

Conflict of Interest Policy

In order to assure our independence from the electronics industry, Fair Workplace Council maintains a very strict conflict of interest policy. All board members, and advisors are required to adhere to the policy and it is codified in our bylaws. Below is the Fair Workplace Council Conflict of Interest Policy in its' entirety.

FAIR WORKPLACE COUNCIL CONFLICT OF INTEREST POLICY

PURPOSE AND PRINCIPLES

(a) The purpose of the conflict of interest policy is to protect the Fair Workplace Council's interest when it contemplates entering into a transaction or arrangement that might benefit the private interest of an Officer, Director, and any other person the Board empowers to make decisions on it's behalf of or might result in a possible Excess Benefit Transaction.

(b) It is also the purpose of this policy to provide clear guidelines that will help ensure that any certification process or programs that Fair Workplace Council creates serve its Purpose and Mission and are credible and completely independent of those who are certificated and monitored.

(c) Fair Workplace Council will not engage as an agent, advisor, contractors, officer, or Board member, any person who is employed by or has ownership or financial interest in any company whose products or factories Fair Workplace Council certifies.

(d) This policy is intended to supplement and comply with, but not replace, any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

CONFLICT OF INTEREST DEFINED

(a) A conflict of interest or potential conflict of interest occurs when a Board member, Officer, employee, or agent has a direct or indirect ownership, investment, compensation arrangement, or family interest in an entity that Fair Workplace council is considering or has a financial arrangement or transaction and has the power to make decisions or recommendations over such arrangements. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

(b) A conflict of interest or potential conflict of interest occurs when a Board member has a compensation arrangement with Fair Workplace Council and has the power to make decisions over compensation arrangements.

(c) A conflict of interest or potential conflict of interest occurs when a Board member, Officer, Advisory Council member, employee, or agent who acts on behalf of Fair Workplace Council has

Fair Workplace Council is a California based nonprofit organization dedicated to living wages and safe working conditions in the manufacture of consumer electronics.

For more information contact us: www.fairworkplace.org. or e-mail us: info@fairworkplace.org



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been or is associated with by financial interest, membership, employment, or advisory role; with an organization or corporation whose products or factories Fair Workplace Council certifies or has the potential to certify.

(d) A conflict of interest or potential conflict of interest occurs when a Board member, Officer, Advisory Council member, employee, or agent who acts on behalf of Fair Workplace Council is a member of an industry group that represents companies whose products Fair Workplace Council certifies or has the potential to certify.

DISCLOSURE

(a) Each person, prior to taking a position as employee, agent, officer, member of the Advisory Council, or when nominated as a potential Board member must disclose in writing, all conflicts of interest or potential conflicts of interest and sign a statement agreeing to the terms of this conflict of interest policy.

(b) Each employee, officer, Advisory Council, and Board member, must update this disclosure in writing once a year and also whenever a new potential conflict of interest arises.

(c) Any person donating more than \$500 to the Fair Workplace Council must also complete and sign a conflict of interest disclosure.

WHAT TO DO WHEN A POTENTIAL CONFLICT OCCURS

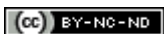
(a) If any employee, agent, advisor, or Board member has a potential conflict of interest, they must immediately notify the Board in writing and remove themselves from the decision making process in which the conflict occurs.

(b) As part of the decision making process, the Board will determine if with reasonable effort it is possible to obtain a more advantageous transaction or arrangement from a person or entity that would not create a conflict of interest and if this is in the best interest of Fair Workplace Council.

(c) Any determination or investigation of the Board must have complete and accurate transcripts. This must include the names of the persons who disclosed or were found to have a possible or actual conflict of interest, the nature of the possible or actual conflict of interest, any action taken to determine whether a conflict of interest was present, and the Board decision including the record of the vote.

CONSEQUENCES FOR WILLFUL VIOLATION OF THIS POLICY

(a) If the Board has reasonable cause to believe that an employee, agent, officer, or member of the Advisory Council, failed to disclose actual or possible conflicts of interest, it must inform the person of the basis for such belief and allow them an opportunity to defend themselves in front of the Board.



(b) A determination by the Board of willful violation of the Conflict of Interest Disclosure and Policy may be grounds for termination of employment, removal from the Board, or association with the Fair Workplace Council. The Board may alternatively pursue other disciplinary action it determines is appropriate.

PROHIBITION OF DONATIONS THAT MAY CREATE CONFLICT OF INTEREST

(a) Fair Workplace Council or its employees, agents, Board of Directors, officers, or advisors, must not accept gifts or donations from companies or organizations that have a business relationship with companies whose products or factories Fair Workplace Council certifies or has the potential to certify.

(b) Fair Workplace Council or its employees, agents, Board of Directors, officers, or advisors, must not accept gifts or donations in excess of \$500 from individuals who are employees, officers, or Board members of companies whose products or factories Fair Workplace Council certifies.

(c) Other than fees for certification inspection and training, Fair Workplace Council and its employees, agents, Board of Directors, officers, or advisors are forbidden from accepting donations or gifts of any kind from companies whose products or factories Fair Workplace Council certifies or has the potential to certify.

COMPENSATION

A Board member who receives compensation from Fair Workplace Council for services is precluded from voting on matters pertaining to their compensation for those services.

PERIODIC REVIEWS

The Board will conduct a periodic review to assure that Fair Workplace Council operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status. The periodic reviews will include:

(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 Fair Workplace Council'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.

