



ACE Mentor Program of America, Inc.

Conflict of Interest Policy

Purpose

The purpose of the conflict of interest policy is to protect the interests of ACE Mentor Program of America, Inc. when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of ACE, and certain other persons. 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.

Definitions

Interested Person

Any director, principal officer, member of the Executive Committee, or other member of a committee with board of directors delegated powers, and any employee of ACE is an interested person.

Family Member

A family member is a spouse, domestic partner, child, parent, or brother or sister of an interested person, or a spouse or domestic partner of a child, parent, or brother or sister of an interested person.

Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- An ownership or investment interest in any entity with which ACE has a transaction or arrangement,
- A compensation arrangement with ACE or with any entity or individual with which ACE has a transaction or arrangement, and which in view of all the circumstances, is substantial enough that it would, or reasonably could, affect an interested person's or family member's judgment with respect to transactions to which ACE or the entity is a party,
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which ACE is negotiating a transaction or arrangement, and which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect an interested person's or family member's judgment with respect to transactions to which ACE or the entity is a party.
- Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
- A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Executive Committee decides that a conflict of interest exists.



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Transaction or Arrangement

A transaction or arrangement is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, the establishment of any other type of pecuniary relationship, or review of a charitable organization by ACE. The making of a gift to ACE is not a transaction or arrangement.

Conflict of Interest

A conflict of interest may arise when an interested person or family member has a financial interest in a transaction or arrangement involving ACE.

Procedures

Duty to Disclose

- Prior to board or committee action on a transaction or arrangement involving any actual or possible conflict of interest, an interested person must disclose the existence of such conflict of interest and be given the opportunity to disclose all material facts to the Executive Committee.
- Each interested person shall annually disclose and promptly update any disclosures previously made.
- Disclosure of any possible conflict of interest shall be made to the Chairman and Executive Director. If a possible conflict of interest involves the Chairman or Executive Director, the Chairman or Executive Director, as the case may be, shall provide the relevant information to the Secretary, or if the Secretary is not available, to another officer of ACE, and the Chairman, Executive Director, Secretary or such other officer shall make such disclosure to the remaining board and the Executive Committee.

Procedures for Addressing the Conflict of Interest

After disclosure of any actual or possible conflict of interest and all material facts, and after any discussion with the interested person, the interested person shall leave the meeting while the determination of a conflict of interest is discussed and voted upon. The Executive Committee, or the remaining members, as the case may be, shall decide if a conflict of interest exists.

The chairperson of the Executive Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the Executive Committee shall determine whether ACE 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.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Executive Committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in ACE's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the



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above determination it shall make its decision as to whether to enter into the transaction or arrangement.

Records of Proceedings

The minutes of the Executive Committee shall contain:

The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Executive Committee's decision as to whether a conflict of interest in fact existed.

The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussions, including any alternatives to the proposed transaction or arrangement considered, and a record of any votes taken in connection with the proceedings.