



THE AMERICAN JEWISH JOINT DISTRIBUTION COMMITTEE, INC.

Policy on Conflicts of Interest

(Adopted December 10, 2014)

I. Purpose

The American Jewish Joint Distribution Committee, Inc. (the "Corporation"), a New York not-for-profit corporation that is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, is subject to certain federal and state laws governing transaction between the Corporation and certain individuals and entities. The Corporation is committed to the maintenance of the trust and confidence of its donors and the general public. Our reputation in the community and our obligation to comply with the federal and state laws therefore necessitates strict compliance by the Corporation's Board Members, Officers, Management, Staff and Volunteers with the prohibitions against entering into transactions which are, or may be construed, as being a conflict of interest as contained in this policy.

II. Prohibition Against Conflicts of Interest

Federal and state law prohibits certain individuals and entities from entering into certain transactions with the Corporation. Prohibited transactions generally cover transactions whereby an individual or an entity, by reason of his/her/its relationship with the Corporation may receive a benefit as a result of a previously established relationship with the Corporation. To the extent such a transaction confers an improper benefit upon such individual(s) or entity(ies), federal and state laws can have serious consequences for the Corporation, its Board Members, officers, management, staff and volunteers. Thus, it is the Corporation's policy to prohibit all such transactions, unless the Corporation specifically approves such transaction after all material facts have been fully disclosed to the Corporation.

While it is impossible to list every circumstance giving rise to possible conflicts of interest, the following will serve as a guide to the types of transactions which might cause conflicts and which should be fully reported to the Corporation:

- A. Ownership by a Disclosing Party (as hereinafter defined) of a substantial financial interest in any outside concern which does business with, or is a competitor of, the Corporation, except where such interest consists of securities of a publicly owned corporation and such securities are regularly traded on the open market.
- B. Rendition by a Disclosing Party (as hereinafter defined) of directive, managerial or consultative service to any outside concern which does business with, or is a competitor of the Corporation, except with the Corporation's knowledge and consent.

- C. Acceptance by a Disclosing Party (as hereinafter defined) of gifts of more than token value, loans (other than from established banking or financial institutions), excessive entertainment, or other substantial favors from any outside concern which does or is seeking to do business with, or is a competitor of the Corporation.
- D. Representation of the Corporation by a Disclosing Party (as hereinafter defined) in any transaction in which the Related Person has a substantial interest.
- E. Use of confidential information of the Corporation for the personal profit or advantage of a Disclosing Party (as hereinafter defined).
- F. Competition with the Corporation by a Disclosing Party (as hereinafter defined), directly or indirectly, in the purchase or sale of property or property rights or interest.

III. Certain Definitions

- A. Who is a Related Person?

For purposes of this Conflicts of Interest Policy, a "Related Person" is any Director, officer, or Key Employee of the Corporation who is (or is related to, within the meaning of Section 267(c) of the Internal Revenue Code of 1986, as amended) a director, officer, shareholder, member, partner, trustee, beneficiary or other fiduciary of any party to a Transaction with the Corporation.

- B. Who is a Key Employee?

For the purposes of this Conflicts of Interest Policy, a "Key Employee" is any person who is in a position to exercise substantial influence over the affairs of the Corporation within the meaning of Section 4958(f)(1)(A) of the Internal Revenue Code and Section 53.4958-3(c), (d) and (e) of the Treasury Regulations.

- C. Who is a Disclosing Party?

A "Disclosing Party" shall mean each Related Person who is a party to a Transaction and each staff member or volunteer who is a party to a Transaction in which the amount paid is equal to or greater than \$10,000.

- D. What is a "Transaction"?

For purposes of this Conflicts of Interest Policy, a "Transaction" means any agreement, contract, transaction or other arrangement (including the making of a grant or other disbursement of the assets or funds of the Corporation) between the Corporation and a Related Person.

- E. What is a Conflict of Interest?

For purposes of this Conflicts of Interest Policy, a "Conflict of Interest" means any Transaction that has not been disclosed to the Corporation as provided in Section IV of this Conflicts of Interest Policy.

IV. Disclosure of Conflict of Interest

Each Disclosing Party shall disclose to the Chair of the Audit Committee and to the General Counsel, in accordance with the provisions of this Section IV, each Transaction in which such person is a party.

