

## CONFLICT OF INTEREST POLICY

OF

### CAPITAL WORKFORCE PARTNERS, INC.

This conflict of interest policy is designed to help directors, officers, senior management employees and members of committees of the Board of Directors of Capital Workforce Partners, Inc. (hereinafter "CWP") identify situations that present potential conflicts of interest and to provide CWP with a set of procedure which, if observed, will allow a transaction to be treated as valid and binding even though a director, officer, senior management employees or committee member has or may have a conflict of interest with respect to the transaction. The policy is intended to comply with and supplement the procedures prescribed in Connecticut General Statutes §33-1127, et seq., Workforce Investment Act §117 (g) and 29 CFR §95.42 of the US Code governing conflicts of interest for directors of nonprofit corporations, and to apply such procedures, as well, to senior management employees, officers, directors and members of committees of the Board of Directors of CWP. In the event there is an inconsistency between the requirements and procedures prescribed herein and those in Connecticut General Statutes §33-1127, et seq., Workforce Investment Act §117 (g) and 29 CFR §95.42, the statutes and regulations shall control. All capitalized terms used herein are defined in Part 2 of this policy.

#### 1. **Definitions.**

- a. A "Conflict of Interest" is any circumstance described in Part 1 of this Policy.
- b. A "Responsible Person" is any person serving as an officer, senior management employee, member of the Board of Directors of CWP or member of a committee of the Board of Directors of CWP.
- c. A "Family Member" is a spouse, domestic partner, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.
- d. A "Material Financial Interest" in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person's or Family Member's judgment with respect to transactions to which the entity is a party. This includes all forms of compensation.
- e. A "Contract or Transaction" is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, the establishment of any other type of pecuniary relationship, or review of a charitable organization by CWP. The making of a gift to CWP is not a Contract or Transaction.

#### 2. **Conflict of Interest Defined.** For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest:

- a. **Outside Interests.**
  - i. A Contract or Transaction between CWP and a Responsible Person or Family Member.
  - ii. A Contract or Transaction between CWP and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is a director, officer, employee, agent, partner, associate,

trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative.

b. Outside Activities.

- i. A Responsible Person doing or seeking to do business with or competing with CWP in the rendering of services or in any other Contract or Transaction with a third party.
- ii. Responsible Person's having a Material Financial Interest in; or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative of, or consultant to, an entity or individual that does or is seeking to do business with or competes with CWP in the provision of services or in any other Contract or Transaction with a third party.

c. Gifts, Gratuities and Entertainment. A Responsible Person accepting gifts, entertainment or other favors from any individual or entity that:

- i. does or is seeking to do business with, or is a competitor of CWP; or
- ii. has received, is receiving or is seeking to receive a loan or grant, or to secure other financial commitments from CWP;
- iii. is a charitable, tax-exempt or non-profit organization as defined pursuant to state or federal law;
- iv. under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value which are not related to any particular transaction or activity of CWP. The Chairperson of the Board of Directors shall determine the scope of nominal or insignificant value for the purposes herein.

**3. Procedures.**

- a. Prior to board or committee action on a Contract or Transaction involving a Conflict of Interest, a director or committee member having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.
- b. A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chairperson of the meeting all facts material to the Conflict of Interest. The chairperson shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- c. A person who has a Conflict of Interest shall not participate in or be permitted to hear the board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- d. A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote on the Contract or Transaction and shall not be present in the meeting.

room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the Board of Directors of CWP has a Conflict of Interest when he or she stands for election as an officer of the Board of Directors.

- e. Responsible Persons who are not members of the Board of Directors of CWP or committee members of Committees of the Board of Directors of CWP, or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of Board or committee action, shall disclose to the Chairperson of the Board of Directors or the Chief Executive Officer any Conflict of Interest that such Responsible Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Responsible Person. The Responsible Person shall refrain from any action that may affect CWP's participation in such Contract or Transaction. In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the Chairperson or the Chief Executive Officer, who shall determine whether there exists a Conflict of Interest that is subject to this policy.
4. **Confidentiality.** Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of CWP. Furthermore, a Responsible Person shall not disclose or use information relating to the business of CWP for the personal profit or advantage of the Responsible Person or a Family Member.
5. **Review of policy.**
- a. Each new Responsible Person shall be required to review a copy of this policy and to acknowledge in writing that he or she has done so and will abide by the provisions herein.
  - b. Each Responsible Person shall annually complete a disclosure form identifying any relationships, positions or circumstances in which the Responsible Person is involved that he or she believes could give rise to a Conflict of Interest or the appearance of a Conflict of Interest. Such relationships, positions or circumstances might include service as a director of or consultant to a tax-exempt or nonprofit organization, or ownership of a business that might provide goods or services to CWP. Any such information regarding business interests of a Responsible Person or a Family Member shall be treated as confidential and shall generally be made available only to the Chairperson, the Chief Executive Officer, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.
  - c. This policy shall be reviewed annually by each member of the Board of Directors. Any changes to the policy shall be communicated immediately to all Responsible Persons.

CAPITAL WORKFORCE PARTNERS, INC.

**Conflict of Interest Agreement and Disclosure Form**

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Please describe below any relationships, positions, or circumstances in which you are involved that you believe could contribute to or give rise to a Conflict of Interest or the appearance of a Conflict of Interest, as such is defined in CWP's Conflict of Interest Policy.

I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed, and agree to abide by, the Conflict of Interest Policy of Capital Workforce Partners, Inc. (CWP) that is currently in effect.

I further agree to adhere to the following principle as a Senior Management Employee, Officer, Committee Member or Member of the Board of Directors of CWP:

The proper governance of CWP depends upon the Senior Management Employees, Officers, Directors and Committee Members of the Board of Directors who are either employed by or give their time for the benefit of CWP. These relationships carry with it a requirement of loyalty and fidelity to CWP. It is the responsibility of the Senior Management Employees of CWP and the Officers, Directors and Committee Members of the Board of Directors to govern the affairs of CWP with honesty and integrity, exercising the best care, skill and judgment for the benefit of CWP.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_