

Winter Park Kappa Foundation
CONFLICT OF INTEREST POLICY AND AGREEMENT

ARTICLE I

PURPOSES

Winter Park Kappa Foundation (WPKF) directors and officers must be aware that real and perceived conflicts of interest or dualities of interest may occur during the course of executing the business of the foundation. Furthermore, the appearance of conflict can be problematic even if there actually is no conflict at all. Conflicts may occur when anyone associated with WPKF could or do have interests and affiliations with individuals and organizations with which the foundation either has or could have a business relationship. In such circumstances, one could have responsibilities of loyalty to two or more entities.

The purpose of this policy is to protect WPKF's tax-exempt interest when it is considering entering into a transaction or arrangement that could benefit the private interest of a foundation officer or directors, or result in a possible excess benefit transaction. The policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Conflicts are undesirable because they potentially or eventually place the interests of others ahead of the WPKF's obligations to its charitable purposes and to the public interest. Conflicts are undesirable also because they often reflect adversely upon the person involved and the institutions with which they are affiliated regardless of the actual facts or motivations of the parties. Nevertheless, the long-range best interests of WPKF do not require the termination of all association with persons who may have real or apparent conflicts that are harmless to all individuals or entities involved.

Each member of WPKF's board of directors has a duty of loyalty to the foundation. This duty generally requires directors to prefer the interests of the foundation over the interests of others. In addition, directors shall avoid acts of self-dealing that could jeopardize WPKF's tax-exempt status or incur a sanction or penalty by a governmental authority.

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial or other personally beneficial interest and be allowed an opportunity to disclose all material facts to the WPKF board.

ARTICLE II

DEFINITIONS

2.1 Interested Person

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2.2 Financial Interest

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

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- (a)** An ownership or investment interest in any entity with which the foundation has a transaction or arrangement,
- (b)** A compensation arrangement with WPKF or with any entity or individual with which the foundation 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 WPKF 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 Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the foundation's board decides that a conflict exists.

ARTICLE III

PROCEDURES

3.1 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 WPKF board of directors.

3.2 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, he/she shall leave the board meeting while the determination of a conflict of interest is discussed and voted upon. The directors present shall decide if a conflict exists.

3.3 Procedures for Addressing the Conflict of Interest

- (a)** An interested person may make a presentation to the board, but after the presentation, he/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 board president shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (c)** After exercising due diligence, the board shall determine whether the foundation 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 shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the foundation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the board shall make its decision as to whether to enter into the transaction or arrangement.

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3.4 Violations of the Conflicts of Interest Policy

(a) If the board has reasonable cause to believe a director 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 member's response and after making further investigation as warranted by the circumstances, the board determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV

RECORDS OF PROCEEDINGS

4.1 Minutes

The board's minutes 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 board's decision 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

5.1 A voting member of the WPKF board who receives compensation, directly or indirectly, from the foundation for services is precluded from voting on matters pertaining to that member's compensation.

5.2 A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the foundation for services is precluded from voting on matters pertaining to his/her compensation.

5.3 No voting member of the board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the foundation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI

ANNUAL STATEMENTS

Each WPKF director and officer shall annually sign a statement that affirms he/she has:

(a) received a copy of the conflicts of interest policy,

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- (b) read and understands the policy,
- (c) agreed to comply with the policy, and
- (e) understands that the foundation is charitable, and to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

ARTICLE VII

PERIODIC REVIEWS

To ensure that WPKF operates in a manner consistent with 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 these topics when applicable:

- (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 corporations conform to the foundation'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, WPKF may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the board of its responsibility for ensuring periodic reviews are conducted.

**CERTIFICATE OF ADOPTION OF CONFLICT OF INTEREST
POLICY AND AGREEMENT**

I do hereby certify that the above stated Conflict of Interest Policy and Agreement for Winter Park Kappa Foundation were approved and adopted by the board of directors on (date, 2015) and constitute a complete copy of the Conflict of Interest Policy of Winter Park Kappa Foundation Inc.

President _____

Secretary _____

Date: _____

Date: _____