

INTERNATIONAL PEACE INSTITUTE
CONFLICT OF INTEREST POLICY

Article I: Purpose

Each officer, director and key employee of International Peace Institute (the “Organization”) has a fiduciary duty to the Organization. This duty requires that, while serving the Organization, those persons administer the affairs of the Organization honestly, prudently, and in good faith. They must not use their position within the Organization or knowledge gained therefrom to confer an improper personal benefit on themselves or other persons, or in any way that could harm the Organization from a financial or reputational perspective, but must give priority to the Organization’s interest in all actions and decisions.

A conflict of interest exists when a director, officer, or key employee of the Organization has a private interest in a transaction or arrangement contemplated by the Organization which could improperly influence their judgment with respect to the Organization’s best interests. The purpose of this Conflict of Interest Policy (the “Policy”) is to protect the interests of the Organization when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, or key employee of the Organization. This Policy is intended to supplement, but not replace, any applicable state laws governing conflicts of interest applicable to nonprofit and tax-exempt organizations. The board has responsibility for overseeing the implementation of, and compliance with this policy. When reviewing a conflict or potential conflict, only the directors who are disinterested with respect to the transaction at issue shall participate.

Article II: Definitions

Affiliate. An affiliate is any entity controlled by or in control of the Organization.

Compensation. Compensation includes direct and indirect remuneration, including salary and benefits, as well as gifts or favors that are substantial in nature. A gift will be deemed insubstantial if it is equal to or less than \$100 in value.

Disinterested Director. A Disinterested Director is any director who does not have a Financial Interest in the proposed transaction currently under consideration by the board.

Financial Interest. A person has a Financial Interest in a transaction where he or she has, either personally or through a Related Entity or Relative:

1. An existing or potential ownership or investment interest in any entity with which the Organization has, or is negotiating, a transaction or arrangement. Nominal ownership interests and de minimis amounts of stock in publicly traded companies are not considered a Financial Interest.

2. An existing or potential compensation arrangement with the Organization or with any entity or individual with which the Organization has, or is negotiating, a transaction or arrangement.

A Financial Interest is not necessarily a conflict of interest. A conflict of interest exists only where the board so determines, in accordance with the procedures set forth in Article IV.

Insider. An Insider is any person who is, or was at any time during the 5-year period ending on the date of the Related Party Transaction under consideration, a director, officer, or Key Employee of the Organization, or of any Affiliate of the Organization, and any other person who exercises the powers of directors, officers, or Key Employees over the affairs of the Organization or any Affiliate of the Organization.

Key Employee. A Key Employee is any person, other than an officer or director of the Organization, who is in a position to exercise substantial influence over the affairs of the Organization, as referenced in 26 U.S.C. § 4958(f)(1)(A) and further specified in 26 C.F.R. §53.4958-3(c), (d) and (e), or succeeding provisions, to the extent such provisions are applicable.

1. This includes, but is not limited to, executive directors, chief executive officers, chief operating officers, chief financial officers, or employees of any other title with similar responsibilities, or any highly compensated employees¹ as defined by the IRS.
2. Other individuals may also be deemed to exercise substantial influence over the affairs of the Organization, even if not employed by the Organization, if they meet the definitions in 26 C.F.R. §53.4958-3(c), (d) and (e) — for example, the Organization’s founder or substantial contributors² to the Organization.

¹ A person is considered a “highly compensated” employee if he or she meets all three of the following tests:

- (a) \$150,000 Test: receives reportable compensation from the Organization in excess of \$150,000 for the year;

- (b) Responsibility Test:

- a. Has responsibility, powers, or influence over the Organization as a whole that is similar to those of officers, directors, or trustees;
- b. Manages a discrete segment or activity of the Organization that represents 10% or more of the activities, assets, income, or expenses of the Organization, as compared to the Organization as a whole; or
- c. Has or shares authority to control or determine 10% or more of the Organization’s capital expenditures, operating budget, or compensation for employees; and

- (c) Top 20 Test: is one of the 20 employees (that satisfy the \$150,000 Test and Responsibility Test) with the highest reportable compensation from the Organization for the year.

