

## LAMOILLE COMMUNITY FOOD SHARE, INC. Conflict of Interest Policy

### Policy Intent

LAMOILLE COMMUNITY FOOD SHARE, INC. (the “Corporation”) is committed to integrity. The purpose of this policy is to provide guidance in identifying and handling potential and actual conflicts of interest involving the Corporation. In most instances, conflicts of interest can be avoided simply by continuing to exercise good judgment and, indeed, the Corporation relies on the sound judgment of its board members, employees, and contractors to prevent many such conflict situations.

Board members, employees, and contractors are obligated to avoid and disclose ethical, legal, financial, or other conflicts of interest involving LAMOILLE COMMUNITY FOOD SHARE, INC. and remove themselves from a position of decision-making authority with respect to any conflict situation involving the foundation.

1. No Director or committee member shall vote on a matter that would involve a conflict of interest. A conflict of interest is prohibited by Board members, employees, other “disqualified persons” and those who provide services or furnish goods to the Corporation.
2. A Conflict of Interest Policy is to protect the Corporation’s interest when it is involved in an activity or transaction that might benefit the private interest of a Director, officer, employee or other “disqualified person” as defined under Section 4958(f)(1) of the IRC and as further referenced in Section 53.4958-3 of the IRS Regulations and which might result in a potential “excess benefit transaction” as defined in Section 4958(c)(1)(A) of the Code and as further referenced under Section 53.4958 of the IRS Regulations. This policy supplements but does not replace existing state and federal laws regarding conflicts of interest applicable to nonprofit and charitable organizations.
3. An “interested person” shall mean, in addition to the definition contained in Section 4958(f)(1) of the IRC and referenced in Section 53.4958-3 of the IRS Regulations, a director, officer, committee member or agent with Board delegated powers who has a direct or indirect financial interest in an activity or transaction of the Corporation.

4. A “financial interest” shall mean that the interested person has, directly or indirectly, through business, investment or family relation, an ownership interest or investment interest in an entity with which the Corporation has an existing or contemplated activity or transaction, a compensation arrangement with the Corporation or with an entity or individual with whom the Corporation has an existing or contemplated activity or transaction, or in which the interested person has a potential ownership or investment interest in or compensation arrangement with any such entity or individual with whom the Corporation is contemplating an activity or transaction.
5. Compensation shall include monetary and non-monetary benefits such as favors or gifts.
6. A financial interest does not result in a conflict of interest unless the appropriate governing board or committee determines that such a conflict of interest exists.
7. Directors, employees and other interested persons have a duty to disclose any actual or potential conflict of interest regarding themselves or another interested person, together with all material facts regarding the issue to the appropriate governance entity within the Corporation as the Board may direct, and if no such governance entity has been appointed, then to any member of the Board.
8. An interested person shall have the opportunity to address the Board, or committee appointed to review the matter, as the case may be, and present further information for purposes of assisting the review.
9. Following such a presentation, the interested person shall remove him or herself from the meeting at which the conflict of interest is being reviewed while the determination of whether a conflict of interest exists is discussed and voted upon by the remaining Board or committee members who shall decide if there is a conflict of interest.
10. If appropriate, the chairperson of the committee reviewing the matter may appoint a disinterested person to make further investigation of alternatives to the proposed activity or transaction, or whether the Corporation can obtain similar or more advantageous benefits or results by making alternative arrangements with

another individual or entity that would not give rise to a potential for a conflict of interest.

11. If no such alternative is possible, then the Board may determine by a majority vote of disinterested Board members whether the activity or transaction is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with such determination, the Corporation shall make a decision regarding whether to enter into or continue with the activity or transaction.

12. When a Director or committee member has cause to believe that a matter to be acted upon involves an individual or entity in which he or she has a financial interest, or in which that person believes another Director has a conflict of interest, the Director or committee member will disclose the potential or actual conflict of interest to a member of the Board as well as all material facts of the same. When a Director or Committee member has a conflict of interest with respect to a transaction or action before the Board or a Committee, the person shall leave the table and shall not speak or otherwise participate in deciding such matter.

13. If the Board has reasonable cause to believe that an interested person has failed to disclose an actual or potential conflict of interest, it shall notify the interested person of the basis upon which it made such a determination and provide an opportunity for the interested person to respond to the failure to disclose. If, after hearing the interested person's response and making any further investigation the Board finds warranted under the circumstances, the Board determines that the interested party has failed to disclose an actual or potential conflict, the Board shall impose appropriate disciplinary or corrective action.

14. All minutes of the Board shall contain the names of the interest persons making the disclosure, the nature of the financial interest, the action taken by the Board in determining whether there was a conflict or potential conflict, the decision regarding whether there was a conflict or potential conflict, the names the Board present for the discussion and the votes cast, a review of alternatives to the proposed or existing transaction and a record of determinations made after review, and any disciplinary or corrective action taken.