

THOMAS B. FORDHAM FOUNDATION

CONFLICT OF INTEREST POLICY AND STATEMENT

Each person serving as a Trustee on the Board of Trustees or on a committee established thereunder has a fiduciary duty of loyalty to the Thomas B. Fordham Foundation (“the Foundation”). This duty manifests itself in the requirements to avoid conflicts of interest and to deal openly and fairly with the Foundation with respect to matters which are conflicts of interest. Each Trustee also is expected to avoid actions or situations that create the appearance of a conflict of interest. As used in this Policy and Statement the term “Trustee” includes members, the Board of Trustees and any board committee of the Foundation who may not be actual Trustees.

CONFLICT OF INTEREST

An actual or potential conflict of interest is present whenever a Trustee has a direct or indirect business, professional, financial or personal interest (including non-financial interests) in any existing or proposed relationship which may be reasonably likely to impact or affect the Foundation (including a potential adverse impact on the public and professional image of the Foundation) or in any existing or proposed contract, investment, action or transaction to which the Foundation is or may be a party or participant.

Whenever a Trustee proposes that the Trustee or the Foundation enter into or undertake a relationship or a contract, investment, action or transaction presenting an actual or potential conflict of interest, the material facts of such a conflict must be fully disclosed to the Foundation Board of Trustees.

Disclosure of the material facts concerning a Trustee’s proposed relationship or interest in a proposed contract, investment, action or transaction, will permit the Foundation Board of Trustees to evaluate the fairness of the proposed relationship or interest to the Foundation. Such disclosure will also permit the Foundation Board of Trustees to assess the potential impact of the proposed relationship or interest on the public and professional image of the Foundation.

Neither the Foundation nor any interested Trustee shall enter into or undertake any relationship or interest involving an actual or potential conflict of interest until the disinterested Trustees shall have reviewed and assessed the fairness of the proposed relationship or contract, investment, action or transaction to the Foundation and shall have approved it as fair. A majority vote of the disinterested Foundation Trustees, whether or not such disinterested Foundation Trustees constitute a quorum, shall be required to approve such a relationship or contract, investment, action or transaction.

In deciding whether to give such approval the Foundation Trustees shall consider:

(1) the extent to which any Trustee or member of any Trustee's immediate family or a business associate of any Trustee would benefit directly or indirectly, financial or otherwise, from such approval;

(2) the potential that differences of view could arise between the Foundation and any Trustee in the course of the proposed relationship or contract, investment, action or transaction;

(3) the availability to the Foundation of advantageous alternatives that would not present actual or potential conflicts of interest;

(4) the extent to which the Foundation resources would be committed actually or potentially to the proposed relationship or contract, investment, action or transaction; and

(5) all other factors deemed relevant by the Foundation Board of Trustees.

Trustees shall have the opportunity to recuse themselves from any deliberations involving a community school under consideration for sponsorship by the Foundation if the Trustee serves in any official capacity on behalf of a community school, there is a financial benefit to be received from such a community school by the Trustee or a member of the Trustee's immediate family or a business associate of the Trustee.

ANNUAL CONFLICT OF INTEREST DISCLOSURE STATEMENT

A Conflict of Interest Disclosure and Certification Statement shall be completed and signed by each Trustee on an annual basis and returned to the Secretary of the Foundation.