

CHADD

Conflicts of Interest Policy

Article I

Purpose

The purpose of this conflicts of interest policy is to protect Children and Adults with Attention Deficit/Hyperactivity Disorder's ("CHADD") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, or senior manager of CHADD. It is also intended to address situations in which directors may have a duality of interest. This policy is intended to supplement but not replace any applicable state law governing conflicts of interest applicable to nonprofit and tax-exempt organizations.

Article II

Definitions

1. Interested Person

Any director, officer, member of a board committee, or senior manager who has a direct or indirect financial interest with CHADD, or who has a dual interest that may affect CHADD, as defined below, is an interested person. The Board of Directors shall determine from time to time which employees and independent contractors of CHADD are senior managers for purposes of this policy.

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 CHADD has a transaction or arrangement, or

b. a compensation arrangement with CHADD or with any entity or individual with which CHADD has a transaction or arrangement, or

c. an ownership or investment interest in, or compensation arrangement with, any entity or individual with which CHADD is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

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 or committee or disinterested director decides that a conflict of interest exists.

3. Duality of Interest

A person has a duality of interest if the person, directly or indirectly or through a family member, serves in a substantial leadership role with another organization whose interests may be adverse to, in conflict with, or in competition with those of CHADD. A substantial leadership role would include serving on a governing body or advisory body to the organization or having a prominent public connection with the organization. A duality of interest is not necessarily a conflict of interest. In some cases, it may be to the advantage of CHADD for a director to have a substantial leadership role with another organization. Under Article III, Section 2, a person who has a dual interest may have a conflict of interest only if the appropriate board or committee or disinterested director decides that a conflict of interest exists.

Article III

Procedures

1. Duty to Disclose

In connection with any actual or possible financial conflicts of interest or dual interest, an interested person must disclose the existence of his or her financial interest or dual interest and all material facts to the Board of Directors or members of committees considering the proposed transaction or arrangement or interest. The disclosure required by this section shall be in writing, on a form prescribed by the Board, and shall be submitted no less frequently than annually. Disclosure forms shall be updated on an interim basis by the interested person whenever there has been a material change in the underlying facts and circumstances.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest or dual interest and all material facts, and after any discussion with the interested person desired by the Board or committee, he or she shall leave the board or committee meeting if requested by the disinterested director(s) while the determination of a conflict of interest is considered and voted upon. The remaining disinterested director(s) shall decide if a conflict of interest exists. If a conflict of interest is found to exist, it shall be addressed as set forth below. If no conflict of interest is found to exist, the transaction or arrangement or dual interest may be approved by the Board if it is fair and reasonable and in the best interests of CHADD.

3. Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the Board or committee meeting, but after such presentation he/she shall, if requested by the disinterested director(s), leave the meeting during the consideration of, and the vote on, the transaction or arrangement or dual interest that results in the conflict of interest.

b. The remaining disinterested director(s) shall consider the conflict and its effect on CHADD. The remaining disinterested director(s) may, if deemed appropriate, appoint one or more additional disinterested persons or a disinterested committee to investigate alternatives to the proposed transaction or arrangement.

c. After consideration and exercising any due diligence that may be necessary or appropriate, the remaining disinterested director(s) shall determine whether the conflict is sufficiently insubstantial that it may be waived. If the remaining disinterested director(s) determine(s) that further inquiry is appropriate, said director(s) may proceed to determine whether CHADD can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest or, in the case of a dual interest, whether one of the dual interests must be eliminated.

d. If a more advantageous transaction or arrangement, or a mitigation of the dual interest, is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the disinterested director(s) shall determine whether the transaction or arrangement or dual interest is fair and reasonable and in CHADD's best interests and shall make a decision as to whether to enter into the transaction or arrangement, or permit the dual interest to continue, in conformity with such determination.

4. Violations of the Conflicts of Interest Policy

a. If the Board or committee has reasonable cause to believe that an individual subject to this policy has failed to disclose actual or possible conflicts of interest, it shall inform the individual of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose.

b. If, after hearing the response of the individual and making such further investigation as may be warranted under the circumstances, the Board or committee determines that the individual has in fact failed to disclose an actual or possible conflict of interest without good cause, it shall take appropriate disciplinary and corrective action.

Article IV

Records of Proceedings

The minutes of the Board and all committees shall contain--

1. the names of the persons who disclosed or otherwise were found to have a financial interest or dual interest in connection with an actual or possible conflict of interest, the nature of the financial or dual interest, any action taken to determine whether a conflict of interest was present, and the remaining disinterested director(s) decision as to whether a conflict of interest in fact existed.
2. the names of the persons who were present for consideration and votes relating to the transaction or arrangement or dual interest, the content of the consideration, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

Article V

Annual Statements

Each director, officer, member of a Board committee, and senior manager of CHADD shall annually sign a statement which affirms that such person--

- a. has received a copy of the conflicts of interest policy,
- b. has read and understands the policy,
- c. has agreed to comply with the policy, and
- d. understands CHADD is charitable and 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 VI

Periodic Reviews

To ensure CHADD 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 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 CHADD'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 VII

Use of Outside Experts

When conducting the periodic reviews as provided for in Article VI, CHADD may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

ADOPTED: May 6, 2010

EFFECTIVE DATE: Effective with new board of directors term of office, July 1, 2010.