of more than \$500 in connection with speaking at or participating in a Village event, conference or meeting. For purposes of this policy:

- A Management Employee is an employee who can influence the decisions or actions of the Corporation;
- A Transaction is one which involves a person or entity of which an Obligated Person, or a member of the immediate family of an Obligated Person, is a proprietor, partner, employee, or officer.

A Board member with an interest in such a transaction is neither to use his or her personal influence in the discussion of the matter, nor vote on the matter; and is required to leave the meeting during both the discussion and vote.

The Board of Directors may authorize the transaction if it determines it is in the best interest of the respective corporation and:

- The transaction is for goods or services purchased or benefits provided in the ordinary course of business of the corporation, for the actual or reasonable value of the goods or services or for a discounted value, and the transaction is fair.
- The transaction is approved by a two-thirds (2/3) majority of the Board members present and eligible to vote.
- The Corporation shall maintain a list disclosing each and every transaction in which an Obligated Person has a financial interest (an interest in a transaction or transactions exceeding \$500 in value for any Obligated Person on an aggregate annual basis), direct or indirect, including the names of those to whom the benefit accrued and the amount of the benefit, and shall keep such list available for inspection by members of the Boards of Directors and contributors to the Corporation.

The minutes of the meeting are to show that the duality or conflict of interest was disclosed and discussed, and that the Board member(s) with a personal interest in the matter was/were not present for the discussion, and abstained from voting;

Any material transaction is to be fully disclosed in the audited financial statements.

A copy of "Guide for Charities Doing Business in California" shall be included in the current Board Reference Book.

All Board members shall be reminded annually of the Conflict of Interest Policy for their information and guidance.