

YMCA OF GREATER TRI-VALLEY
CONFLICT OF INTEREST POLICY

1. PURPOSE. The purpose of this Policy is to protect the interest of the YMCA Greater Tri-Valley ("YMCA") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Interested Person (as defined herein). This Policy is intended to supplement but not replace any applicable New York State laws governing conflicts of interest applicable to non-profit and charitable YMCAs.

2. POLICY DEFINITIONS. The defined terms used in this Policy (as indicated by the first letter of each word in the term being capitalized) shall, unless the context clearly requires otherwise, have the meanings specified in this Section 2.

(a) Affiliate. Any entity controlled by or in control of the YMCA.

(b) Compensation. Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

(c) Independent Director. A director who (i) is not and has not been within the last three (3) years, an employee of the YMCA or an Affiliate of the YMCA, and does not have a Relative, as defined in Section 2(h) hereof, who is, or has been within the last three (3) years, a Key Employee, as defined in Section 2(e) hereof, of the YMCA or an Affiliate of the YMCA; (ii) has not received, and does not have a Relative who has received, in any of the last three (3) fiscal years, more than ten thousand dollars (\$10,000) in direct compensation from the YMCA or an Affiliate of the YMCA (other than reimbursement for expenses reasonably incurred as a director or reasonable Compensation for service as a director as permitted under the Not-For-Profit YMCA Law; (iii) is not a current employee of or does not have a substantial financial interest in any entity that has made payments to, or received payments from, the YMCA or an Affiliate of the YMCA for property or services in an amount which, in any of the last three (3) fiscal years, exceeds the lesser of twenty-five thousand dollars (\$25,000) or two percent (2%) of such entity's consolidated gross revenues; or (iv) is not and does not have a Relative who is a current owner, whether wholly or partially, director, officer or employee of the YMCA's outside auditor or who has worked on the YMCA's audit at any time during the past three (3) years. 'Payment' as defined in this subsection does not include charitable contributions, dues or fees to the YMCA for Services which the YMCA performs as part of its nonprofit purposes.

(d) Interested Person. An Interested Person is any director, officer, member of a committee of the Board, Key Employee or Related Party, who could receive an advantage or gain, or who has a direct or indirect interest, including financial interest, or any other interest that may result in impartiality on the part of the Interested Person, in matters to be voted upon.

(e) Key Employee. Any person who is in a position to exercise substantial influence over the affairs of the YMCA.

(f) Related Party. (i) Any director, officer or Key Employee of the YMCA or any Affiliate of the YMCA or any other person who exercises the powers of director, officers or Key Employees over the affairs of the YMCA or any Affiliate of the YMCA; (ii) any Relative of any individual described in subsection 2(f)(i) hereof; or (iii) any entity in which any individual described in (i) or (ii) of this Section 2(f) has a thirty-five percent (35%) or greater ownership or beneficial interest or, in the case of a partnership of professional YMCA, a direct or indirect ownership interest in excess of five percent (5%).

(g) Related Party Transaction. Any transaction, agreement or any other arrangement in which a Related Party has a financial interest and in which the YMCA or any Affiliate is a participant.

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(h) Relative. Spouse, domestic partner (as defined in applicable law), parents, grandparents, great-grandparents, children, grandchildren, great-grandchildren, siblings, half-siblings, or the spouse or domestic partner of any of the above.

3. PROCEDURES.

(a) Duty to Disclose. In connection with any actual or potential conflicts of interest, including financial interests, and Related Party Transactions, an Interested Person must disclose the existence of any such actual or potential conflicts of interest in the conflict of interest disclosure form ("**Disclosure Form**") and to the Directors of the Board or the committee considering the proposed transaction or arrangement (all disclosures shall be reported to the Independent Directors of the Board or the Audit Committee, if one).

(b) Determining Whether a Conflict of Interest Exists. After disclosure of any actual or potential conflicts of interest, including financial interests, and Related Party Transactions, and all material facts thereto, and after any discussion with the Interested Person, he or she shall leave the Board or committee meeting while the Independent Directors of the Board or the Audit Committee discuss such conflict (other than a Related Party Transaction) and shall decide whether a conflict of interest exists. All Related Party Transactions shall be deemed conflicts of interest, automatically subject to Sections 3(c) and 3(d) hereof unless the Independent Directors of the Board or the Audit Committee determine that an exception applies. All exceptions are outlined on the Charities Bureau website and are attached hereto as Exhibit "A". A person who has a financial interest may have a conflict of interest only if the Board of Directors (the "Board") or a committee of the Board (*i.e.*, the Audit Committee), comprised of Independent Directors, determines that a conflict of interest (other than a Related Party Transaction) exists.

