

## **Wholesome Life Transformation Conflict of Interest Policy**

Wholesome Life Transformation (“Corporation”) is dedicated to its mission of (1) To empower young adults to live a wholesome life; (2) To motivate young adults to use God’s given wisdom, understanding, knowledge, and skills to excel in life ambition; (3) to create a deep movement within them to reach out to others in their neighborhoods, communities, and the nation. To ensure that the values of the Corporation are upheld and that every decision it makes is with the sole interest of the Corporation in mind, the Corporation adopts the following policy:

### **Article I. Purpose**

The purpose of the conflict of interest policy is to protect the interests of the Corporation when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a member, officer, director, member of a committee with governing board delegated powers, or manager of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

### **Article II. Definitions**

**1. Conflicts of interest.**

Any actual, apparent, or potential conflicts of interest, including both financial and personal interests, will be considered a conflict of interest.

**2. Interested Person.**

Any member, director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

**3. Financial Interest.**

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

- a. Has an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
- b. Has a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement;
- c. Has a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement; or
- d. Receives or will receive goods or services from the Corporation.

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. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

### **Article III. Procedures**

#### **1. Duty to Disclose.**

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

#### **2. Determining Whether a Conflict of Interest Exists.**

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

#### **3. Procedures for Addressing the Conflict of Interest**

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting while determination regarding the transaction is made by the remaining board members.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Corporation 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 remaining disinterested directors shall determine whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

#### **4. Violations of the Conflict of Interest Policy**

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

#### **Article IV. Records of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. 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 governing board's or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

#### **Article V. Compensation**

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.
- d. The procedure for adopting any compensation arrangement or policy will be performed in conformance with all sections of this policy, and other organizing documents of the Corporation.
- e. All compensation arrangements for interested persons will be approved in advance by the remaining disinterested members of the board or committee before any compensation is paid under the plan, and such approval shall be documented in a writing including the date and terms of the compensation arrangement.
- f. The Corporation will only pay reasonable compensation. Reasonable compensation is an amount that would ordinarily be paid for like services by like organizations under like circumstances as of the date the compensation arrangement is made.

## **Article VI. Annual Statements**

Each member, director, principal officer, and member of a committee with governing board delegated powers shall annually 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,
- d. Understands that the policy applies to all committees and subcommittees having board-delegated powers, and
- e. Understands that the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

## **Article VII. Periodic Reviews**

To ensure that the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

## **Article VIII. Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

## **DISCLOSURE STATEMENT AND ACKNOWLEDGMENT**

This statement is made pursuant to the policy of Wholesome Life Transformation (the “Corporation”) that each member, officer, director, and committee member of the Corporation shall disclose any potential conflict of interest on the part of such member, officer, director, or committee member, or on the part of his or her immediate family, which may exist in connection with any transaction or proposed transaction to which the Corporation is or will be a party.

A copy of the Conflict of Interest Policy shall be furnished to each Board and committee member of the Corporation who is presently serving the Corporation or who may hereafter become associated with the Corporation. The Conflicts of Interest Policy shall be called to the attention of the Board of Directors and each committee of the Corporation at least once each year, at which time all members, officers, directors, and committee members shall be asked to review, complete, and sign this Disclosure Statement and Acknowledgment, and such action shall be recorded in the minutes of such meetings. The Corporation shall maintain in its files a copy of completed Disclosure Statement and Acknowledgment signed by each current member, officer, director, and committee member of Corporation.

I attach hereto a list of all organizations which will, or which may be expected to, engage in transactions with the Corporation in which I or a member of my immediate family have any substantial financial interest (by way of ownership, employment, or otherwise) or in which I act as a director, partner, trustee, or officer (See Appendix A).

### **THIS SECTION MUST BE READ AND COMPLETED**

I acknowledge that I have received and read the Conflict of Interest Policy of the Corporation. I do not have any undisclosed actual, apparent, or potential conflicts of interest which are not listed on the Disclosure Statement above and agree to abide by the Conflict of Interest Policy. I understand that it is my responsibility to inform the Corporation in writing of any change in circumstances relating to the Conflict of Interest Policy.

In the event that any matter comes before the Corporation’s Board of Directors or any committee of which I am a member involving any matter in which I or a member of my immediate family have a substantial financial interest (by way of ownership, employment, or otherwise), or any transaction with any entity in which I act as a director, partner, trustee, or officer, I shall notify the Board of Directors or the appropriate committee, as the case may be, of the existence and extent of such interest or capacity, and I shall refrain from voting and from using my personal influences thereon. I shall, of course, make available to the other members of the Board or committee, as the case may be, any pertinent information in my possession with respect to such matter that may be properly disclosed.

I hereby certify that I have read, understand and agree to the foundation's policies as described in this statement, with respect to conflicts of interest, and that the information given in this statement is complete and accurate to the best of my knowledge.

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Signature

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Date

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Name (Printed)