

## AISH GLOBAL, INC.

### CONFLICT OF INTEREST POLICY

#### Article I: Purpose

Each officer, director and key person of AISH GLOBAL, INC. (the “Organization”) has a fiduciary duty to the Organization. This duty requires that, while serving the Organization, those persons administer the affairs of the Organization honestly, prudently, and in good faith. They must not use their position within the Organization or knowledge gained therefrom to confer an improper personal benefit on themselves or other persons, but must give priority to the Organization’s interest in all actions and decisions.

A conflict of interest exists when a director, officer, or key person of the Organization has a private interest in a transaction or arrangement contemplated by the Organization which could improperly influence their judgment with respect to the Organization’s best interests. The purpose of this Conflict of Interest Policy (the “Policy”) is to protect the interests of the Organization when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, or key person of the Organization. This Policy is intended to supplement, but not replace, any applicable state laws governing conflicts of interest applicable to nonprofit and tax-exempt organizations. A committee of the board comprised solely of Disinterested Directors and designated to oversee this policy (the “Conflict Oversight Committee”) has responsibility for overseeing the implementation of, and compliance with this policy. When reviewing a conflict or potential conflict, only the directors who are disinterested with respect to the transaction at issue shall participate.

#### Article II: Definitions

**Affiliate.** An affiliate is any entity controlled by or in control of the Organization.

**Compensation.** Compensation includes direct and indirect remuneration, including salary and benefits, as well as gifts or favors that are substantial in nature. A gift will be deemed insubstantial if it is equal to or less than \$250 in value.

**Disinterested Director.** A Disinterested Director is any director who does not have a Financial Interest in the proposed transaction currently under consideration by the board.

**Financial Interest.** A person has a Financial Interest in a transaction where he or she has, either personally or through a Related Entity or Relative:

1. An existing or potential ownership or investment interest in any entity with which the Organization has, or is negotiating, a transaction or arrangement. Nominal ownership interests and de minimis amounts of stock in publicly traded companies are not considered a Financial Interest.

2. An existing or potential compensation arrangement with the Organization or with any entity or individual with which the Organization has, or is negotiating, a transaction or arrangement.

A Financial Interest is not necessarily a conflict of interest. A conflict of interest exists only where the board so determines, in accordance with the procedures set forth in Article IV.

**Insider.** An Insider is any person who is, or was at any time during the 5-year period ending on the date of the Related Party Transaction under consideration, a director, officer, or Key Person of the Organization, or of any Affiliate of the Organization, and any other person who exercises the powers of directors, officers, or Key Persons over the affairs of the Organization or any Affiliate of the Organization.

**Key Person.** A Key Person is any person, other than an officer or director of the Organization, whether or not an employee of the Organization, who (i) has responsibilities, or exercises powers or influence over the Organization as a whole similar to the responsibilities, powers, or influence of directors and officers; (ii) manages the Organization, or a segment of the Organization that represents a substantial portion of the activities, assets, income or expenses of the Organization; or (iii) alone or with others controls or determines a substantial portion of the Organization's capital expenditures or operating budget.

**Related Entity.** A Related Entity is any entity in which an Insider possesses, individually, or with any other Insider, more than a 35% ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.

**Related Party.** A Related Party is (i) any Insider; (ii) any Relative of any Insider; or (iii) any Related Entity.

**Relative.** Relatives include an individual's spouse or domestic partner; ancestors (e.g., parents, step-parents, grandparents, and step-grandparents); brothers and sisters (whether whole or half-blood); children, grandchildren, and great-grandchildren (whether whole or half-blood or adopted); and spouses or domestic partners of brothers, sisters, children, grandchildren, and great-grandchildren; as domestic partner is defined in Section 2994-a of the New York Public Health Law.

**Related Party Transaction.** A Related Party Transaction is any transaction in which a Related Party has a Financial Interest and in which the Organization or any affiliate of the Organization is a participant, except that a transaction shall not be a related party transaction if:

- (i) the transaction or the related party's financial interest in the transaction is *de minimis*;
- (ii) the transaction would not customarily be reviewed by the board or boards of similar organizations in the ordinary course of business and is available to others on the same or similar terms; or

(iii) the transaction constitutes a benefit provided to a related party solely as a member of a class of the beneficiaries that the Organization intends to benefit as part of the accomplishment of its mission which benefit is available to all similarly situated members of the same class on the same terms.

### **Article III: Duty to Disclose**

**Duty to Disclose.** If an Insider becomes aware that he or she, or any of his or her Relatives or Related Entities, has a Financial Interest in a proposed or actual Related Party Transaction, the Insider must disclose to the Conflict Oversight Committee the existence of the Financial Interest and all material facts.

**Failure to Disclose.** If the Conflict Oversight Committee has reasonable cause to believe that an Insider has failed to disclose his or her Financial Interest, or that of his or her Relative or Related Entity, in any proposed Related Party Transaction, it will afford him or her an opportunity to explain the alleged failure to disclose and it will investigate as warranted by the circumstances. If the Conflict Oversight Committee determines the Insider has failed to make the disclosures required under this Policy, it will take appropriate disciplinary and corrective action in consultation with outside legal counsel, as necessary.