(c) Existence of a Conflict of Interest. If determined that a conflict of interest exists by Independent Directors of the Board or the Audit Committee: (i) the Interested Person shall not be present at or participate in any Board or committee deliberations or vote on the matter giving rise to such conflict; and (ii) the Interested Person shall not make any attempt to improperly influence the deliberations or voting on the matter giving rise to such conflict. Notwithstanding the foregoing, the Interested Person may present information as background or answer questions at the committee or Board meeting prior to deliberations or voting relating thereto.

(d) Procedures for Addressing the Conflict of Interest. If determined that a conflict of interest exists, including a Related Party Transaction, the Board or committee considering the conflict shall proceed with the following:

(i) At a Board or committee meeting, the Board may consider information and respond to questions prior to deliberations or voting where an Interested Person may make a presentation. After such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.

(ii) The Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(iii) After exercising due diligence, the Board or committee shall determine whether the YMCA can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest. The Board or committee shall document its discussion of any reasonable alternatives.

(iv) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or committee shall

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determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the YMCA's best interest and for its own benefit and whether the transaction is fair and reasonable to the YMCA and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

(e) Violations of the Conflicts of Interest Policy.

(i) If the Board or committee has reasonable cause to believe that a member has failed to disclose actual or potential 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.

(ii) If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the member has in fact failed to disclose an actual or potential conflict of interest, it shall take appropriate disciplinary and corrective action, including removal from the Board.

4. RECORDS OF PROCEEDINGS. The minutes of the Board and all committees of the Board shall contain:

(a) The names of the persons who disclosed or otherwise were found to have a conflict of interest, including financial interests, and Related Party Transactions, the nature of the conflict of interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed; and

(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 therewith.

(c) Documentation of the basis for the Board's or committee's approval of a Related Party Transaction or other conflict of interest, including its considerations of any alternatives.

5. COMPENSATION.

(a) A voting member of the Board or any committee whose jurisdiction includes Compensation matters who receives Compensation, directly or indirectly, from the YMCA for services is precluded from voting on matters pertaining to that member's Compensation. However, upon request of the Board or committee, the individual may present information as background to or answer questions for the Board or committee prior to the commencement of deliberations or voting related thereto.

(b) Individuals who receive Compensation, directly or indirectly, from the YMCA, whether as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes Compensation matters. No individual, either individually or collectively, is prohibited from providing information to any committee regarding Compensation.

6. ANNUAL STATEMENTS. Each director, officer, Key Employee and member of a committee of the Board shall annually sign the Disclosure Form, which affirms that such person: (a) has received a copy of the Conflict of Interest Policy of the YMCA; (b) has read and understands that Policy; (c) has agreed to comply with that Policy; (d) understands that the YMCA is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes; and (e) discloses any actual or potential conflicts of interest and Related Party Transactions in writing. All directors and officers shall be required to sign the Disclosure Form prior to their initial election. All Disclosure Forms shall be submitted to the Secretary or Compliance Officer (if {H2742287.1})

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one) of the YMCA, who will then be tasked with forwarding such Disclosure Forms to the President of the YMCA and the Independent Directors of the Board or the Audit Committee.

7. ANNUAL REVIEWS. To ensure that the YMCA operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, annual reviews shall be conducted. The annual reviews will include: (a) whether Compensation arrangements and benefits are reasonable and are the result of arm's length bargaining; and (b) whether all transactions discussed and identified as conflicts of interest will be evaluated by the disinterested persons as to whether the transaction meets the requirements of a fair and reasonable transaction in accordance with the NYS Attorney General's guidance.

8. USE OF OUTSIDE EXPERTS. In conducting the annual reviews provided for in Section 7 hereof, the YMCA may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that annual reviews are conducted.

9. LOANS. No loans, other than through the purchase of bonds, debentures, or similar obligations of the type customarily sold in public offerings, or through the ordinary deposit of funds in a bank, shall be made by the YMCA to its directors or officers, or to any other YMCA, firm, association or other entity in which one or more of its directors or officers are directors or officers or hold a substantial financial interest.

10. COMPLIANCE WITH THE LAWS. It is the intention of the YMCA that in all matters related to the YMCA, all members of the Board, corporate officers, members of committees of the Board and Key Employees shall adhere to applicable federal and state laws and regulations. If there is doubt as to the legality of any action or transaction, reasonable legal assistance should be obtained.

11. POLITICAL ACTIVITY. The YMCA respects the rights of members of the Board, corporate officers, members of committees of the Board and Key Employees to be or not to be involved on an individual basis with political activities of their own choosing. No YMCA funds may be used in connection with any such activity and no individual may make political contributions on behalf of the YMCA.

Adopted: _____, 2016

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Exhibit "A"