

**GOODWILL OF GREATER WASHINGTON
CONFLICT OF INTEREST POLICY
JUNE 9, 2014**

**ARTICLE I
PURPOSE**

The purpose of this Conflict of Interest Policy (“Policy”) is to protect the interests of Goodwill of Greater Washington (“Goodwill”) with respect to any transaction or relationship that *might* benefit the private interest of a Goodwill Board member, officer, or any other individual with decision making authority with respect to that transaction or arrangement. This Policy is intended to supplement, rather than replace, any applicable federal or state laws governing conflicts of interests or self-dealing.

No Goodwill Board member, officer, or employee shall engage in any outside business or professional activity or employment for compensation that is inconsistent or in conflict with the conscientious performance of his/her Goodwill duties.

A potential conflict of interests may arise from any situation or activity in which a Goodwill Board member, officer, or employee may be influenced by considerations that affect him/her professionally or financially in the course of performing work for Goodwill. This includes *any* circumstance in which doubt may reasonably be cast on an individual’s ability to act with total objectivity with regard to Goodwill’s interests.

The presence of a conflict under this Policy does not necessarily eliminate an entity from consideration for a transaction or relationship with Goodwill.

**ARTICLE II
DEFINITIONS**

1. *Interested Person*

Any member of the Board of Directors (“Board”), an officer, or other individual who has both (a) decision making authority for Goodwill with respect to a transaction or relationship (even if not the ultimate decision making authority) and (b) a direct or indirect *financial interest* or *personal interest*, as defined below, in that transaction or relationship

2. *Entity*

Any individual, partnership, corporation, government body, or other organization, whether for-profit or not-for-profit

3. Executive Committee

The Executive Committee of Goodwill's Board of Directors

4. Financial Interest

A person has a *financial interest* when s/he has, through business, investment, or close relatives —

- a. an ownership or investment interest in any entity with which Goodwill has a transaction or relationship; or
- b. a compensation arrangement with any entity or individual with which Goodwill has a transaction or relationship; or
- c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Goodwill is contemplating a transaction or relationship.

A *financial interest* is not necessarily a conflict of interests. See Article III, Section 2.

5. Compensation

Direct remuneration (whether financial or non-financial) as well as gifts that are more than token in nature

6. Personal Interest

A person has a *personal interest* in an entity if s/he or a close relative serves on the board of directors, an advisory committee, or similar body of such entity.

7. Close Relatives

An individual's spouse or domestic partner, and any parent, child, or sibling (including any father- , mother- , son- , daughter- , brother- , or sister-in-law); this definition also includes any other relative sharing the same residence

8. Do/Does Business with Goodwill

An entity *does business* with Goodwill if it is, has been, or is seeking to become, engaged in any financial transaction or relationship with Goodwill.

9. Conflict of Interests Committee

The committee performing responsibilities set forth in this Policy, consisting of the three members appointed by the President as the Corporate Compliance Committee, including the Corporate Compliance Officer, who chairs the Committee

ARTICLE III PROCEDURES

If a potential conflict of interest involves anyone other than a Goodwill Board member, the Conflict of Interest Committee shall perform the responsibilities set forth in this Policy. However, if a potential conflict of interest involves a Goodwill Board member, the Board and the Executive Committee shall perform the respective responsibilities set forth in this Policy.

1. Duty to Disclose

- a. In connection with any actual or potential conflict of interest, an *interested person* must disclose to the Conflict of Interests Committee (or, if a Board member, to the Board) the existence of his/her *financial or personal interest* and all material facts relating to that interest.
- b. Each Goodwill Board member, employee, and onsite contractor shall disclose in advance potential conflicts of interest either
 - i. by completing the annual disclosure form attached to this Policy (as the same may be revised from time to time), *and* by timely amending such disclosure form as often as necessary during any year, *and* by providing all such forms to the President (or her/his designee) pursuant to Article V hereof; *or*
 - ii. by notifying the President (or her designee) in writing of all information necessary to identify an actual or potential conflict.
- c. For purposes of this Policy, the President and/or Compliance Officer shall (i) disclose to the Board any matter requiring Board action and (ii) disclose to the Conflict of Interests Committee all other matters requiring action by the Committee.

2. Determining Whether a Conflict of Interest Exists

- a. If an *interested person* who is not a Board member desires to participate in any decision related to a matter as to which s/he has a potential or actual conflict of interest, the Conflict of Interests Committee shall determine in advance if a conflict in fact exists. Such determination shall be based on the

interested person's disclosure in advance of the *financial* and/or *personal interest* and, after all material facts have been presented (in writing and/or in person) to the Conflict of Interest Committee. If the Conflict of Interests Committee concludes that a conflict of interest in fact exists, the procedures set forth in Section 3(b) below shall be followed.

