

REAL WORLD INITIATIVES, INC.
Conflicts of Interest Policy and Procedure Statement

I. POLICY

Tax exempt organizations have a significant responsibility to earn and to maintain the public trust. Board members, officers and associates of Real World Initiatives, Inc. ("RWI") have an obligation to ensure that transactions entered into by RWI are legal, credible and fair and that protocol is in place so that they also are perceived to be legal, credible and fair.

No written policy or guide can cover every situation; therefore, responsibility for integrity and fairness must be fulfilled through individual compliance with the spirit as well as the letter of the law governing non-profit organizations, including applicable state and federal laws, and by careful and thoughtful adherence to ethical behavior that often goes beyond legal requirements.

This makes it essential to develop and follow practices that identify, disclose and effectively address conflicts of interest, whether actual or perceived, and self-dealing in financial, investment, business and program relationships. Such practices should ensure fairness and the appearance of fairness in all of our dealings. Board members and associates are expected to act with loyalty to and due care for RWI interests consistent with their respective fiduciary responsibilities.

This Policy should be viewed as presenting guiding principles, which should inform but not prescribe good judgment. The objective of each person subject to this Policy must be honesty, fairness and integrity in all aspects of business and personal conduct, with full disclosure – erring on the side of openness – in any situations that are, may become, or may be perceived as being conflicts of interest.

A conflict of interest exists when:

- A Board member or associate takes part in a decision of RWI in which she/he may reasonably be perceived as unable to remain impartial or objective in choosing between the interests of RWI and service for personal benefit or gain.
- A person has a role on both sides of a transaction with RWI, and the person has a financial interest in or has the potential for financial gain or to be perceived as having such potential.
- A Board member or associate uses, or permits others to use, for personal benefit or gain confidential information obtained in the course of serving RWI.

In addition, a conflict of interest will be deemed to exist with regard to any transaction involving former Board, committee members, associates, or other persons who have been in a position to exercise substantial influence over RWI at any time during the one (1) year immediately preceding consideration of the proposed transaction.

Notwithstanding any other provision of this Policy, a conflict of interest shall not be deemed to arise solely because of any person's association with a party to arrangements involving grants, gifts, and charitable contributions to RWI or agreements to donate services or tangible or intangible goods or property to RWI, provided that in any such instance RWI has not given any materially valuable benefit or compensation to the other party or parties with whom such person is associated and there is no expectation of such benefit. Even in such circumstances, however, the person who would have a conflict but for this paragraph shall timely disclose the relevant relationship and such disclosure shall be documented. This paragraph does not excuse a conflict of interest grounded on the person having a financial interest in the underlying transaction or arrangement.

Situations in which there is a clear and obvious conflict of interest are relatively easy to identify. The possibility of a potential conflict or the appearance of a conflict of interest can be more difficult to recognize. Because the existence of close friendships and business associations could impair – or be perceived to impair – objective assessment, such relationships should always be disclosed to the Board. Disclosure of such relationships, no matter how remote, can alleviate misunderstandings that might arise later.

There are circumstances in which an actual or perceived conflict of interest might be present but the transaction could be permissible legally – and may even be advisable – despite the conflict or its appearance. When these and other analogous situations arise, the procedures and safeguards provided below must be observed.

Board members and associates should not derive any personal, material advantages from their connections with RWI. They should use RWI's property only for official purposes and may make no personal use of RWI's programs or services in a manner that is not available on a comparable basis to a member of the general public. In connection with their duties at RWI, Board members and associates and others in close relationship to them must not accept gifts, favors, or loans. Promotional gifts or meals with a value of less than \$75 are acceptable. Board members should not expect personal or professional assistance from RWI associates except to the extent relating directly to their responsibilities on behalf of RWI or to the extent that such assistance is available to a member of the general public in similar circumstances or with similar needs.

Information about RWI that a Board member, associate or volunteer may acquire in the course of his/her duties, and which is not generally known or available to the public, must be treated as confidential and proprietary. Such information should not be used for personal or professional advantage or for purposes detrimental to RWI. No person associated with RWI may use or allow others to use confidential information acquired through his/her relationship with RWI for purposes other than in furtherance of their responsibilities to RWI.

II. **PROCEDURE**

1. Board, committee members and officers of RWI should annually complete a disclosure form distributed and collected by the Secretary of the Board through which such persons identify organizations with whom a conflict of interest may exist and immediate family¹ members with whom and organizations with which RWI has or may have or undertake transactions or arrangements. The form, a copy of which is attached, requires that such persons list all organizations, regardless of governance structure:

(a) in which the person or a member of his or her immediate family serves in a fiduciary, policy-making, or managerial capacity;

(b) in which he/she or his/her immediate family directly or indirectly owns a total of at least thirty five percent (35%) of the voting power, profits interest, or beneficial interest or in which such person or persons have a controlling or material financial interest; and

(c) from which he/she or an immediate family member receives compensation as direct or indirect remuneration for services rendered or substantial gifts or favors.

Such persons must update this information during the year by informing the Secretary of any new relationships that develop.

The Secretary shall distribute information to all Board members and the President about the organizations identified by each Board member and associate.

¹ "Immediate family" is defined as spouse, children, grandchildren, great grandchildren, parents, grandparents and their respective spouse.

Before determining if RWI may enter a transaction in which a conflict of interest is or may be present, more information may be required to ensure that all material facts are known about the underlying transaction, market pricing, and competing providers. Decision-makers should also assess the extent to which additional due diligence is necessary, a more advantageous transaction may be reasonably attainable from the proposed provider or a competitor, or whether independent expertise should be retained to assess the reasonableness of the transaction.

2. Board members and associates should always immediately disclose any actual or perceived conflict, whether their own or one about which they have information involving another, when around others discussing a transaction that does or might present an actual or perceived conflict of interest.

3. The person with the actual or perceived conflict should not be involved in the analysis, discussion or decision-making process. Exceptions may be made when such person has a relevant and unique experience or perspective and the Chairman of the Board asks such person for his or her information.

4. In order not to inhibit discussion, in most instances, the person with the actual or perceived conflict should leave the area in which the discussion is occurring.

5. Except as otherwise provided, Board members should abstain from voting when there is an actual or perceived conflict of interest, and associates should not be in a position to make or influence decisions when they have an actual or perceived conflict of interest.

6. Except as otherwise provided, only the full Board, without the person(s) with the conflict of interest, may approve or authorize action if there is an actual or perceived conflict of interest involving a Board member, in all cases ensuring that the transaction is in RWI's best interests, for its own benefit, and is fair and reasonable.

7. Each of the above steps should be recorded in minutes or other record of a meeting at which discussion occurs of a transaction that includes a conflict of interest.

8. The Chairman and President shall ensure that new Board members and associates receive orientation that sufficiently apprises them of the details of this Policy and applicable Procedures and that all Board members and associates annually acknowledge that they have read and understood and agree to comply with the Policy and its Procedures.

9. Any Board member or associate who knowingly and intentionally fails to abide by the terms of this Policy or its Procedures shall be subject to discipline up to and including removal or termination.

Adopted: June 12, 2023