Conflict of Interest Policy

I. Reason for Policy

Worldwide Orphans Foundation (“WWO”), as a nonprofit, tax-exempt organization, depends on charitable contributions from the public. Maintenance of its tax-exempt status is important both for its continued financial stability and for the receipt of contributions and public support. Therefore, the operations of WWO must fulfill all legal requirements necessary to maintain WWO’s tax-exempt status. WWO’s operations also depend on the public trust and thus are subject to scrutiny by and accountability to both governmental authorities and members of the public.

Consequently, there exists between WWO and its board, officers, and management employees a fiduciary duty that carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and management employees have the responsibility of administering the affairs of WWO honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of WWO. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with WWO or knowledge gained there from for their personal benefit. The interests of WWO must have the first priority in all such decisions and actions.

II. Persons Concerned

This policy applies not only to board members and officers, but to all employees who can influence the actions of WWO. For example, this includes all who make purchasing decisions, all other persons who might be described as “management personnel,” and all who have proprietary information concerning WWO.

III. Key Areas in Which Conflict May Arise

Conflicts of interest may arise in the relations of directors, officers, and management employees with any of the following third parties:

- Persons and firms supplying goods and services to WWO
- Persons and firms from whom WWO leases property and equipment
- Persons and firms with whom WWO is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property
- Competing or affinity organizations, including organizations or firms with whom WWO is considering or has a partnership
- Donors and others supporting WWO
- Recipients of grants or funds from WWO
- Other agencies, organizations, and associations that affect the operations of WWO
- Family members, friends, and other employees

IV. Nature of Conflicting Interest

A material conflicting interest may be defined as an interest, direct or indirect, with any persons and firms mentioned in Section III. Such an interest might arise, for example, through:
1. Owning stock or holding debt or other proprietary interests in any third party dealing with WWO
2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) by any third party dealing with WWO
3. Receiving remuneration for services with respect to individual transactions involving WWO
4. Using WWO’s time, personnel, equipment, supplies, or good will other than for approved WWO activities, programs, and purposes
5. Receiving personal gifts or loans from third parties dealing with WWO. Receipt of any gift is disapproved except gifts of nominal value that could not be refused without discourtesy. No personal gift of money should ever be accepted.

V. Interpretation of This Policy

The areas where conflicting interests might arise listed in Section IV, and persons with whom dealings may give rise to conflict, as listed in Section III, are not exhaustive. Conceivably, conflicts might arise in other areas or through other relations. It is assumed that the directors, officers, and management employees of WWO will recognize such areas and relations by analogy.

The fact that one of the interests described in Section IV exists does not mean necessarily that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material that upon full disclosure of all relevant facts and circumstances that it is necessarily adverse to the interests of WWO.

However, it is the policy of the board that the existence of any material conflicts of interest shall be disclosed on a timely basis and always before any transaction is consummated. It shall be the continuing responsibility of board members, officers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to promptly make such disclosures. To that end, each board member, officer and management employee of WWO is required to complete a Disclosure Statement in the form attached as Annex A to this policy and to promptly inform the chair of the board of any change in the information contained in such statement.

VI. Disclosure Policy and Procedure

Disclosure should be made according to WWO standards. Transactions with related parties may be undertaken only if all of the following are observed:

1. If material, the transaction and the relationship with the related party is fully disclosed in the audited financial statements of WWO;
2. The related party is excluded from the discussion and approval of such transaction; and
3. WWO’s board has acted upon and demonstrated that the transaction is in the best interest of WWO.

Staff disclosures should be made to the chief executive (or if he or she is the one with the conflict, then to the chair of the board), who shall determine whether a conflict exists and is material, and if the matters are material, bring them to the attention of the board. Disclosure involving directors should be made to the chair of the board.
Upon disclosure of a potential conflict of interest, the board shall determine:

1. Whether a conflict exists and is material;
2. In the presence of an existing material conflict, the board shall conduct due diligence to determine whether WWO 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; and
3. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in WWO’s best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

Annex A

WORLDWIDE ORPHANS FOUNDATION
CONFLICT-OF-INTEREST DISCLOSURE STATEMENT

Please initial in the space at the end of Item A or complete Item B, whichever is appropriate; complete the balance of the form; sign and date the statement; and return it to the chair of the Board of Worldwide Orphans Foundation (“WWO”).

A. I am not aware of any relationship or interest or situation involving my family or myself that might result in, or give the appearance of being, a conflict of interest between such family member or me on one hand and WWO on the other. Initials: _______

B. The following are relationships, interests, or situations involving me or a member of my family that I consider might result in or appear to be an actual, apparent, or potential conflict of interest between such family members or myself on one hand and WWO on the other. Initials: _______

Corporate (either nonprofit or for-profit) directorships, positions, and employment:

________________________________________________________________________

Memberships in the following organizations:

________________________________________________________________________

Contracts, business activities, and investments with or in the following organizations:

________________________________________________________________________

Dealings with, or interests in persons with dealings with, WWO other than my providing services in my capacity as a board member, officer or employee (e.g., receiving grants or loans from WWO, providing services for a fee or selling property for remuneration):

________________________________________________________________________
Other relationships and activities:

________________________________________________________________________

My primary business or occupation at this time:

________________________________________________________________________

I have read and understand WWO’s Conflict-of-Interest Policy and agree to be bound by it. I will promptly inform the chair of the board of WWO of any material change that develops in the information contained in the foregoing statement.

____________________  ___________________  _____________
Type/Print Name       Signature             Date