² A substantial contributor includes any person who contributed (or bequeathed) more than \$5,000 to the Organization, if that amount is more than two percent of total contributions received by the Organization, taking into account only contributions received by the Organization during its current taxable year and the four preceding taxable years.

Related Entity. A Related Entity is any entity in which an Insider possesses, individually, or with any other Insider, more than a 35% ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.

Related Party. A Related Party is (i) any Insider; (ii) any Relative of any Insider; (iii) any Related Entity or (iv) any donor to the Organization.

Relative. Relatives include an individual's spouse or domestic partner; ancestors (e.g., parents, step-parents, grandparents, and step-grandparents); brothers and sisters (whether whole or half-blood); children, grandchildren, and great-grandchildren (whether whole or half-blood or adopted); and spouses or domestic partners of brothers, sisters, children, grandchildren, and great-grandchildren; as domestic partner is defined in Section 2994-a of the New York Public Health Law.

Related Party Transaction. A Related Party Transaction is any transaction in which a Related Party has a Financial Interest and in which the Organization or any affiliate of the Organization is a participant.

Article III: Duty to Disclose

Duty to Disclose. If an Insider becomes aware that he or she, or any of his or her Relatives or Related Entities, has any Financial Interest in a proposed or actual Related Party Transaction, the Insider must disclose to the board the existence of the Financial Interest and all material facts.

Failure to Disclose. If the board has reasonable cause to believe that an Insider has failed to disclose his or her Financial Interest, or that of his or her Relative or Related Entity, in any proposed Related Party Transaction, it will afford him or her an opportunity to explain the alleged failure to disclose and it will investigate as warranted by the circumstances. If the board determines the Insider has failed to make the disclosures required under this Policy, it will take appropriate disciplinary and corrective action in consultation with outside legal counsel, as necessary.

Article IV: Review and Approval Procedures

If the board becomes aware of, or an Insider brings to the attention of the board or the board, a transaction or potential transaction that could constitute a conflict of interest but which does not fall within the definition of a Related Party Transaction, the board shall determine if such transaction is or may constitute a conflict of interest. If the board so determines, the board shall review the transaction in accordance with the procedures of the Policy, where any references to a Related Party Transaction or Related Party shall apply to the conflict of interest and Insider, respectively, with respect to such transaction.

All transactions reviewed under this Policy shall be addressed in accordance with the following procedures:

1. The Board Chair shall, if appropriate, appoint a Disinterested Director or committee/subcommittee of Disinterested Directors to investigate alternatives to the proposed Related Party Transaction. If the transaction being reviewed relates to the Board Chair, then the board, by majority vote, with the Board Chair recused from the vote, shall appoint a Disinterested Director or committee of Disinterested Directors to investigate alternatives to the proposed Related Party Transaction. Where the Related Party's Financial Interest is substantial, as determined by the board in its reasonable discretion, the board is required to investigate alternatives to the proposed Related Party Transaction to the extent available.
2. Any Insider or Related Party who has a Financial Interest in a Related Party Transaction under consideration by the board may make a presentation to the board upon the board's request. However, they shall not be present for the deliberation or voting on the matter, and may not attempt to improperly influence the deliberation or vote.
3. If alternatives are investigated pursuant to Article IV, Section 1 hereof (including all Related Party Transactions that are substantial), after exercising due diligence, and after hearing from the Insider or Related Party having a Financial Interest in the Related Party Transaction under consideration, the Disinterested Directors shall determine in good faith whether the Organization can obtain with reasonable efforts a more advantageous transaction (whether it be financial or from a reputational perspective) or arrangement from a person or entity that is not a Related Party, and thus would not give rise to a conflict of interest.

The board/ shall determine by a majority vote of the Disinterested Directors present whether to approve the Related Party Transaction. Any transaction or potential transaction subject to this Policy, including any Related Party Transaction, may only be approved if the board determines that the Related Party Transaction is in the Organization's best interest, for its own benefit, does not damage the Organization's reputation and is fair and reasonable to the Organization.

