



**CONFLICT OF INTEREST POLICY
FOR
BOARD MEMBERS**

GLOBAL ALLIANCE FOR IMPROVED NUTRITION
CONFLICT OF INTEREST POLICY FOR BOARD MEMBERS

1. PURPOSE

The purpose of this Conflict of Interest Policy (the “Policy”) is to protect the interests of the Global Alliance for Improved Nutrition (“GAIN”) in connection with any transaction, arrangement, or policy that might benefit the private interests of any Covered Person, as defined below. This Policy provides (i) a systematic mechanism for disclosing and evaluating potential and actual conflicts; and (ii) procedures for the Board, or a committee with Board-delegated authority, in considering any transaction or arrangement where a conflict may exist. This Policy is intended to supplement, but not replace, any applicable federal or cantonal laws governing conflicts of interest applicable to Swiss nonprofit foundations, if any.

2. PERSONS COVERED BY THE POLICY

This Policy addresses transactions, arrangements and policies involving: GAIN’s Board members, ex officio Board members, observers and guests (as defined in GAIN’s Statutes); members of any committee of GAIN’s Board with authority to act on behalf of the Board; and any person representing any of the latter persons in their absence, either in person at a Board meeting or via any other communication means (“Covered Persons”). It is expressly stated that Covered Persons under this Policy do not get compensated in any manner whatsoever for their assignment at the GAIN Board. Every Covered Person shall sign a statement that affirms that he or she has received a copy of this Policy, has read and understands it, and has agreed to comply with it, and shall complete the questionnaire attached hereto disclosing his or her actual and potential conflicts of interest on an annual basis.

3. DUTIES OF COVERED PERSONS

- a. Duty of Care.** Every Covered Person shall perform his or her duties for GAIN in good faith and with the degree of care that an ordinarily prudent person would exercise under similar circumstances.
- b. Duty of Loyalty.** Every Covered Person must act with loyalty to GAIN, meaning that no Covered Person may use his or her position with GAIN to make personal profit or gain other personal advantage. No Covered Person may personally take advantage of a business opportunity that is offered to GAIN unless the Board

determines (after full disclosure and a disinterested and informed evaluation) not to pursue that opportunity.

- c. Confidentiality.** No Covered Person shall disclose directly or indirectly, any confidential information related to GAIN or any of GAIN's activities, which is designated in writing to be confidential or proprietary, or which would, under the circumstances, appear to a reasonable person to be confidential or proprietary, to any person or entity unless disclosure is authorized in writing by GAIN or required in the performance of his/her duties with GAIN. Upon written request of GAIN, the Covered Person shall return to GAIN, and procure the return from all persons and entities (if any) to whom disclosure has been made, all documents supplied by GAIN and all copies of those documents; for this purpose the term "documents" includes computer discs and all other materials capable of storing data and information; and/or permanently delete or destroy and procure the deletion and destruction by all persons and entities (if any) to whom disclosure has been made, all embodiments of confidential information or any part of it from all electronic methods of storing information.
- d. Conflicts of Interest.** No Covered Person may engage in any transaction or arrangement or undertake positions with other organizations that involve a conflict of interest, except in compliance with this Policy. Covered Persons should avoid both actual conflicts and the appearance of conflicts of interest. Every Covered Person shall:
- (i) Disclose all actual and potential conflicts as set out below at Section 5; and;
 - (ii) Recuse himself or herself from deliberations or voting on any transaction, arrangement, or policy in which he or she has a potential or actual conflict of interest, and shall not be present during the deliberations or when any such vote is taken (provided, however, that any such Covered Person may appear at a meeting to answer questions concerning the transactions, arrangement or policy).

4. CONFLICT OF INTEREST: DEFINITIONS

- a.** A Covered Person may have a conflict of interest with respect to a transaction, arrangement or policy involving GAIN whenever he or she, or any of his or her family members¹:

¹ Family members are defined as a Covered Person's spouse, domestic partner, ancestors, children (including legally adopted children), grandchildren, great grandchildren, and the spouses of children, grandchildren, and great grandchildren, as well as brothers and sisters (whether by whole or half-blood) and their spouses.