### **Article IV: Review and Approval Procedures**

If the board becomes aware of, or an Insider brings to the attention of the board or the Conflict Oversight Committee, a transaction or potential transaction that could constitute a conflict of interest but which does not fall within the definition of a Related Party Transaction, the Conflict Oversight Committee shall determine if such transaction is a conflict of interest. If the Conflict Oversight Committee so determines, the Conflict Oversight Committee shall review the transaction in accordance with the procedures of the Policy, where any references to a Related Party Transaction or Related Party shall apply to the conflict of interest and Insider, respectively, with respect to such transaction.

All transactions reviewed under this Policy shall be addressed in accordance with the following procedures:

1. The Board Chair shall, if appropriate, appoint a Conflict Oversight Committee of Disinterested Directors to investigate alternatives to the proposed Related Party Transaction. Where the Related Party's Financial Interest is substantial, as determined by the board in its reasonable discretion, the board is required to investigate alternatives to the proposed Related Party Transaction to the extent available.
2. Any Insider or Related Party who has a Financial Interest in a Related Party Transaction under consideration by the Conflict Oversight Committee may make a presentation to the Conflict Oversight Committee. However, they shall not be present for the deliberation or voting on the matter, and may not attempt to improperly influence the deliberation or vote.

3. If alternatives are investigated pursuant to Article IV, Section 1 hereof (including all Related Party Transactions that are substantial), after exercising due diligence, and after hearing from the Insider or Related Party having a Financial Interest in the Related Party Transaction under consideration, the Disinterested Directors shall determine in good faith whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that is not a Related Party, and thus would not give rise to a conflict of interest.
4. The Conflict Oversight Committee shall determine by a majority vote of the Disinterested Directors present whether to approve the Related Party Transaction. Any transaction or potential transaction subject to this Policy, including any Related Party Transaction, may only be approved if the Conflict Oversight Committee determines that the Related Party Transaction is in the Organization's best interest, for its own benefit, and fair and reasonable to the Organization. The Conflict Oversight Committee shall report all determinations pertaining to potential or actual conflicts of interest to the full board. Nothing in this Policy is intended to prevent the Conflict Oversight Committee from referring a potential or actual conflict of interest to the full board for review, if the circumstances warrant.

#### **Article V: Records of Proceedings**

The minutes of the meeting of the Conflict Oversight Committee at which any Related Party Transaction is addressed shall contain:

1. The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with a Related Party Transaction, the nature of the Financial Interest in such transaction, any action taken to determine whether the Financial Interest is substantial, and any action taken to determine if a Related Party Transaction involving an insubstantial Financial Interest constitutes a conflict of interest.

2. The names of the persons who were present for discussions and votes relating to the Related Party Transaction, the fact that the Related Party and any Insider associated with the Related Party were not present for the deliberations or voting, the content of the discussion, including the objective information upon which the Disinterested Directors relied in reaching their conclusion, alternatives to the proposed Related Party Transaction that were examined and discussed, and a record of any votes taken in connection therewith.

#### **Article VI: Compensation**

1. A voting board member who receives Compensation for services from the Organization, whether directly or indirectly, and any other voting board member who is that voting board member's Relative, is precluded from voting on matters pertaining to that voting board member's Compensation.

2. A voting member of any committee whose jurisdiction includes Compensation matters and who receives Compensation from the Organization for services,

whether directly or indirectly is precluded from voting on matters pertaining to his/her Compensation or the Compensation of any more senior staff executive of the Organization.

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

4. Notwithstanding anything in this Article to the contrary, no voting member of the board is prohibited from deliberating or voting concerning Compensation for service on the board that is to be made available or provided to all directors on the same or substantially similar terms.

### **Article VII: Annual Statements**

Each director, officer, and Key Person shall, prior to assuming such position, and annually thereafter, complete, sign, and submit a disclosure statement identifying, to the best of the person's knowledge, any entity of which such person is an officer, director, trustee, member, owner (either as sole proprietor or a partner), or employee, and with which the Organization has a relationship, and any transaction in which the Organization is a participant and in which the person might have a conflicting interest. The statement shall also affirm that such person-

1. has received a copy of this Conflict of Interest Policy,
2. has read and understands this Policy,
3. has agreed to comply with this Policy, and
4. understands that the Organization is a tax-exempt organization and that, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

### **Article VIII: Periodic Reviews**

To ensure that the Organization operates in a manner consistent with its tax-exempt purposes and does not engage in activities that could jeopardize its status as a 501(c)(3) tax-exempt organization, Conflict Oversight Committee shall ensure that periodic reviews are conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether Compensation arrangements are reasonable, based on competent survey information, and the result of arm's length bargaining.
2. Whether acquisitions of services result in inurement to any Insider or any impermissible private benefit.

3. Whether partnerships and joint ventures, and arrangements with management service organizations, conform to written policies, if any, are properly recorded, reflect reasonable investment or payments for goods and services, further the Organization's tax-exempt purposes, and do not result in inurement to any Insider, impermissible private benefit, or an excess benefit transaction.
4. Whether agreements to provide goods or services to the Organization further the Organization's tax-exempt purposes and do not result in inurement to any Insider, any impermissible private benefit, or an excess benefit transaction.

When conducting these periodic reviews, the Conflict Oversight Committee may, but need not, use outside advisors and/or experts. If outside advisors and/or experts are used, their use shall not relieve the directors of their responsibility for ensuring that periodic reviews are conducted, and determining from these findings whether to continue in existing contracts or seek new proposals.

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