Goodwill LEADS, Inc.

Principles of Ethical Conduct and Conflict of Interest Policy
For Goodwill LEADS Board of Directors

August 4, 2014

Principles of Ethical Conduct

As a Board Member of Goodwill LEADS, Inc., I assume a public trust and recognize the importance of high ethical standards within the organization. Essential values and ethical behaviors I should exemplify include:

Commitment beyond self
Obedience of and commitment beyond the law
Commitment to the public good
Respect for the value and dignity of all individuals
Accountability to the public
Truthfulness
Fairness
Responsible application of resources

In keeping with these values, and to assist me in fulfilling my responsibilities, I subscribe to the following principles:

1. I will conduct myself and oversee Goodwill LEADS in a manner that upholds the integrity of both, and merits the trust and support of the public.

2. I will uphold all applicable laws and regulations, going beyond the letter of the law to protect and/or enhance Goodwill LEADS' ability to accomplish its mission.

3. I will treat others with respect, doing for and to others what I would have done for and to me in similar circumstances.

4. I will be a responsible steward of Goodwill LEADS' resources.

5. I will take no actions that could benefit me personally at the unwarranted expense of Goodwill LEADS, and I will disclose any possible conflicts of interest prior to voting on any issue.

6. I will carefully consider the public perception of my personal and professional actions, and the effect my actions could have, positively or negatively, on Goodwill LEADS' reputation in our communities.

7. I will strive for personal and professional growth to improve my effectiveness as a Board Member of Goodwill LEADS.

8. I will support and be an advocate for the vision, mission and values of Goodwill LEADS.

Conflict of Interest Policy

Purpose

The purpose of the conflict of interest policy is to protect Goodwill LEADS, Inc.'s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of Goodwill LEADS 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.

Definitions

1. Interested Person
   a. Any 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.
2. Financial Interest
   a. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
      i. An ownership or investment interest in any entity with which Goodwill LEADS has a transaction or arrangement,
      ii. A compensation arrangement with Goodwill LEADS or with any entity or individual with which Goodwill LEADS has a transaction or arrangement, or
      iii. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Goodwill LEADS is negotiating a transaction or arrangement.

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 Procedures, #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.

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 during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
   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 Goodwill LEADS 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 governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in Goodwill LEADS' 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 Conflicts 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.

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.

Compensation

a. A voting member of the governing board who receives compensation, directly or indirectly, from Goodwill LEADS 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 Goodwill LEADS 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 Goodwill LEADS, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Annual Statements

Each 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 conflicts of interest policy,
b. Has read and understands the policy,
c. Has agreed to comply with the policy, and
d. Understands Goodwill LEADS 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.

Periodic Reviews

To ensure Goodwill LEADS 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 Organization'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.

Use of Outside Experts

When conducting the periodic reviews as provided for in Periodic Reviews section, Goodwill LEADS 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.

If any allegations are made regarding my ethical conduct:

1. I will inform the Chairman of the Board as soon as I become aware of them.

2. I will assist the Board of Directors of Goodwill LEADS, Inc. in investigating the allegations against me.

3. I will refrain from making contact with the source of the allegation, in any manner, unless given permission to do so by the Board.

4. As per the Corporate Bylaws, I understand that I may be removed from service as a Board member if determined that I have breached my ethical conduct values, including an undisclosed conflict of interest, or if I refuse to cooperate in any investigation of alleged violations.

I shall comply with the terms hereof for the entire term of my service as a Board Member with Goodwill LEADS, Inc.

- ❑ At this time I have no conflict of financial interest to report.

- ❑ I have the following conflict of financial interest to report (please specify):

_____
Signature

_____
Printed Name

_____
Date

Witness: _____

Date: _____

Created: August 4, 2014
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