- (i) **Financial Interest.** Has or anticipates having any financial interest, including an ownership interest or an investment interest, in or with any entity or individual that (i) sells goods or services to GAIN; (ii) purchases services from GAIN; or (iii) has any other transaction or arrangement with GAIN (the “Contractor”); or
 - (ii) **Personal Interest.** Has or anticipates having a personal interest: if he or she is instrumental in developing a policy or in negotiating a transaction or arrangement on behalf of GAIN that would be brought before the Board or a Board Committee for approval, where such person serves on the Board or a Board Committee; or
 - (iii) **Management Role.** Serves or anticipates serving as a director, trustee, partner or officer of any entity or individual that is a Contractor, as defined above; or
 - (iv) **Positions with Grant Applicants.** Serves or anticipates serving as a director, trustee, or officer of any entity that receives or seeks grant funding from GAIN (the “Grant Applicant”); or
 - (v) **Financial Relationships with Grant Applicants.** Has or anticipates having any financial relationship, including as an employee or a paid consultant, with a Grant Applicant.
- b. Social Responsibility Conflict:** A Covered Person, or a member of his/her immediate family² either individually or through any kind of entity where he or she owns shares, has an investment interest, is serving as a director, trustee, partner, officer, manager, employee or paid consultant, may have a conflict of interest whenever he or she:
- (i) is engaged in the sale, distribution, production or development of armaments, weapons, tobacco or pornography;
 - (ii) sells, distributes or markets baby formula or breastmilk substitutes and/or has been cited for violating the International Code of Marketing Breastmilk Substitutes;
 - (iii) is involved in initiatives, relationships or lobbying efforts that are contradictory to GAIN’s mission, policies, programs or partnership objectives.

² Immediate family members for the purpose of Social Responsibility Conflict are defined as a Covered Person’s spouse, domestic partner, and children (including legally adopted children).

- c.** Conflicts of interest may be deemed to exist when:
- (i) A Covered Person's financial interests, or the interests of a Grant Applicant or a Contractor, could affect the conduct of the Covered Person's duties and responsibilities to GAIN or result in a reasonable perception that such conflict exists;
 - (ii) A Covered Person's actions compromise or undermine the trust that the public places in GAIN;
 - (iii) A Covered Person's actions create the perception that the Covered Person is using his or her position at GAIN for personal benefit or for the direct financial benefit of an entity or individual with which the Covered Person has a financial or personal relationship.
- d. No conflict.** A Covered Person does not have a conflict of interest if the Covered Person owns securities of a publicly traded company with which GAIN has a transaction or arrangement if:
- (i) Such securities are less than 5% of the outstanding securities of the publicly traded company; and
 - (ii) Their fair market value is less than 5% of the Covered Person's annual gross income.

5. DISCLOSURE AND EVALUATION OF CONFLICTS

- a. Disclosure.** Each Covered Person shall fully disclose all material facts of every actual or potential conflict of interest:
- (i) Existing at the time when he/she becomes a Covered Person;
 - (ii) That arises while he/she is a Covered Person, at the time such actual or potential conflict arises; and
 - (iii) Through the Conflict of Interest Questionnaire, a copy of which is attached hereto, in compliance with the provisions of Section 5.b.

All disclosures involving a transaction or arrangement being considered at a meeting of the Board or a committee shall be made to all Board or committee members present at such meeting. All other disclosures shall be made to the Executive Director (who shall disclose his conflicts to the Board). A Covered Person who is in doubt as to the existence of a conflict of interest is encouraged to disclose

all facts pertaining to the transaction or arrangement before undertaking the transaction or arrangement or making any decision in the matter.

b. Conflict Of Interest Questionnaire Disclosure Process. In addition to the provisions of Section 5.a. above, each Covered Person will disclose any actual or potential conflict of interest through the Conflict of Interest Questionnaire attached hereto as follows:

- (i) Each Covered Person will fully complete the Conflict of Interest Questionnaire and return it to the Executive Director. The Questionnaire will need to be fully completed and returned to the Executive Director prior to each renewal of membership appointment;
- (ii) At least 10 days (if possible) prior to each Board meeting, each Covered Person has the duty to update any section of the Conflict of Interest Questionnaire taking into account any conflicts of interest related to a transaction or arrangement being considered at the Board meeting;
- (iii) The Questionnaire will need to be completed and returned to the Executive Director at least 10 days (if possible) prior to the Board meeting by any person representing or accompanying a Board member, ex-officio member, observer or guest.

c. Evaluation.

- (i) The Executive Director will report to the Board, the Finance and Audit Committee or the appropriate Board committee on all conflicts of interest reported to him pursuant to this Policy. Such reporting may be by electronic transmission, e.g., e-mail, with respect to the Finance and Audit Committee or a committee's consideration of a transaction or arrangement in the interim between formal meetings of the Board or committee, or when the Board, the Finance and Audit Committee or a committee is considering taking action by written consent without a meeting. The Board or committee will evaluate the disclosures and the material facts relating to the transaction or arrangement giving rise to the potential conflict of interest to determine whether they involve actual conflicts of interest and may attempt to develop alternatives to remove the conflict from the transaction or arrangement. The Board or committee may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- (ii) A Covered Person who has an actual or potential conflict of interest shall not be present for or shall leave any portion of a meeting at which the Board or a

committee votes to determine whether a conflict exists, but may be present prior to the vote to make a presentation to the Board or committee, to disclose additional facts, or to respond to questions.

