

POLICY TITLE	Conflict of Interest	POLICY #	POL-FO-AS-051
APPLIES TO/ SCOPE	IO, CO, Grant Funded Operations, Board of Directors	POLICY OWNER	General Counsel: VP, Global Human Resources: Board of Directors
SUPERSEDES	N/A	CREATION DATE	June 1, 2009
APPROVAL	CEO Management Team and the Board of Directors	EFFECTIVE DATE	March 1, 2021
LAST REVIEW DATE	October 31, 2023	NEXT REVIEW DATE	October 31, 2025

## 1. PURPOSE

ChildFund International ("ChildFund") recognizes and respects the rights of Board Members and employees to engage in outside financial business or other activities as long as these activities do not impair or interfere with the performance of their duties and do not involve the misuse of ChildFund's name, reputation, influence, facilities or other resources. While it is impossible to list every circumstance that may give rise to a conflict of interest, the purpose of this policy is to provide guidelines to help identify, avoid and if necessary, report such situations.

## 2. POLICY

- 2.1 Board Members and employees may not maintain any relationships or engage in any activities constituting a conflict of interest while retaining their employment or Board membership with ChildFund.
- 2.2 Board Members and employees are prohibited from having a relationship with or engaging in activities that produce: (a) an improper personal gain or advantage to them, (b) an adverse effect on the interests of ChildFund, (c) an improper gain or advantage to a third party or (d) an appearance or perception of a conflict of interest.
- 2.3 Board Members and employees are prohibited from using confidential information about ChildFund for their personal financial gain or a third party's personal financial gain.
- 2.4 Board Members and employees are prohibited from actively participating in any business, outside activity or relationship that interferes with their ability to discharge his or her duties or responsibilities to ChildFund fully, effectively, independently, and loyally.
- 2.5 Transactions with family members
  - 2.5.1 Board Members and employees may not conduct business with family members on behalf of ChildFund.
  - 2.5.2 In some instances, a relationship with or activities by a Board Member or employees' family may constitute a conflict of interest for the Board Member or employee, even if the Board Member or employee is not actively involved in the relationship or activities.
  - 2.5.3 Conflicts of interest may also exist when a family member of a Board Member or employee has relationships with persons or companies doing business with or competing against ChildFund.
- 2.6 Board Members and employees may not own or hold a significant financial interest in any third party that does business with ChildFund (including vendors or grantees) or competitors of ChildFund. A significant financial interest is considered to be over 0.5% of the total shares

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issued and outstanding of any publicly held corporation whose shares are traded through a stock exchange or over the counter, provided the Board Member or employee does not obtain any shares as a gift, bonus, or other special arrangement from the third party doing business with ChildFund.

- 2.7 A conflict of interest may exist if an employee in a supervisory or managerial role enters into, continues or maintains a romantic or sexual relationship with an individual in a subordinate role over whom they have the ability to affect the employment, including, but not limited to, matters such as hiring, firing, promotions, performance management, compensation decisions or financial transactions.
  - 2.8 A conflict of interest may exist if a Board Member or employee has one of the following relationships or conducts one of the following transactions with any third party who does business or competes with ChildFund (offers programs and services to families and children in competition with ChildFund):
    - 2.8.1 Is a director, officer or employee, a consultant to, or otherwise actively participates in such a third party.
    - 2.8.2 Performs services for which they accept compensation, in any form, from such a third party.
    - 2.8.3 Accepts any personal loan or guarantee of obligations from such a third party, except from financial institutions or service providers offering similar loans or services to third parties under similar terms or in the ordinary course of their respective businesses except to the extent such arrangements are legally permissible.
    - 2.8.4 Seeks or accepts services from any such third party.
    - 2.8.5 Accepts any benefit, gift or entertainment from such third party that would be illegal or result in any violation of law.
    - 2.8.6 Accepts any gift of cash or cash equivalent from such third party (such as gift certificates, loans, stock, stock options).
    - 2.8.7 Accepts anything of more than nominal value (anything of value too small to influence one's decision in a given circumstance), including any favors or benefits, from such third party.
    - 2.8.8 Accepts or requests anything as a "quid pro quo," or as part of an agreement obtains anything in return for the benefit, gift or entertainment from such third party.
  - 2.9 Board Members or employees may not take for themselves, personally, opportunities (e.g. jobs, investments, asset purchases) they discover using ChildFund property, information, or position, unless the Board has declined, after full disclosure of all relevant facts, to pursue the opportunity. ChildFund Board Members or employees may not use corporate property, information, or position for personal gain or to compete with ChildFund directly and owe a duty to ChildFund to advance its legitimate interests whenever the opportunity to do so arises.
  - 2.10 ChildFund does not endorse, sponsor or support political parties or candidates for public office. Board Members and employees must ensure they do not extend any endorsements, payments or other forms of sponsorship or support to any government official, political party, or candidate for public office on behalf of ChildFund or when performing their duties for ChildFund.
  - 2.11 Board Members and employees may work at another company if such employment does not interfere, compete, or conflict with ChildFund's interests or negatively impact their job performance. As a full-time employee of ChildFund, an employee's first responsibility is to ChildFund.
- ### 3. DEFINITIONS
- 3.1 Board of Directors: The Board of Directors of ChildFund.

