

Approved by Resolution of the Board of Directors on August 13,  
2017

## **FAR AWAY PROJECTS CONFLICT OF INTEREST POLICY**

### **Policy Statement**

The purpose of this Conflict of Interest Policy (this "Policy") is to protect the interest of Far Away Projects, a California nonprofit public benefit corporation (the "Corporation") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, employee or committee member 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 conflicts of interest applicable to California nonprofit and charitable organizations.

It shall be the continuing responsibility of all directors, officers, employees and Board committee members to review their outside business interests, philanthropic interests, personal interests, family and other close relationships for actual or potential conflicts of interest with respect to the Corporation, and to immediately disclose the nature of the interest or relationship. The interests of a member of the family of a director, officer, employee or Board committee member shall be attributed to such person. Any violation of the provisions of this Policy shall not affect the validity or enforceability of any transaction entered into by the Corporation.

### **Definition**

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"Conflicts of Interest": Conflicts of interest potentially arise when a person involved in making a decision for the Corporation may have a direct or indirect personal interest in the outcome. The personal interest may be economic, that is, it may result in a financial benefit to the person or to a family member, or the personal interest may be sentimental or professional, such as when the person or a family member is on a board of directors or advisory board of the other party seeking to enter into a transaction with the Corporation, or works for such other

party. Conflict of interest transactions may result in violations of federal and California law (including but not limited to conflict of interest and self-dealing rules).

“Family members”: For purposes of identifying conflicts of interest or potential conflicts of interest, and applying the rules in this Policy, the term “members of the family” shall include the spouse, a significant other, children, grandchildren, great grandchildren, spouses of any of the foregoing, ancestors and spouses of ancestors, and siblings and their spouses.

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## **General Principles**

In their dealings with the Corporation, all directors, officers, employees and Board committee members must be ever mindful of potential conflicts of interest. To assure compliance with the law, to avoid inadvertent violations, to live up to the public trust and avoid the appearance of impropriety, and to fulfill fiduciary duties, the Corporation expects: (a) full disclosure of relationships and financial and other interests likely to influence a person’s decision-making; (b) recusal by such person with a potential conflict of interest as described below; and (c) careful consideration of the facts and decisions by disinterested members of the Board of Directors, or when appropriate, by the Executive Committee of the Board or designated officer. In all cases, no director, officer, employee or Board committee member with an actual or potential conflict of interest shall vote on or otherwise take part in any decision of the Corporation that directly or indirectly benefits such person or his or her family member. A director or Board committee member with an actual or potential conflict of interest (financial or otherwise and including mere common directorship) in a matter proposed for action by the Board or any committee of the Board may be counted for a quorum and may

provide information and answer questions, but shall not be present during deliberations by the Board or applicable committee and shall not be present at or vote on the matter under consideration.

When a director, officer, employee or Board committee member has a conflict of interest or potential conflict of interest in a proposed transaction, the director, officer, employee or Board committee member shall recuse himself or herself (i.e., leave the room), and shall not participate in the deliberation on the merits of the proposal or the vote. Additional requirements and procedures involving a conflict of interest concerning a director, officer, employee or Board committee member shall be governed by the Corporation's Bylaws or policies adopted by the Board.

In all cases, the existence and nature of the relationship or the interest disclosed, the interested person's recusal, and the vote of those eligible to participate and vote on the matter shall be reflected in the minutes of the meeting of the Board or applicable Board committee. When there is a doubt as to whether a conflict of interest exists, the matter shall be resolved by a vote of the Board (or the Executive Committee if so designated), excluding the person concerning whom the doubt has arisen.

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

If the Board (or applicable committee) has reasonable cause to believe that a person has failed to disclose an actual or potential conflict of interest, it will inform that person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose. If, after hearing the response from the person and making such further investigation as may be warranted by the circumstances, the Board (or applicable

committee) determines that the person has in fact failed to disclose an actual or

potential conflict of interest, it will take appropriate disciplinary and corrective action.

### **Annual Review and Continuing Duty of Full Disclosure**

The Board shall review this conflict of interest policy annually and submit a copy of the policy to all directors, officers, employees and Board committee members within thirty (30) days of the beginning of each fiscal year or the first committee meeting of such fiscal year for Board committee members. At such time, directors, officers, employees and Board committee members will also receive and must complete promptly the disclosure form (Attachment A as amended from time to time) regarding possible conflicts of interest. All disclosure statements shall be maintained in confidence and access to financial information (if any) shall be limited to persons who have a reasonable need to know the contents thereof. Disclosure shall also be required of a director, officer, employee and Board committee member at any time when the interest of such person (or member of his or her family) could affect the activities, property, employees, or services of the Corporation, or involves any potential conflict of interest. Disclosure shall be made to the President (or, if the President is the one with a conflict, then to the Chair or Vice Chair of the Board, or if none, then to another officer of the Corporation). The President (or the Chair or Vice Chair of the Board, or if none, then the officer to whom the issue is reported) shall investigate the facts, seek advice from counsel to the Corporation on legal issues as necessary, and report to the Board or the Executive Committee of the Board.

ATTACHMENT 1: Conflict of Interest Declaration  
Form

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