

BROOKLYN COMMUNITIES COLLABORATIVE, INC.

(a New York Not-For-Profit Corporation)

Conflict of Interest Policy

PURPOSE:

Brooklyn Communities Collaborative, Inc. (“the Collaborative”) aims to ensure that all of its business practices are in compliance with all applicable laws, rules and regulations. The Purpose of this Conflict of Interest Policy (the “Policy”) is to ensure that conflicts of interest are appropriately identified and addressed. Specifically, this Policy is designed to ensure that: (i) members of the Board of Directors (the “Board”, and the “Directors”), (ii) Officers (as defined below), and (iii) Key Persons (as defined below) of the Collaborative understand their duty to disclose actual and potential conflicts of interest.

All Directors, Officers and Key Persons owe a duty of loyalty to the Collaborative. The duty of loyalty requires that they exercise their powers in good faith and in the best interests of the Collaborative, rather than in their own interests or the interests of another person or entity.

This Policy is designed to protect the Collaborative’s interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Director, Officer or Key Person, or might result in a possible Excess Benefit Transaction (defined below). This Policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest.

POLICY:

Directors, Officers and Key Persons must, at all times, refrain from being influenced by personal considerations of any kind in the performance of their duties. Whenever a potential or actual conflict of interest exists, the matter must be fully disclosed as set forth below, and the affected Director(s), Officer(s) and Key Person(s) must refrain from participating in the determination of the transaction until the matter has been resolved as required by this Policy.

All Directors, Officers and Key Persons are expected to read and understand this Policy in order to be alert to situations that may pose potential or actual conflicts of interest.

OVERSIGHT OF THIS CONFLICTS OF INTEREST POLICY:

The adoption and implementation of, and compliance with, this Policy shall be overseen by the Board. The Board may, in its discretion, authorize certain functions relating to the implementation of, and compliance with, this Policy to one or more of the Collaborative’s employees, but shall retain overall responsibility for oversight of this Policy.

DEFINITIONS:

1. Affiliate. The term “Affiliate” means any entity controlled by, in control of, or under common control with the Collaborative.
2. Excess Benefit Transaction. An “Excess Benefit Transaction” is a transaction in which an economic benefit is provided by an applicable tax-exempt organization, directly or indirectly, to or for the use of a person who is in the position to exercise substantial influence over the organization, and the value of the economic benefit provided by the organization exceeds the value of the consideration received by the organization.
3. Key Persons. “Key Person” means any person, other than a Director or Officer, whether or not an employee of the Collaborative, who (i) has responsibilities, or exercises powers or influence over the Collaborative as a whole similar to the responsibilities, powers, or influence of Directors and Officers; (ii) manages the Collaborative, or a segment of the Collaborative that represents a substantial portion of the activities, assets, income or expenses of the Collaborative; or (iii) alone or with others controls or determines a substantial portion of the Collaborative’s capital expenditures or operating budget.
4. Officer. The term “Officer” means those individuals defined as Officers in the bylaws of the Collaborative, and those who are otherwise appointed as Officers of the Collaborative, in accordance with the bylaws.
5. Related Party. The term “Related Party” means (a) any Director, Officer or Key Person; (b) any Relative of any Director, Officer or Key Person; or (c) any entity in which such individual has a thirty-five percent (35%) or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent (5%).
6. Related Party Transaction. The term “Related Party Transaction” means any transaction, agreement or any other arrangement in which a Related Party has a financial interest and in which the Collaborative or any Affiliate of the Collaborative 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 Collaborative 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.
7. Relative. The term “Relative” means (a) spouses, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great grandchildren, and spouses of brothers, sisters, children,

grandchildren and great-grandchildren; or (b) domestic partners as defined in New York Public Health Law § 2994-a.

8. Vendors. The term “Vendors” includes vendors, suppliers, consultants, other care providers, referral sources, manufacturers, payors and other third parties seeking to do, or that are currently engaged in, business with the Collaborative.

PROCEDURE:

1. Disclosable Conflicts of Interest/Related Party Transactions

Directors, Officers and Key Persons have a disclosable conflict of interest if an actual or potential conflict exists between (1) the Director, Officer or Key Person’s duty to act in the best interests of the Collaborative, and (2) the interests of the Director, Officer or Key Person in personal gain or benefit for himself/herself or another third party. Directors, Officers and Key Persons also have a disclosable conflict of interest if they are involved in a Related Party Transaction.

Although it is impossible to list every circumstance giving rise to a conflict of interest, the following list includes examples of the more common categories of disclosable interests. There is an actual or potential disclosable interest if a Director, Officer or Key Person or his/her Relative:

- (a) Relationships with Vendors. Has any financial interest in a Vendor; is a member, owner, Director, or Officer of a Vendor; or has a contractual or employment relationship with a Vendor.
- (b) Relationships with Competitors. Has any financial interest in a Competitor; is a member, owner, Director, or Officer of a Competitor; or has a contractual or employment relationship with a Competitor.
- (c) Director of Other Governing Boards. Serves as a member of the governing board or Officer of another organization which does business with the Collaborative, or refers business to or from the Collaborative. The foregoing shall not include service on the governing board of any such corporation when the Directors, Officer or Key Person is requested to engage in such service by the Board of the Collaborative.
- (d) Relationships Between Directors or Between Directors and Officers. Has any family or business relationship with another Director or Officer of the Collaborative. A business relationship with a Director or Officer includes (i) direct business relationships, (ii) indirect business relationships through or between entities of which either or both parties is a member, owner, Director, or Officer, and (iii) co-ownership in an enterprise.
- (e) Related Party Transaction. Has, or has a Relative who has, a thirty-five percent (35%) or greater ownership or beneficial interest in an entity (or, in the case of a partnership or professional corporation, has a direct or indirect ownership interest in excess of five percent (5%)) that engages in a transaction or has an agreement or any other arrangement with Coalition.

