Child Impact International
Conflict of Interest Policy
(Revised 2026)

Adopted by the Board of Directors on August 31, 2026

1. **Purpose**

The purpose of this Conflict of Interest Policy is to protect the interests of Child Impact International (the "Organization"), a Tennessee nonprofit corporation exempt under Section 501(c)(3) of the Internal Revenue Code, when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer, committee member, employee, volunteer, or other interested person, or that 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 nonprofit and charitable organizations, including the Tennessee Nonprofit Corporation Act, and is to be interpreted consistently with the Organization's Bylaws (as amended from time to time). This policy applies to all members of the Board of Directors, officers, members of any committee established under Article II, Section 2.8 of the Bylaws (who, per the Bylaws, are considered directors for purposes of director conflicts of interest), employees, and volunteers of the Organization.

2. **Definitions**

   a. Interested Person

Any director, officer, member of a committee with Board-delegated powers (or any committee member treated as a director for conflict-of-interest purposes under the Bylaws), employee, or volunteer who has a direct or indirect financial interest, as defined below, is an interested person.

   b. Financial Interest

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

- An ownership or investment interest in any entity with which the Organization has a transaction or arrangement;
- A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement; or
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization 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 Section 3, a person who has a financial interest may have a conflict of interest only if the Board or appropriate committee decides that a conflict of interest exists.

c. Family

For purposes of this policy, “family” includes spouse or domestic partner, parents, children, siblings, and any other person residing in the same household.

3. Procedures

a. 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 all material facts to the Board of Directors or to the members of a committee with Board-delegated powers considering the proposed transaction or arrangement. Disclosure shall be made as soon as the interested person becomes aware of the potential conflict. Disclosures may be made in writing, by email, or by other means permitted under the Bylaws for Board or committee action.

b. 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, the interested person shall leave the Board or committee meeting (or refrain from participating in any action without a 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 by a majority vote of a quorum of disinterested directors (or committee members), consistent with the quorum and voting provisions of the Bylaws (Article II, Section 2.3).

c. Procedures for Addressing the Conflict of Interest

1) An interested person may make a presentation at the Board or committee meeting (or provide information in connection with an action without a meeting), but after the presentation the interested person shall leave the meeting (or refrain from participating) during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

2) The Chairman of the Board or the chair of the committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3) After exercising due diligence, the Board or committee shall determine whether the Organization 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.

4) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors (or committee members) whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with that determination, it shall decide whether to enter into the transaction or arrangement. Any such determination may be made at a meeting or by written consent (including email) as permitted by Article II, Section 2.7 of the Bylaws, provided the interested person does not participate in the consent.

d. Violations of the Conflicts of Interest Policy

If the Board or committee has reasonable cause to believe a person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose. If, after hearing the person's response and after making further investigation as warranted by the circumstances, the Board or committee determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action. Such action may include, consistent with the Bylaws:

- Removal of a director without cause by a majority vote of all directors then serving (Article II, Section 2.4), subject to any required notice;
- Removal of an officer by a majority vote of the entire Board (Article III, Section 3.4); or
- Termination of employment or volunteer service, or other remedies as determined by the Board.

4. Records of Proceedings

The minutes of the Board and all committees with Board-delegated powers shall contain:

- 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 Board's or committee's decision as to whether a conflict of interest in fact existed.

- 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.

Minutes of committee meetings shall be made available upon request in accordance with Article II, Section 2.8 of the Bylaws.

5. Compensation

Consistent with Article II, Section 2.6 of the Bylaws:

- No director shall receive any compensation for services as a director; however, a director may be reimbursed for reasonable expenses incurred in the performance of their duties, subject to procedures prescribed by the Board or designated officers.
- Nothing in this policy or the Bylaws shall authorize the payment of compensation that would imperil the exempt status of the Organization or constitute an excess benefit transaction.

Consistent with Article III, Section 3.7 of the Bylaws, the Board of Directors may fix the compensation of officers of the Organization. A voting member of the Board who receives compensation, directly or indirectly, from the Organization for services (other than as a director) is precluded from voting on matters pertaining to that member's compensation. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

6. Annual Statements

Each director, officer, member of a committee with Board-delegated powers (or committee member treated as a director for conflict-of-interest purposes), employee in a decision-making capacity, and key volunteer shall annually sign a statement that affirms such person:

- Has received a copy of this Conflict of Interest Policy;
- Has read and understands the policy;
- Has agreed to comply with the policy; and

- Understands that the Organization is charitable and, in order to maintain its federal tax exemption, must engage primarily in activities that accomplish one or more of its tax-exempt purposes as set forth in Article I of the Bylaws.

7. Periodic Reviews

To ensure the Organization operates in a manner consistent with its charitable purposes (Article I of the Bylaws) 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:

- Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.
- 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 an excess benefit transaction.

When conducting the periodic reviews, the Organization may, but need not, use outside advisors. If outside advisors are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

8. Additional Provisions for Employees and Volunteers

All employees and volunteers are required to disclose promptly any actual or potential conflicts of interest to their supervisor or the Chief Executive Officer (or designee). The Chief Executive Officer (or Board Chairman in the case of the Chief Executive Officer) shall evaluate the disclosure and determine appropriate action consistent with this policy and the Bylaws. Employees and volunteers may be required to recuse themselves from decisions or activities where a conflict exists.

9. Gifts and Gratuities

No interested person shall accept gifts, entertainment, or other favors from any individual or entity that does or seeks to do business with, or is a competitor of, the Organization under circumstances where it might be inferred that such action was intended to influence or possibly would influence the interested person in the performance of their duties. This does not preclude the acceptance of items of nominal or insignificant value that are not related to any particular transaction or activity of the Organization, or gifts given in recognition of service that are of modest value and consistent with customary practices.

10. Administration and Consistency with Bylaws

The Board of Directors is responsible for the overall administration of this policy. This policy shall be interpreted and applied consistently with the Organization's Bylaws, including provisions regarding quorum, voting, action without a meeting, committees, compensation of directors and officers, removal, and indemnification (Article V).

Questions regarding interpretation or application of this policy should be directed to the Board Chairman or Chief Executive Officer.

Acknowledgment and Disclosure Form

(To be signed annually by Board members, officers, committee members treated as directors for conflict-of-interest purposes, key employees, and designated volunteers)

I have received, read, and understand the Conflict of Interest Policy of Child Impact International. I agree to comply with the policy and with the Organization's Bylaws. To the best of my knowledge and belief, except as disclosed below, neither I nor any person with whom I have a personal, business, or financial relationship has any conflict of interest as defined in the policy.

Disclosures (if any):

Name (print): ______________________________
Signature: _________________________________
Date: _____________________________________
Position/Role: _____________________________