Article V: Records of Proceedings

The minutes of the meeting of the board at which any Related Party Transaction is addressed shall contain:

1. The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with a Related Party Transaction, the nature of the Financial Interest in such transaction, any action taken to determine whether the Financial Interest is substantial, and any action taken to determine if a Related Party Transaction involving an insubstantial Financial Interest constitutes a conflict of interest or potential reputational risk.
2. The names of the persons who were present for discussions and votes relating to the Related Party Transaction, the fact that the Related Party and any Insider associated

with the Related Party were not present for the deliberations or voting, the content of the discussion, including the objective information upon which the Disinterested Directors relied in reaching their conclusion, alternatives to the proposed Related Party Transaction that were examined and discussed, and a record of any votes taken in connection therewith.

Article VI: Compensation

1. A voting board member who receives Compensation for services from the Organization, whether directly or indirectly, and any other voting board member who is that voting board member's Relative, is precluded from voting on matters pertaining to that voting board member's Compensation.

2. A voting member of any committee whose jurisdiction includes Compensation matters and who receives Compensation from the Organization for services, whether directly or indirectly, is precluded from voting on matters pertaining to his/her Compensation or the Compensation of any more senior staff executive of the Organization.

3. No voting member of the board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly from the Organization, either individually or collectively is prohibited from providing information to any committee regarding compensation.

4. Notwithstanding anything in this Article to the contrary, no voting member of the board is prohibited from deliberating or voting concerning Compensation for a service on the board that is to be made available or provided to all directors on the same or substantially similar terms.

Article VII: Annual Statements

Each director, officer, and Key Employee shall, prior to assuming such position, and annually thereafter, complete, sign, and submit a disclosure statement identifying, to the best of the person's knowledge, any entity of which such person is an officer, director, trustee, member, owner (either as sole proprietor or a partner), or employee, and with which the Organization has a relationship, and any transaction in which the Organization is a participant and in which the person might have a conflicting interest. The statement shall also affirm that such person--

1. has received a copy of this Conflict of Interest Policy,
2. has read and understands this Policy,
3. has agreed to comply with this Policy,
4. understands that the Organization is a tax-exempt organization and that, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes, and

5. understands they are not to engage in transactions wherein there is potential reputational risk for the Organization

Article VIII: Periodic Reviews

To ensure that the Organization operates in a manner consistent with its tax-exempt purposes and does not engage in activities that could jeopardize its status as a 501(c)(3) tax-exempt organization or run reputational risk, the board shall ensure that periodic reviews are conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether Compensation arrangements are reasonable, based on competent survey information, and the result of arm's length bargaining.
2. Whether acquisitions of services result in inurement to any Insider or any impermissible private benefit or any reputational risk.
3. Whether partnerships and joint ventures, and arrangements with management service organizations, conform to written policies, if any, are properly recorded, reflect reasonable investment or payments for goods and services, further the Organization's tax-exempt purposes, and do not result in inurement to any Insider, impermissible private benefit, reputational risk, or an excess benefit transaction.
4. Whether agreements to provide goods or services to the Organization further the Organization's tax-exempt purposes and do not result in inurement to any Insider, any impermissible private benefit, reputational risk or an excess benefit transaction.

When conducting these periodic reviews, the board may, but need not, use outside advisors and/or experts. If outside advisors and/or experts are used, their use shall not relieve the directors of their responsibility for ensuring that periodic reviews are conducted, and determining from these findings whether to continue in existing contracts or seek new proposals.

**INTERNATIONAL PEACE INSTITUTE
CONFLICT OF INTEREST
DISCLOSURE STATEMENT**

**ATTENTION: READ CAREFULLY AND COMPLETE ALL FOUR PAGES
PLEASE DO NOT LEAVE ANY SECTION BLANK
If a question does not apply, please indicate such by writing
“NO”.**

Name of Declarant: _____

Relationship With Organization: _____

In accordance with the Conflict of Interest Policy (the “Policy”) adopted by the Board of Directors of the International Peace Institute (“the Organization”), during the period in which I am a director, officer, or Key Employee of the Organization or any of its Affiliates, I agree to the following:

1. Fiduciary Duty

Remain a fiduciary to the Organization and act in good faith and in the best interests of the Organization at all times during which I: (a) participate in or vote upon any matter involving the business activities of the Organization, or (b) represent the Organization among persons or organizations doing or interested in doing business with the Organization.