2. Disclosure Requirements.

- (a) Disclosure Statements. Prior to the initial election of any Director or Officer, or the initial hiring of any Key Employee, such Director, Officer, or Key Employee shall complete, sign and submit to the Secretary of the Collaborative, or the Secretary's designee, a written Conflict of Interest Disclosure Statement ("Disclosure Statement") in the form and substance of Disclosure Statement attached to this Policy. All such statements will be filed with the Collaborative's Board Secretary. Thereafter, each Director, Officer, or Key Employee will file Disclosure Statements annually. For Directors, the Disclosure Statement will specifically include, among other disclosable conflicts of interest, a statement identifying, to the best of the Director's knowledge, any entity of which he/she/they is an Officer, Director, member, owner (either as a sole proprietor or a partner), or employee and with which the Collaborative has a relationship, and any transaction in which the Collaborative is a participant.
- (b) Continuing Obligation to Update Annual Statement. Directors, Officers and Key Persons have an affirmative obligation to update their annual Disclosure Statements whenever new information arises that is required to be stated in the annual Disclosure Statement.
- (c) Disclosure to Board. The Board Secretary will provide a copy of all completed statements to the Chair of the Board.

If a Director, Officer or Key Person is unsure if they have an actual or potential conflict of interest, they should err on the side of disclosure and file a Disclosure Statement.

3. Procedures for Addressing Potential and Actual Conflicts of Interest

- (a) Review by the Board. All completed Disclosure Statements and all other disclosures of disclosable conflicts of interest that raise an actual or potential conflict of interest, or that create the appearance of an actual or potential conflict of interest, will be reviewed by the Board. In so doing, the Board:
 - (i) Will consider all relevant facts and circumstances involved in the matter, and in particular, what is fair, reasonable and in the best interests of the Collaborative.
 - (ii) Will exclude the affected individual(s) from being present at or participating in the deliberations or voting on the matter.
 - (iii) Will prohibit the affected individual(s) from any attempt to influence the deliberations or voting on the matter.

- (iv) Will permit the affected individual(s), upon request of the Board, to present information concerning the matter at a meeting prior to commencement of deliberations or voting on the matter.

(b) Determination by the Board

- (i) The Board will make a final and binding determination as to whether a conflict of interest exists or may exist, and what course the Collaborative will take in connection with the matter before it.
- (ii) The Board will contemporaneously document in writing in appropriate minutes of any meeting at which the matter is discussed or voted upon all deliberations and determinations relating thereto, to include, at minimum, a summary of the matter, a summary of the discussion, consideration of any alternatives, the meeting attendees, the vote taken, and the basis for the determination, including, but not necessarily limited to, whether the matter is as fair and reasonable to the Collaborative.
- (iii) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine whether the transaction or arrangement is in the Collaborative's best interest, for its own benefit, and whether it is fair and reasonable. Based on such determination, the Board will make its decision about whether or not to enter into the transaction or arrangement.

(c) Special Rules for Related Party Transactions

In addition to the general considerations outlined above, all Related Party Transactions are subject to the following additional special rules:

- (i) The Collaborative may not enter into a Related Party Transaction unless the transaction is determined to be fair, reasonable and in the Collaborative's best interest at the time of the determination.
- (ii) In considering the Related Party Transaction, the Board shall ensure that any Director, Officer or Key Person who has an interest in the Related Party Transaction has disclosed in good faith all material facts concerning such interest.
- (iii) No Related Party may participate in the deliberations or voting relating to any Related Party Transaction. However, the Board may request that a Related Party present information concerning a Related Party Transaction at a meeting prior to the commencement of deliberations or voting relating thereto.

With respect to any Related Party Transaction involving the Collaborative and in which a Related Party has a substantial financial interest, in addition to the considerations outlined above, the following shall also apply:

- (i) Prior to entering into the transaction, the Board shall consider alternative transactions to the extent available.
 - (ii) The transaction must be approved by not less than a majority vote of the Independent Directors present at the meeting.
 - (iii) The Board will contemporaneously document in written minutes the basis for its approval or disapproval, including its consideration of any alternative transactions.
- (d) Violations of this Policy. If the Board, or counsel, has reasonable cause to believe that a Director, Officer or Key Person has failed to disclose an actual or possible conflict of interest, it shall inform the Director, Officer or Key Person of the basis for such belief and afford the Director, Officer or Key Person an opportunity to explain the alleged failure to disclose. If, after hearing the Director, Officer or Key Person's response and performing additional investigation as may be necessary, the Board determines that the Director, Officer or Key Person has failed to disclose an actual or potential conflict of interest, it shall take appropriate disciplinary and corrective action.
- (e) Records of Proceedings. The minutes of the Board meetings, or meetings of any Committee thereof engaging in Conflict of Interest discussions, shall contain:
- (i) The names of the persons who disclosed, or were determined to have, a financial interest in connection with an actual or potential conflict of interest, the nature of the financial interest, any action taken to determine if a conflict existed, and the final decision about whether a conflict existed; and
 - (ii) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken.
 - (iii) The Secretary of the Collaborative's Board shall review and maintain for a period of five (5) years all meeting minutes where a conflict of interest is discussed and voted on.
- (f) Annual Statements. As part of the Annual Disclosure Statement, each Director, Officer and Key Person shall sign an statement that affirms that he/she/they:

- (i) Has received a copy of this Policy;
- (ii) Has read and understands this Policy;
- (iii) Agrees to comply with this Policy; and
- (iv) Understands that the Collaborative is a charitable organization 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.