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- 3.2 Board Members: Individuals who sit on the Board of Directors of ChildFund.
- 3.3 ChildFund: Includes the International Office ("IO") and Country Offices ("CO"). The policy also extends to all grant funded ChildFund operations.
- 3.4 Code of Business Conduct and Ethics Certification: Form in which the signer certifies that they understand and agree to act in accordance with ChildFund's Codes and Policies.
- 3.5 Compliance Code and Policies: ChildFund's Code of Business Conduct and Ethics, the Conflict of Interest Policy and Procedure, Fraud Prevention and Awareness Policy and Procedure, and Whistleblower Policy and Procedure.
- 3.6 Employees: Staff of ChildFund hired to perform a particular job for the organization.
- 3.7 Family: Includes a spouse/partner, parents or step parents, siblings or step siblings and their spouses/partners, children or step children and their spouses/partners, grandchildren and their spouses/partners, great grandchildren and their spouses/partners, or any other relative, if currently residing with you.
- 3.8 Grantees: Parties that act as sub-recipients, local partners or other grantees receiving funds from ChildFund for programs, other than vendors.
- 3.9 Management: Senior Management, Managers, Supervisors, or other individuals who manage or supervise funds or other resources, including human resources.
- 3.10 Senior Management: ChildFund's President/CEO, Chief Financial and Administrative Officer, Vice Presidents, Regional Directors, International Office Directors and Country Directors.
- 3.11 The Conflict of Interest and Related Party Transaction Disclosure: A questionnaire which gathers information required by law each fiscal year from Board Members and Key Employees in order for Accounting to complete the Form 990.
- 3.12 Vendors: Parties from which ChildFund purchases goods and services (other terms may include contractors, consultants, suppliers, and service providers).

### 4. RESPONSIBILITIES

- 4.1 Board Members and employees are required to conduct business on behalf of ChildFund in accordance with this policy and ChildFund's Code of Business Conduct and Ethics.
- 4.2 Board Members and employees who believe they may have any transaction or relationship that could potentially give rise to a conflict of interest should report it promptly to Management. An evaluation can be made as to whether the situation represents a conflict and, if so, what actions should be taken to address it.
- 4.3 Board Members must complete the Code of Business Conduct and Ethics Certification upon appointment and annually thereafter and must complete the Conflict of Interest and Related Party Transaction Disclosure questionnaire annually.
- 4.4 Employees must electronically acknowledge that they have read, understand, and agree to act in accordance with ChildFund's Compliance Code and Policies.

### 5. EXCEPTIONS

- 5.1 None

### 6. RELATED REGULATORY REQUIREMENTS

- 6.1 None

### 7. RELATED CHILDFUND POLICIES

- 7.1 Code of Business Conduct and Ethics
- 7.2 Conflict of Interest Procedure - PRO-FO-AA-89

## **CHILDFUND INTERNATIONAL POLICY**

- 7.3 Fraud Prevention and Awareness Policy - POL-FO-AS-055
- 7.4 Fraud Prevention and Awareness Procedure - PRO-FO-AS-101
- 7.5 Whistleblower Policy - POL-FA-AS-054
- 7.6 Whistleblower Procedure - PRO-FA-AS-100