

FOUNDATION FOR THE CAROLINAS CONSTRUCTION INDUSTRY

CONFLICT AND DUALITY OF INTEREST POLICY

The Foundation for the Carolinas Construction Industry is a non-profit 501(c)3. As such, it operates in a role that calls for a high degree of internal and public trust. It is the intent of the Foundation to carry out its activities with the highest ethical standards. Any activities which do not serve its best interests, or which favor the personal advantage of another person, organization, corporation, or association, are inconsistent with the duty of loyalty and responsibilities owed to the Foundation.

Therefore, it is the policy of the Foundation that its representatives, including the Board of Directors, Committees, Task Forces and employees should not engage in any business or professional activity, with persons or organizations, where that activity might result in personal benefit, or may not be in the best interests of the Foundation; therefore resulting in a conflict of interest. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations. This policy supersedes all conflict of interest policies previously adopted by the Foundation.

ACTIONS REQUIRED:

Under this policy, volunteers and staff must disclose

- (i) financial interests in specific transactions of the Foundation
- (ii) interests that may give rise to conflicts or dualities of interest.

RESPONSIBILITY:

The Foundation's Board of Directors has primary responsibility for applying this Policy.

DEFINITIONS:

The following definitions apply to this policy

Compensation

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

Financial Interest

A person has a Financial Interest if the person has, directly or indirectly, through business, investment, or Family:

- (i) An Ownership or Investment Interest in any entity with which the Foundation has a Transaction or Arrangement,
- (ii) A Compensation Arrangement with the Foundation or with any entity or individual with which the Foundation has a Transaction or Arrangement, or

- (iii) A potential Ownership or Investment Interest in, or Compensation Arrangement with, any entity or individual with which the Foundation is negotiating a Transaction or Arrangement.

Ownership or Investment Interest

A person has an "Ownership or Investment Interest" if he or she owns more than 1% of the outstanding shares of a publicly traded company or more than 5% of the outstanding shares or comparable interest of a privately owned company.

Transaction or Arrangement

A Transaction or Arrangement includes

- (i) a contract of sale, lease, or license
- (ii) performance of services for pay
- (iii) joint ventures
- (iv) grants or assistance given by the Foundation to a Covered Person and
- (v) any other similar transaction.

IMPLEMENTATION:

All Board members, Committee Chairs and members, volunteers, and employees shall scrupulously avoid any conflict between their own respective individual interests and the interests of the Foundation, in any and all actions taken by them on behalf of the Foundation, in their respective capacities.

Conflicts of interest include, but are not limited to:

- a. direct financial or close personal interests in a company or product which could be affected by a decision of the Board, Committee, Task Force or other Association governing body on which the person serves. Along with Board members, Committee and Task Force Chairs and members, volunteers, and employees, this includes:
 - a1. Spouses or domestic partners of Directors, Officers, and Employees
 - a2. Family or Family Member including a Covered Person's ascendants, descendants, and siblings; a spouse or domestic partner of a Covered Person's ascendants, descendants, and siblings; an entity in which a Family Member has an Ownership or Investment Interest.
- b. acceptance of any gift, entertainment, services, loans, or promises of future benefits from any person or organization that might be of benefit, because of the person's connection with the Foundation (this does not apply to gifts and/or similar entertainment of nominal value or common courtesies usually associated with accepted business practice);
- c. compensation in the form of fees or salaries if payment is affected directly or indirectly by the person's work with the Foundation;
- d. dealing preferentially with suppliers where personal gain accrues to the representative;

- e. personal beliefs if they prevent board members from carrying out their job responsibilities; if board members use the Foundation's non-profit time and facilities for furthering them; or if the person attempts to convince others of their personal beliefs after they have been asked to stop;
- f. abuse of their board position by using the Foundation's staff, services, equipment, materials, or property for their personal gain;
- g. using or disclosing confidential information learned as a result of position within the Foundation; and/or
- h. a duality of interests involving advantage to the interests of another non-profit organization, which has or may seek to have dealings with the Foundation.
- i. transactions including the proposed sale, purchase, lease or rental of property or equipment; rendering or employing services personal or otherwise; or competing interests or concerns with the Foundation

PROCEDURES

Duty to Disclose

Annually, the Board of Directors shall disclose, at the first meeting of the new Board, any direct or indirect relationships with organizations, either for-profit or not-for-profit, that may, during their term of office, be involved with the Foundation. In addition, this policy will be distributed annually to all committee and Task Force Chairs and members and will be added to the Foundation Personnel Manual.

Anyone falling within the previous parameters noted in this policy must disclose the existence of any potential conflicts or dualities of interest that may arise throughout the year and must disclose all material facts to the Board of Directors.

Determining Whether a Conflict of Interest Exists

After disclosure of the potential conflict or duality of interest and all material facts, and after any discussion with the person, he or she shall leave the Board of Directors meeting while the Board of Directors discusses and votes on whether a Conflict of Interest exists. Prior to the Board's decision and depending upon the nature of the potential conflict or duality of interest, it may be prudent for legal counsel to be consulted. Ultimately, it is the Board of Directors' determination regarding the disposition of the matter.

