

**Humanitarian Service Project**  
**465 Randy Road**  
**Carol Stream, IL 60188**

**Conflict of Interest Policy**

**1. Purpose**

The purpose of the Conflict of Interest policy is to ensure that the deliberations and decisions of the Humanitarian Service Project (HSP) are made in the interests of the Humanitarian Service Project as a whole, and to protect the interests of HSP when it is contemplating entering into a transaction, contract, or arrangement that might benefit the private interest of an Interested Trustee, Officer or Person. An Interested Trustee, Officer or Person may not use his or her position with respect to HSP in order to achieve a financial benefit for himself or herself or for a third person, including another nonprofit or charitable organization. This policy is intended to supplement but not replace any applicable laws governing conflicts of interest in nonprofit and charitable corporations.

**2. Duty to Abstain**

2.1 No Board Member shall vote on any matter in which he or she has a material and direct financial interest that will be affected by the outcome of the vote.

2.2 In the event of such an abstention, the abstaining Board Member shall state the reason for the abstention, which shall be noted in the minutes of the Board.

**3. Procedures in Connection with Proposed Transactions and Arrangements**

3.1 Scope. This section applies to any proposed transaction, contract, or arrangement of HSP in which a Trustee, Officer, or Interested Person has a material financial interest. An Interested Person is defined as one who has a relationship through business, investment, or family with a Trustee or Officer of HSP.

3.2 Duty to Disclose. In connection with any actual or possible conflict of interest, an Interested Trustee or Interested Officer must disclose the existence and nature of his or her material financial interest to the Board prior to the consideration of the proposed transaction, contract, or arrangement by the Board or any Committee of the Board.

3.3 Procedures for Addressing a Conflict of Interest

3.3.1 After exercising due diligence, the Board shall determine whether

HSP can obtain a more advantageous transaction, contract, or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

3.3.2 If a more advantageous transaction, contract, or other arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board shall determine by a majority vote of the disinterested Board Members whether the transaction, contract, or arrangement is in HSP's best interest and for its own benefit and whether it is fair and reasonable to HSP, and shall make its decision as to whether to enter into the transaction, contract, or arrangement in conformity with such determination.

#### **4. Violations of the Conflict of Interest Policy**

The violation of this conflict of interest policy is a serious matter and may constitute "cause" for removal or termination of a Trustee or Officer, or the termination of any contractual relationship HSP may have with an Interested Person or other party.

#### **5. Periodic Reviews**

The Board shall periodically consider whether and how this Conflict of Interest Policy should be revised or amended to better meet its objectives in connection with any periodic review conducted by HSP to ensure that it operates in a manner consistent with its charitable purposes.

(Revs'd April 10, 2013)