2. Protection of Confidential Information

Not disclose to any person information about the Organization that is confidential, proprietary or not generally known to the public, pertaining to the business and affairs of the Organization or any of its subsidiaries, affiliates, suppliers or consultants, whether related to a specific transaction or to matters pertaining to the Organization’s interests and/or operations, except when specifically approved by the Organization.

3. Duty to Notify

Immediately notify the President or Board Chair of the Organization (or if I am the President or Board Chair, then notify the Audit Committee, Executive Committee, or the full Board) of any circumstances, to the extent I have actual knowledge, which constitute a Related Party Transaction, or which may appear to others to be a conflict of interest with the Organization or any of its subsidiaries or affiliates, involving me, my Related Entities, or my Relatives (as defined in the Policy).

4. Non-Participation in Board Action When a Conflict Situation Exists

Excuse myself from the board meeting and therefore take no part in discussions and decisions, and make no attempt to improperly influence deliberation or voting, on any transaction or other matter before any board or committee of the Organization or any subsidiaries or affiliates of the Organization in which I, my Related Entities, or any of my Relatives, have or may be perceived to have a conflict of interest, including the meeting at which the determination is made as to whether a conflict of interest exists.

5. Attestation

I hereby certify that I have read and understand the Policy, and agree to comply with the Policy. I understand that the Organization is a tax-exempt organization and that in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes. To the best of my knowledge and belief, neither I nor any of my Related Entities or Relatives has, since the date of the last Disclosure Statement filed by me, participated in any activity or transaction that could constitute a conflict of interest with the Organization or otherwise violate the Policy, except as explained in the accompanying written statement.

Each director, officer, and Key Employee shall annually complete, sign, and submit to the designated compliance officer listed below a disclosure statement to the board identifying, to the best of the person's knowledge, any Related Party Transactions involving himself/herself, his/her Related Entities, or his/her Relatives, or any other circumstance which may appear to others to be a conflict of interest with the Organization or with any of its subsidiaries or affiliates.

Year: _____

Designated Compliance Officer: _____

Listed below, to the best of my knowledge, are the conflict-of-interest situations in which I, my Related Entities, or my Relatives, may be involved, which could now or in the future lead to a conflict of interest with the Organization or any of its subsidiaries or affiliates.

Please refer to the definitions listed in Article II of the Conflict of Interest Policy to ensure that you complete this Disclosure Statement fully and accurately. (Attach additional sheets if necessary.)

- (1) To the best of my knowledge, except as disclosed below, neither I, nor my Related Entities, or Relatives, have a Financial Interest in any proposed or actual transaction with the Organization or any of its subsidiaries or affiliates.

Affirmed Except as Disclosed Below

- (2) To the best of my knowledge, except as described below, I do not serve on the board of directors of any entity that does business with, or is a not-profit grantee of, or is involved in a collaborative relationship with, the Organization or any of its subsidiaries or affiliates.

Affirmed Except as Disclosed Below

- (3) To the best of my knowledge, except as described below, I am not employed by, do not receive compensation from, nor do I have an affiliation with, any other entity that might compete with the activities of the Organization or any of its subsidiaries or affiliates, including but not limited to, any think tanks or other organizations dedicated to managing risk and building resilience to promote peace, security, and/or sustainable development.

Affirmed Except as Disclosed Below

- (4) To the best of my knowledge, except as described below, I am not related to any other officer, director, employee, or any of the Organization's highly compensated professionals or independent contractors through any business or family relationships.

Affirmed Except as Disclosed Below

(5) To the best of my knowledge, except as described below, I am not aware of any proposed or actual transaction, except as described below, in which the Organization is a participant and in which I might have a conflicting interest or that might create reputational risk for the organization.

Affirmed Except as Disclosed Below

(6) To the best of my knowledge, except as described below, I am not employed by, do not receive compensation from, nor do I have a [paid] affiliation with, any other entity, country, government, governmental body, or advisor to a government, government representatives, that might constitute a potential or actual conflict of interest or the appearance of a conflict of interest with the Organization.

Affirmed Except as Disclosed Below

Name (Print)

Signature

Date