Procedures for Addressing the Conflict of Interest

a. If the Board of Directors determines that a Conflict of Interest exists, the person may make a presentation to the Board of Directors regarding the possible waiver of the Conflict of Interest. After the presentation, the person must leave the meeting before the Board of Directors discusses and votes on the resolution of the Conflict of Interest.

b. The Board of Directors may (but is not required to) appoint a disinterested person or committee to investigate alternatives to the proposed Transaction or Arrangement.

c. After exercising due diligence with regard to the Conflict of Interest, the Board of Directors shall determine whether the Foundation can obtain with reasonable efforts a more advantageous Transaction or Arrangement from a person or entity that would not give rise to a Conflict of Interest.

d. If a more advantageous Transaction or Arrangement is not reasonably possible under circumstances not producing a Conflict of Interest, the Board of Directors shall determine by a majority vote of the disinterested members whether the Transaction or Arrangement is in the Foundation's best interest, for its own benefit, and whether it is fair and reasonable. Based on this determination, the Board of Directors shall decide whether the Foundation may enter into the Transaction or Arrangement.

e. Depending upon the nature of the conflict, the Board may decide

- (i) There is no conflict.
- (ii) There is a conflict but the participation of the individual in the discussion without participating in the vote may inform the conversation; thereby recusing themselves.
- (iii) Neither participation in the conversation, nor a vote, is in the best interests of the Foundation.
- (iv) The conflict is of such a grave nature that a resignation is warranted. Should the individual not agree to reason, the Board must follow appropriate legal procedures for removal of the Board member.

Violations of the Conflict of Interest Policy

If the Board of Directors has reasonable cause to believe a conflict or duality of interest may exist, the Board of Directors shall inform the individual(s) of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.

If, after hearing the response, and after making further investigation as warranted by the circumstances, including possible consultation with legal counsel, and the Board of Directors determines the individual has failed to disclose a potential conflict or duality of interest, it shall take appropriate disciplinary and corrective action if the individual is a volunteer and refer disciplinary action to the President for staffing issues.

Exclusion of Person Disclosing a Potential Conflict or Duality of Interest

No person who has disclosed a potential conflict or duality of interest may participate in the discussion or vote by the Board of Directors, or any other decision-making body of the Foundation, on whether a Conflict or Duality of Interest exists, the resolution of a Conflict or Duality of Interest, or a failure to disclose such.

Minutes

The minutes shall contain the names of the persons who disclosed a potential conflict or duality of interest or otherwise were found to have a conflict or duality of interest; its nature; the action taken to determine whether a Conflict or Duality of Interest existed; the Board of Directors' decision and resolution.

ANNUAL DISCLOSURE STATEMENTS

This policy will be included in the Foundation Board Policy Manual.

Annually at the first Board meeting of the new Board, each Board member will sign a statement which affirms such person:

- a. Has received a copy of the Conflict of Interest Policy,
- b. Has read and understands the Policy,
- c. Has agreed to comply with the Policy, and
- d. Understands the Foundation is a non-profit 501(c)3 non-profit and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish its tax-exempt purposes.

The statement shall also disclose, to the best of the individual's knowledge, circumstances that could give rise to a potential Conflict or Duality of Interest. All Board members will submit these disclosures to the President, who will compile them and redistribute them to the entire Board for review and discussion as needed.

The policy will also be included in the Office and/or Employee Policy Manuals, and staff will abide by its disclosure requirements for any potential conflict or duality of interests by submitting such to the President. The President will handle any staff conflicts with disclosure to the Board.

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CONFLICT and DUALITY OF INTEREST POLICY
ANNUAL DISCLOSURE STATEMENT

I hereby affirm the following:

I have received a copy of the Conflict and Duality of Interest Policy,

I have read and understand the Policy,

I have agreed to comply with the Policy, and

I understand the Foundation is a 501(c)3 tax exempt non-profit, and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish its tax-exempt purposes.

I have completed the attached Conflict and Duality of Interest Questionnaire (which is incorporated in this disclosure statement), and I certify that the information contained in my responses to the questionnaire is correct to the best of my knowledge.

Signature

Name (please print)

Title

Date

NAME:

CAPACITY:

_____ Director

_____ Officer

_____ Employee

LIST EMPLOYER(S):

LIST MEMBERSHIPS ON FOR-PROFIT AND NON-PROFIT BOARDS OF DIRECTORS:

Please answer the following questions to the best of your knowledge. For purposes of answering these questions, "Affiliated Entity" means any organization, institution, or other entity in which you, your spouse or domestic partner, or any Family have more than a 5% ownership interest.

1. Are you, or is any member of your Family (as defined in the Policy), an officer, director, trustee, Employee, or partner in any entity that has an interest in a current or proposed Transaction or Arrangement with the Foundation?

_____ YES

_____ NO

If yes, please describe the transaction or arrangement:

2. Do you, any member of your Family, or any of your Affiliated Entities have an interest in a current or proposed Transaction or Arrangement with the Foundation?

_____ YES _____ NO

If yes, please describe the transaction(s):

3. Are you and any other director or officer of the Foundation employees of the same person or entity?

_____ YES _____ NO

If yes, please describe:

4. Are you and any other director or officer of the Foundation also directors, trustees, officers, or greater than 5% owners of the same entity or entities (other than the Foundation)?

_____ YES _____ NO

5. Are you, any member of your Family, or any of your Affiliated Entities a party to, or possessed of an interest in, any legal proceeding involving the Foundation?

_____ YES _____ NO

If yes, please describe the proceedings:

6. Are you aware of any other current or proposed transactions or arrangements, events, or other situations that you believe should be examined by the Board of Directors in accordance with the terms and intent of the Foundation's Conflict and Duality of Interest Policy?

_____ YES _____ NO

If yes, please describe the situations:

Signature

Position/Title

Date