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The Native Daughters of the Golden West Conflict of Interest Policy

Article 1 - Purpose

The purpose of a Conflict of Interest Policy is to protect The Native Daughters of the Golden West which includes The Grand Parlor, Native Daughter Home, Children's Foundation, and Charitable Foundation, Inc, hereinafter collectively referred to as "The NDGW or the NDGW" and its' interests when contemplating or entering a transaction or arrangement that might benefit the private interest of a Grand Officer of the NDGW 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.

Article 2 - Definitions

1. Interested Person

- a. Interested Person is defined as any member of the Board of Directors, or member of a State Committee with Board of Directors delegated powers who has a direct or indirect financial interest, as defined below is considered an interested person.

2. Financial Interest

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

- a. An ownership or investment interest in any entity with which the NDGW has a transaction or arrangement,
- b. A compensation arrangement with the NDGW or with any entity or individual with which the NDGW has a transaction or arrangement,
or

- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the NDGW is negotiating a transaction or arrangement.

3. Compensation

- a. Compensation includes direct or indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a Conflict of Interest. Under Article III, Section 2 - A person who has a financial interest may have a conflict of interest only if the appropriate Board of Directors or State Committee decides that a conflict of interest exists.

Article III - 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 Board of Directors and members of State Committees with Board of Directors' 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, she shall leave the Board of Directors or State Committee Meeting while the determination of a Conflict of Interest is discussed and voted upon. The remaining Board of 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 a Board of Directors or State Committee Meeting, but after the presentation, 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 Grand President serving as the head of the Board of Directors or State Committee Chairman shall, if appropriate, appoint a disinterested person or special committee to investigate

alternatives to the proposed transaction or arrangement.

- c. After exercising due diligence, the Board of Directors or State Committee shall determine whether the NDGW 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 Board of Directors or State Committee shall determine, by a majority vote of the disinterested Directors, whether the transaction or arrangement is in the best interest of the NDGW, 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 the transaction or arrangement.

4. Violations of the Conflict of Interest Policy

- a. If the Board of Directors or State 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 response of the Member and, after making further investigation as warranted by the circumstances, the Board of Directors or Committee determines the Member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action as per the provisions of the By-Laws of The Constitution of The Grand Parlor of The Native Daughters of the Golden West, a California non-profit mutual benefit corporation.

Article IV - Records of Proceedings

The meeting minutes of the Board of Directors and all State Committees with board delegate 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 decision of the Board of Directors or State Committee 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.

Article V – Compensation

- a. A voting member of the Board of Directors who receives compensation, directly or indirectly, from the NDGW for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any State Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the NDGW for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the Board of the Directors or any State Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the NDGW, either individually or collectively, is prohibited from providing information to any State Committee regarding compensation.

Article VI - Annual Statements

Each Grand Officer who serves on the Board of Directors, and may serve as a member of a State Committee with Board of Directors' delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the Conflict of Interest Policy,
- b. Has read, and understands said Policy,
- c. Has agreed to comply with said Policy, and
- d. Understands the NDGW is comprised of A California Nonprofit Mutual Benefit Corporation and three charitable entities which in order to maintain their federal tax exemptions, must engage primarily in activities which accomplish one or more of their tax-exempt purposes.

Article VII - Periodic Reviews

To ensure the NDGW operates in a manner consistent with its' 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 NDGW'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.

Article VIII - Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the NDGW may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

Adopted by the NDGW Board of Directors on _____ thus superseding all previous versions of the NDGW's Conflict of Interest Policy.

PLEASE SIGN ON THE NEXT PAGE

The Native Daughters of the Golden West
Conflict of Interest Policy
Grand Officers' Annual Disclosure and Signature Page

By signing below, I acknowledge I have read, understood, and agree to abide by the Conflict of Interest Policy of The Native Daughters of the Golden West which includes The Grand Parlor, Native Daughter Home, Children's Foundation, and Charitable Foundation Inc, hereinafter collectively referred to as "The Native Daughters of the Golden West".

Please describe below any relationships, positions, or circumstances in which you or your family are involved or may become involved that you believe could contribute to a Conflict of Interest as defined in The Native Daughters of the Golden West Conflict of Interest Policy on file in the Grand Parlor Office of the Native Daughters of the Golden West located at 543 Baker Street San Francisco, California. If no Conflict of Interest exists or could potentially exist, please state, "None"

OR

To the best of my knowledge and belief, except as disclosed herewith, neither I, nor any person with whom I have had a personal, family, or business relationship, or compensated professional relationship, intend to engage in any transaction, to acquire any interest in any organization or entity, or to become the recipient of any substantial gifts or favors that might be covered by The Native Daughters of the Golden West's Conflict of Interest Policy.

I hereby certify that the information set forth above is true and complete to the best of my knowledge.

Grand Officer Title: _____

Name: _____

Signature: _____

Date: _____