REDWOOD EMPIRE FOOD BANK

CONFLICT OF INTEREST POLICY & BOARD OF DIRECTORS AND EMPLOYEES ANNUAL DISCLOSURE FORM

Each year in conjunction with the Board of Directors' annual meeting, the directors shall each complete, sign, and return to the Chief Executive Officer or the CEO's designated representative the Annual Conflict of Interest Disclosure in the form attached hereto. At the time each new member of Board of Directors is seated, the new director shall complete, sign, and return the Disclosure. The employees of the Redwood Empire Food Bank ("REFB") shall also complete, sign, and return the Annual Conflict of Interest Disclosure to the CEO on an annual basis.

SUBMISSION OF THE ANNUAL DISCLOSURE FORM IS NOT A SUBSTITUTE FOR DIRECTORS' DUTIES TO AFFIRMATIVELY DISCLOSE, AT ANY BOARD OR COMMITTEE MEETING, THE SAME INFORMATION PROVIDED IN THEIR DISCLOSURE FORM, OR ANY OTHER ACTUAL OR POTENTIAL CONFLICTS OF INTEREST THAT ARE APPLICABLE TO A MATTER TO BE CONSIDERED AT THAT MEETING.

I. POLICY

Directors and employees are expected to use good judgment, to adhere to high ethical standards, and to conduct their affairs in such a manner as to avoid any actual or potential conflict between the personal interests of the director or employee and those of the REFB.

A conflict of interest exists when the loyalties or actions of a director or employee are divided between the interests of the REFB and the interest of the director or employee. Both the fact and the appearance of a conflict of interest must be avoided.

II. DEFINITIONS

Affiliated, affiliation includes all direct and indirect financial interests between a director or employee and a person with whom REFB is considering entering into any transaction. It also includes any other interest that may influence the judgment of a director or employee. An objective test is applied to determine whether an affiliation exists between the director or employee and the other person: whether the involvement or relationship of the director or employee with the other person is such that it reduces the likelihood that the director or employee can act in the best interests of REFB.

Person means any individual, trust, estate, partnership, association, company or corporation.

Substantial influence over REFB. The following persons are deemed to have substantial influence over REFB: each member of the Board of Directors and such persons' spouse, ancestors, children, grandchildren, great grandchildren, brothers, sisters and the spouses of the children, grandchildren, great grandchildren, brothers and sisters; and an entity in which such persons hold more than 35 percent of the control. Furthermore, any person who met one of these definitions in

the five years before the proposed transaction is deemed, for purposes of this Policy, to have substantial influence over REFB.

III. PROCEDURES

A. Duty to Disclose

1. **Employees**: Each employee shall disclose to the Chief Executive Officer all material facts regarding the **affiliation** of such employee with any **person** with whom REFB is considering entering a transaction. The employee shall make that disclosure promptly upon learning of the link between that person and transaction. Such disclosures are in addition to the requirement that directors and employees complete and submit the Annual Disclosure Form on the following pages.

2. **Directors, CEO, and others with substantial influence over REFB**: Directors, the Chief Executive Officer, and any other person with **substantial influence over REFB** shall disclose to the Board or to any committee of the Board all material facts regarding his or her affiliation with any person with whom REFB is considering entering a transaction. The director, Chief Executive Officer, or person with substantial influence shall make that disclosure promptly upon learning of the link between that person and the transaction, and prior the Board and the committee taking up discussion of the matter. The conflict shall be described with reasonable specificity, and the disclosure and nature of the conflict shall be included in the minutes of the meeting.

   If there is a question as to whether an employee other than the Chief Executive Officer has substantial influence over REFB, the Chief Executive Officer shall promptly present this issue to the Executive Committee of the Board of Directors, and the Executive Committee shall resolve the matter.

B. Determining Whether a Conflict of Interest Exists

1. ***With regard to an employee without substantial influence over REFB***, the Chief Executive Officer shall determine whether a conflict of interest exists.

2. ***With regard to the directors, Chief Executive Officer, or other person with substantial influence over REFB***, the Executive Committee of the Board shall determine if a conflict of interest exists.