- (iii) In any case in which a Covered Person holds a position as a director, trustee, officer, paid consultant or employee of a Grant Applicant, the Covered Person shall not be prohibited from participating in deliberations on matters under consideration by GAIN that will directly or indirectly affect the financial interests of the Grant Applicant (e.g., a grant to a Grant Applicant), provided that such Covered Person may only participate in such deliberations with the prior authorization of the Board. Notwithstanding the foregoing, in no case shall a Covered Person participate in deliberations concerning or vote on a transaction or arrangement that will directly or indirectly affect the financial interests of any Grant Applicant of which the Covered Individual is a director, trustee, officer, paid consultant or employee unless the Board or a Board committee first determines, in good faith and after reasonable investigation, that such Covered Person may not or will not receive compensation, remuneration, or other material financial or economic benefit as a result of the transaction or arrangement under consideration. If the Board or committee determines that such Covered Person may or will receive compensation, remuneration, or material financial or economic benefit as a result of the transaction or arrangement under consideration, the Board or Board committee shall follow the procedures set forth in Section 6 for acting on conflict of interest transactions.

6. PROCEDURES FOR ACTING ON CONFLICT OF INTEREST TRANSACTIONS

- a. **Formal Approval.** GAIN may enter into a transaction or arrangement in which a Covered Person has a conflict of interest if:
 - (i) The Covered Person has disclosed the conflict of interest in accordance with this Policy;
 - (ii) A majority of Board or committee members who have no interest in the transaction or arrangement approve the transaction or arrangement at a Board or committee meeting (or by written consent to action) after determining, in good faith and after reasonable investigation, that the transaction or arrangement is fair and reasonable to GAIN and is in GAIN's best interest;
 - (iii) Any Covered Person who has an actual or potential conflict with respect to the transaction or arrangement does not participate in and is not present for the vote regarding any such transaction or arrangement (provided, however,

that any such Covered Person may appear at a meeting to answer questions concerning the transaction or arrangement);

(iv) In any arrangement or transaction involving economic or financial benefit to the Covered Person, the Board or committee relies upon appropriate comparability data, such as an independent appraisal in reaching its determination as to the fairness and reasonableness of the transaction or arrangement to GAIN.

- b. Transaction Fair to GAIN.** It shall not be a violation of this Policy if all the requirements for formal approval, outlined above, are not satisfied, so long as the transaction or arrangement is in fact fair to GAIN, furthers its tax-exempt purposes, and does not result in private inurement, impermissible private benefit, or an excess benefit transaction under laws applicable to organizations exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code.
- c. Participation in Negotiation of Transaction.** In the event the Board or a committee of the Board approves a transaction or arrangement with a Covered Person involving a conflict of interest pursuant to the foregoing procedures, such Covered Person shall not participate in any negotiations related to such transaction or arrangement.

7. RECORDS OF PROCEEDINGS

- a. Content of Minutes.** The minutes of the Board or any committee of the Board for any meetings described above shall contain:
- (i) The names of the persons who disclosed an actual or potential conflict of interest or otherwise were found to have a conflict of interest;
 - (ii) The nature of the conflict of interest;
 - (iii) Any action taken to determine whether a conflict of interest was present;
 - (iv) The Board's or committee's decision as to whether a conflict of interest in fact existed;
 - (v) The names of the persons who were present for discussions and votes relating to the transaction or arrangement;
 - (vi) The content of the discussion, including any alternatives to the proposed transaction or arrangement considered and any comparability data relied upon; and

- (vii) A record of any votes taken in connection with the issue, transaction or arrangement.
- b. Timing.** The minutes of any meeting described above shall be prepared by the later of either the next succeeding meeting of the Board or committee, or sixty (60) days after the final action on the matter is taken by the Board or committee.