A person with a duty to disclose pursuant to Section IV shall satisfy his or her duty by providing written notice (a "Disclosure Notice") of such Transaction within five (5) days of the day in which such Related Person becomes aware that he or she is a Related Person in connection with a Transaction. A Disclosure Notice shall set forth any and all material facts surrounding the circumstances in which such person is a Disclosing Party, including but not limited to: (a) the names of all parties involved, along with the relationship of such Disclosing Party to each party, and (b) the nature of any contracts and/or agreements between the Disclosing Party and any third party affiliated with the Transaction.

Each Disclosure Notice will be entered into the Corporation's records, and the Corporation's minute book will reflect any steps taken pursuant to Section V to address the disclosed Conflict of Interest, including any presentation, deliberation or vote pertaining to the disclosed Conflict of Interest and the basis for any decision regarding the disclosed Conflict of Interest.

Unless the Corporation provides written notice to such Disclosing Party approving such Transaction, the Corporation shall not be permitted to enter into such Transaction. Any Transaction entered into by the Corporation in contravention to the preceding sentence shall be null and void.

V. Procedure for Addressing Conflict of Interest

Prior to the Corporation entering into the Transaction for which a Disclosure Notice has been delivered, the Chair of the Audit Committee shall call a special meeting of the Audit Committee. At such meeting, said Chair shall provide each member of the committee with a copy of the Disclosure Notice.

The Disclosing Party may make a presentation at such special meeting, but after such presentation, such Disclosing Party shall leave the meeting prior to any deliberation regarding, and the vote on, the Transaction. Any member of the committee may ask such Disclosing Party any question relevant to the circumstances giving rise to such person's status as a Disclosing Party and the Transaction.

In no event shall a Disclosing Party be present at, participate in, influence, or attempt to influence any deliberations, discussions or vote in connection with the Transaction.

The Audit Committee may, but shall not be required to, appoint a disinterested person or committee to investigate alternatives to the Transaction.

The Audit Committee shall exercise due diligence in determining whether to proceed with such Transaction. In making such determination, the committee shall determine whether the Corporation 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. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a Conflict of Interest, the Audit Committee shall determine, by a majority vote (not including the vote of any Director who may be a Related Person), whether the Transaction is in the Corporation's best interest and for its own benefit and whether the Transaction is fair and reasonable to the Corporation. The Audit Committee shall make its decision as to whether to enter into the Transaction.

VI. Violations of Conflict of Interest Policy

If the Board of Directors has reasonable cause to believe that a person subject to this Conflicts of Interest Policy has failed to disclose an actual or potential Conflict of Interest, it shall inform the person of the basis for such belief and afford such person an opportunity to explain the alleged failure to disclose. After hearing the explanation of the person and making such further investigation as may be warranted in the circumstances, the Board shall take such disciplinary and corrective action as they deem appropriate.

VII. Written Statements

Each Board Member and officer, upon his or her initial election or appointment and annually thereafter, shall sign a statement, a copy of which is annexed hereto as Exhibit A, which identifies, to the best of such person's knowledge, any existing or potential Conflicts of Interests, and affirms that such person:

1. has received a copy of the Conflicts of Interest Policy,
2. has read and understands the policy,
3. has agreed to comply with the policy, and
4. understands that The American Jewish Joint Distribution Committee, Inc., a New York not-for-profit corporation that is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, is subject to certain federal and state laws governing transaction between The American Jewish Joint Distribution Committee, Inc. and certain individuals and entities and that it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Statements must be returned to the Chair of the Audit Committee and the General Counsel.

**Conflicts of Interest
Annual Statement**

TO: _____

This annual statement is made pursuant to the Conflicts of Interest Policy of The American Jewish Joint Distribution Committee, Inc. (the "Corporation"), a New York not-for-profit corporation. The undersigned is a _____ of the Corporation.

To the best of the undersigned's knowledge, the following is a complete list of all Transactions (as defined in the Corporation's Conflict of Interest Policy), existing or likely to arise, in which the undersigned is a Disclosing Party (as defined in the Corporation's Conflict of Interest Policy):

The undersigned affirms that he/she:

1. has received a copy of the Conflicts of Interest Policy,
2. has read and understands the policy,
3. has agreed to comply with the policy, and
4. understands that the Corporation, a New York not-for-profit corporation that is exempt from federal income tax as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, is subject to certain federal and state laws governing transaction between the Corporation and certain individuals and entities and that it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Dated: _____

Signed: _____