C. Consequences of the Existence of a Conflict.

1. ***With regard to an employee without substantial influence over REFB***, the Chief Executive Officer shall decide the appropriate response by REFB once a conflict of interest has been determined to exist. An employee may appeal any adverse determination to the Executive Committee of the Board.

2. ***With regard to the Chief Executive Officer or a person with substantial influence over REFB***, the Board shall follow the procedures set forth in Article IV below in order to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are fair and reasonable as to REFB.

3. ***With regard to a director***, if it is determined that a conflict of interest exists, the director shall leave the meeting immediately after disclosing the actual or potential conflict for the duration of discussion of the matter and while votes are cast. Before leaving the room, however, the conflicted director may respond to substantive questions, but may not advocate in any way on the matter.

The remaining directors shall follow the procedures set forth in Article IV, below, in order to decide whether to enter into the transaction despite the conflict of the director and if so, to ensure that the terms of the transaction are fair and reasonable to the REFB.

Because of a conflict and the requirement that the transaction be fair and reasonable to REFB, it may be necessary for the meeting to be temporarily adjourned or the matter tabled in order for the Board or committee to perform extra due diligence.

If the director refuses to comply with this policy by remaining present and/or advocating for a particular action, and/or voting, the director's vote shall not be counted and the director may be subject to removal from the Board in accordance with the removal provisions of the Bylaws.

IV. FINDINGS OF THE BOARD

If the directors determine that a person with substantial influence over REFB ("such person") has a conflict of interest with regard to a transaction of REFB, ***REFB may engage in the transaction only if the following conditions are met prior to the Board or committee voting to approve the transaction***:

A. Such person shall disclose to the Board all material facts concerning the person's affiliation with the transaction.

B. The Board shall review the material facts. The transaction may be approved only if a majority of the directors, not counting the vote of such person, concludes that:

(1) The proposed transaction is fair and reasonable to REFB, and

(2) REFB proposes to engage in this transaction for its own purposes and benefits and not for the benefit of such person, and

(3) The proposed transaction is the most beneficial arrangement which REFB could obtain in the circumstances with reasonable efforts.

The minutes of any meeting at which such a decision is taken shall record the nature of the affiliation and the material facts disclosed by such person and the findings of the Board.

ACKNOWLEDGMENT OF RECEIPT
AND
AGREEMENT TO COMPLY WITH CONFLICT OF INTEREST POLICY

I hereby acknowledge that I have received a copy of the conflict of interest policy of the Redwood Empire Food Bank, have read and understood it, and agree to comply with its terms.

_____ _____

Signature Date

_____

Printed Name

YOU MUST ALSO COMPLETE AND RETURN THE ANNUAL CONFLICT OF INTEREST DISCLOSURE FORM ON THE FOLLOWING PAGE:

DISCLOSURE OF FINANCIAL INTERESTS

To comply with the Redwood Empire Food Bank ("REFB") Conflict of Interest Policy, each Director and each employee must complete and submit this disclosure to the Chief Executive Officer or their designee.

Please check ONE of the following boxes:

☐ My interests and relationships have not changed since my last disclosure of interests. [Proceed to signature block below. Do not complete the tables.]

OR

☐ I hereby disclose or update my interests and relationships that could give rise to a conflict of interest: [Complete the table below. Use additional pages as needed.]

Family Relationships	Names of those presenting a potential conflict of interest
Include spouse/domestic partner, living ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great grand-children, and spouses/ domestic partners of brothers, sisters, children, grandchildren, and great grandchildren	

Type of interest	Description of interest that could lead to a conflict of interest
Transactions or arrangements with the REFB:	
Transactions or affiliations with the following other nonprofit organizations:	
Substantial business activities or investment holdings in the following organizations:	
Transactions or affiliations with the following businesses not listed above:	

I am not aware of any financial interest involving me or a family member that could present a conflict of interest that I have not disclosed either above or in a previous disclosure statement.

_____ _____

Signature **Date**

_____

Printed Name