8. ENFORCEMENT

- a.** Each Covered Person shall sign a statement acknowledging that he or she has received a copy of this Policy, has read and understands it, and agrees to comply with it. If a Covered Person has reasonable cause to believe that another Covered Person has failed to disclose an actual or potential conflict of interest, he or she is encouraged to inform the Board, committee of the Board, or Executive Director of GAIN.
- b.** If the Board has reasonable cause to believe that a Covered Person has failed to comply with this Policy, the Board shall inform the Covered Person of the basis for such belief and afford the Covered Person an opportunity to explain the alleged failure to disclose. If the Board determines that the Covered Person has, in fact, failed to disclose an actual or potential conflict of interest or is in violation with this Policy, the Board may counsel the Covered Person regarding such failure or violation and, if the issue is not resolved to the Board's satisfaction, may consider additional corrective action, as appropriate, including removal of the Covered Person from the Board or Committee.

The foregoing Conflict of Interest Policy for Board Members was adopted by the Board of the Global Alliance for Improved Nutrition on the 12th day of November, 2008.

**GLOBAL ALLIANCE FOR IMPROVED NUTRITION
CONFLICT OF INTEREST QUESTIONNAIRE**

This Questionnaire is to be completed by all GAIN Board members (including ex officio members, observers and guests) and members of committees of the Board authorized to act on behalf of the Board. The Questionnaire will be completed prior to each Board membership renewal and updates are to be done prior to each Board meeting.

Further, this Questionnaire is to be completed at the beginning of each Board meeting, by any person representing or accompanying a Board member, ex-officio member, observer or guest.

NAME AND BACKGROUND INFORMATION

Name: _____

Address: _____

Telephone Number: _____

Position with GAIN: _____

CONFLICT OF INTEREST INFORMATION

Investments. Identify any investments³ or interest that you or a member of your family⁴ has or had during the last two (2) years in any organization that has, does, or is likely to provide goods or services to GAIN:

// None

³ Investments for purposes of this disclosure do not include securities of a publicly traded company if: (a) such securities are less than 5% of the outstanding securities of the publicly traded company, and (b) the fair market value of such securities is less than 5% of the owner's annual gross income.

⁴ As defined under Point 4 a of this Policy.

Updates: _____

Director or Other Services. Identify any services that you or a member of your family⁴ provides or provided with the last five (5) years as a director, partner, principal, manager, employee or consultant to any organization that does, has, or is likely to provide goods or services to GAIN:

// None

Updates: _____

Interests in Transactions. Identify any interest that you or a member of your family² or any organization in which you have an interest (e.g., a corporation or partnership) has had in any transaction during the last five (5) years, to which GAIN or any related organization, was a party (e.g., loans, sales of goods or services, guarantees).

// None

Updates: _____

Positions in Grant Applicants. Identify any position that you or a member of your family² holds as a director, trustee, or officer of any organization that currently receives or seeks, or is anticipated to receive or seek, grant funding from GAIN:

// None

Updates: _____

Financial Relationship with Grant Applicants. Identify any financial relationship, including as an employee or a paid consultant, that you or a member of your family² has with any organization that currently receives or seeks, or is anticipated to receive or seek, grant funding from GAIN:

// None

Updates: _____

Social Responsibility. Identify if you, a member of your immediate family⁵ or a company, subsidiary or other entity in which you are a shareholder or have an investment interest, are serving as a director, officer, trustee, partner, manager, employee or paid consultant is engaged in the sale, distribution, production or development of armaments, weapons, tobacco or pornography

// None

Updates: _____

Identify if you, a member of your immediate family⁵ or a company, subsidiary or other entity in which you are a shareholder or have an investment interest, are serving as a director, officer, trustee, partner, manager, employee or paid consultant sells, distributes or markets baby formula or breastmilk substitutes. If so, has the company or entity adopted or pledged to adhere to the International Code of Marketing Breastmilk Substitutes (International Code)? Has the company been cited for violating the International Code?

// None

Updates: _____

⁵ as defined in point 4 b of this Policy.

Identify if you, a member of your immediate family⁵ or a company, subsidiary or entity in which you are a shareholder or have an investment interest, are serving as a director, officer, trustee, partner, manager, employee or paid consultant is currently involved in initiatives, relationships or lobbying efforts that are contradictory to GAIN's mission, programs or partnerships objectives.

// None

Updates: _____

Other. Identify any other circumstances affecting you or members of your family⁵ that might appear to involve a conflict of interest, actual or potential, and any circumstances that could be viewed as use of information relating to GAIN's business for personal profit or advantage.

// None

Updates: _____

ACKNOWLEDGMENT AND SIGNATURE

To the best of my knowledge and belief, the above information is true and accurate. I have received a copy of GAIN's Conflict of Interest Policy for Board Members, which I have read and understand, and I hereby agree to comply with it.

DATED this ____ day of _____, 20____.

SIGNED BY: _____

Print Name: _____