- b. If an *interested person* who is a Board member desires to participate in any decision related to a matter as to which s/he has a potential or actual conflict of interest, the Executive Committee shall recommend, and the Board shall determine, whether a conflict of interest exists. The Executive Committee's recommendation and the Board's determination shall be based on the *interested person's* disclosure in advance of the *financial* and/or *personal interest* and, after all material facts have been presented (in writing and/or in person) to the Executive Committee. The Executive Committee shall report its recommendation to the Board, which shall take up the matter in executive session. If the Board concludes that a conflict of interest in fact exists, the procedures set forth in Section 3(b) below shall be followed.
- c. If an *interested person* recuses him/herself from a matter as to which an actual or potential conflict exists, the Conflict of Interests Committee, the Executive Committee, or the Board, as appropriate, shall note such recusal and follow the procedures set forth in Section 3(b) below.
- d. In any situation in which a Conflict of Interests Committee member has a potential conflict of interest, that matter shall be reported to the President who will then act in place of such member with respect to that matter. In any situation in which an Executive Committee or other Board member has a potential conflict of interest, the person with the potential conflict of interest shall not participate in the Executive Committee's or the Board's evaluation of whether an actual conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. If a determination is made that no conflict of interest exists, the *interested person* may participate in all discussions and decisions related to the matter at issue.
- b. If a determination is made that a conflict does exist or if the *interested person* voluntarily recuses him/herself from participation in the matter at issue —
 - i. the *interested person* shall not participate in any decision (final or intermediate) with respect to the transaction or arrangement at issue; and

- ii. any decision that would otherwise have been made by the *interested person* shall instead be made by his/her direct supervisor, *provided, however,* that, if the *interested person* with decision making authority concerning the matter at issue is either the President or the Chairman of the Board, such decision shall instead be made by a majority of the Executive Committee.

4. Violations of the Conflict of Interest Policy

- a. If the Conflict of Interests Committee or the Board has reasonable cause to believe that an individual has failed to disclose an actual or potential conflict of interest or has otherwise violated this Policy, it shall inform the individual of the basis for such belief and afford such individual an opportunity to explain the alleged violation or failure to disclose.
- b. If, after hearing the individual's response and making such further investigation as may be warranted in the circumstances, the Conflict of Interests Committee or the Board, as appropriate, determines that the individual has in fact failed to disclose an actual or potential conflict of interest or has otherwise violated this Policy, it shall ensure that appropriate disciplinary and corrective action is taken.

ARTICLE IV RECORDS OF PROCEEDINGS

The minutes of meetings of the Executive Committee, Board and Conflict of Interests Committee shall include –

1. The names of any person who disclosed or was otherwise found to have a *financial or personal interest* in connection with an actual or potential conflict of interests, the nature of that *financial or personal interest*, any decision by the *interested person* to recuse him/herself from the matter, any action taken to determine the existence of a conflict of interests, and the Conflict of Interests Committee's, Executive Committee's or Board's decision, as the case may be, as to whether a conflict of interests in fact exists.
2. The names of all persons present for discussions and votes relating to the transaction or arrangement as to which any conflict of interests was found, as well as a summary of such discussions, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

ARTICLE V ANNUAL STATEMENTS

Each Goodwill Board member, officer, professional staff employee (including all retail and contracts managers and assistant managers) and onsite contractor shall annually complete a Conflict of Interests questionnaire in which s/he (i) discloses the information requested with respect to potential conflicts of interests and (ii) affirms that s/he is fully familiar with this Policy and has disclosed all pertinent information relating to actual or potential conflicts of interests. The responses to such questionnaire shall be timely amended as often as necessary during any given year to keep the respondent's disclosures accurate and up to date.

ARTICLE VI PERIODIC REVIEWS

To ensure that Goodwill operates in a manner consistent with its charitable purposes, specifically by not approving transactions or arrangements tainted by conflicts of interests, the Conflict of Interests Committee shall conduct periodic reviews not less than once per year. The Committee may in its discretion use the services of outside advisors to assist it in conducting such reviews.

ARTICLE VII AMENDMENTS

No amendment or change to this Policy shall be effective without approval of Goodwill's Board of Directors.

GUIDELINES FOR AVOIDING CONFLICTS OF INTERESTS OR EVEN THE APPEARANCE OF SUCH CONFLICTS

We recognize that Board members, officers, employees, and onsite contractors have interests and responsibilities outside of their work for Goodwill. It is nevertheless each such person's obligation to avoid any actual or apparent conflict between Goodwill's business interests and his/her interests and to do what is best for our Goodwill. As part of this commitment, each such person must avoid any appearance of favoritism that could result from giving or receiving gifts, entertainment, or anything of value outside of any Goodwill business transaction itself.

In support of our Conflict of Interests Policy, each person subject to its requirements should take care to comply with the following guidelines:

- Know, understand, and comply with the requirements of our Conflict of Interests Policy. When in doubt about the applicability of any of its provisions, consult with the President or Corporate Compliance Officer.
- Avoid doing anything that could give the appearance that you have given favorable or special treatment to any outside organization or individual with whom Goodwill does business. Avoid circumstances that could impair your objectivity or weaken your ability to promote our Goodwill's best interests.
- Promptly disclose any personal situation or transaction that may give rise to a conflict of interests or the appearance of a conflict of interests.
- Do not engage in any illegal or unethical practice or take any unfair advantage in Goodwill business dealings. Never offer, give, solicit, or receive any form of bribe, inducement, or kickback. Never – either directly or through a third party – solicit a gift of any kind from anyone you know is doing or seeks to do business with Goodwill. Never accept a gift or services worth more than \$100 from any such person without obtaining the President's or the Corporate Compliance Officer's written consent.
- Never offer, promise, pay, or give anything of value – directly or indirectly – to any government official or employee, or political party, party official, or candidate, in a manner inconsistent with applicable law.

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