CONFLICT OF INTEREST POLICY

Article I: Purpose

This conflict of interest policy is designed to foster public confidence in the integrity of the California Lawyers Association (“CLA”) and to protect CLA’s interest when it is contemplating entering a transaction (defined below) that might benefit the private interest of an insider (defined below). This policy applies only to insiders of CLA (as defined below). Volunteer leaders of CLA who are not specifically subject to this policy remain subject to the conflict of interest provisions set forth in the CLA Code of Conduct.

Article II: Definitions

The following are considered insiders for the purposes of this policy:

1. Each member of the CLA Board of Representatives.

2. The Corporate Officers of CLA (i.e., Chair, Vice Chair, President, Vice President, Secretary, Treasurer, Executive Director, and Chief Financial Officer), or any person with the responsibilities of any of these positions (whether or not the person is an officer of CLA under CLA’s Bylaws and the California Corporations Code).

3. Any key employee, meaning an employee whose total annual compensation (including benefits) from CLA and its affiliates is more than $150,000 and who (a) has responsibilities or influence over CLA similar to that of officers, directors, representatives or trustees; or (b) manages a program that represents 10% or more of the activities, assets, income, or expenses of the CLA; or (c) has or shares authority to control 10% or more of the CLA’s capital expenditures, operating budget, or compensation for employees.

Interest means any material financial interest, whether through commitment, investment, relationship, obligation, involvement or otherwise, direct or indirect, that may influence a person’s judgment, including receipt of compensation from CLA, or a sale, loan, or exchange transaction with CLA.

A conflict of interest is present when an insider or person related to the insider by family or business relationship (“interested person”) has a material financial interest in the transaction such that it reduces the likelihood that the insider’s judgment can be exercised impartially in the best interests of CLA.

Transaction means any transaction, agreement, or arrangement between an interested person and CLA, or between CLA and any third party where an interested person has a material financial interest in the transaction or any party to it. Transaction does not include compensation arrangements between CLA and an insider that are wholly addressed under CLA’s separate Compensation Policy.
Article III: Procedures

1. Duty to Disclose

Each interested person shall disclose to the Board all material facts regarding his, her, or its interest (including relevant affiliations) in the transaction. The interested person shall make that disclosure promptly upon learning of the proposed transaction.

2. Determining Whether a Conflict of Interest Exists

With regard to an interested person, the Board shall determine if a conflict of interest exists.

3. Procedures for Addressing a Conflict of Interest

The Board shall follow the procedures set forth in Article IV in order to decide what measures are needed to protect CLA’s interests in light of the nature and seriousness of the conflict, to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are appropriate. In the case of an insider who is a Board Representative, the Representative shall not vote on any transaction in which the Representative has an interest, and the remaining Board members shall decide the matter.

Article IV: Review by the Board

The Board may ask questions of and receive presentation(s) from the insider(s) and any other interested person(s), and may deliberate and vote on the transaction in their presence. The Board shall ascertain that all material facts regarding the transaction and the interested person’s conflict of interest have been disclosed to the Board and shall compile appropriate data to ascertain whether the proposed transaction is just and reasonable to CLA.

After exercising due diligence, which may include investigating alternatives that present no conflict, the Board shall determine whether the transaction is in CLA’s best interest, for its own benefit, and whether it is just and reasonable to CLA; the transaction can be approved by the Board by majority vote of those present at a meeting for which quorum requirements have been met, without counting the vote of any interested Representatives. Interested or common Representatives may be counted in determining the presence of a quorum at such meeting.

Article V: Records of Proceedings

The minutes of any meeting of the Board pursuant to this policy shall contain the name of each interested person who disclosed or was otherwise determined to have
an interest in a transaction; the nature of the interest and whether it was determined to constitute a conflict of interest; any alternative transactions considered; the members of the Board who were present during the debate on the transaction, those who voted on it, and to what extent interested persons were excluded from the deliberations; any comparability data or other information obtained and relied upon by the Board and how the information was obtained; and the result of the vote, including, if applicable, the terms of the transaction that was approved and the date it was approved.

**Article VI: Annual Disclosure and Compliance Statements**

Each insider of the CLA shall annually sign a statement on the form attached, that:

- affirms that the person has received a copy of this conflict of interest policy, has read and understood the policy, and has agreed to comply with the policy; and

- discloses the person’s financial interests and family relationships that could give rise to conflicts of interest.

**Article VII: Violations**

If the Board has reasonable cause to believe that an insider of CLA has failed to disclose actual or possible conflicts of interest, including those arising from a transaction with a related interested person, it shall inform such insider of the basis for this belief and afford the insider an opportunity to explain the alleged failure to disclose. If, after hearing the insider’s response and making further investigation as warranted by the circumstances, the Board determines that the insider has failed to disclose an actual or possible conflict of interest, the Board shall take appropriate disciplinary and corrective action.

**Article VIII: Annual Reviews**

To ensure that CLA operates in a manner consistent with its status as an organization exempt from federal income tax, the Board shall authorize and oversee an annual review of the administration of this conflict of interest policy. The review may be written or oral. The review shall consider the level of compliance with the policy, the continuing suitability of the policy, and whether the policy should be modified and improved.
California Lawyers Association

CONFLICT OF INTEREST POLICY:
ACKNOWLEDGMENT AND FINANCIAL INTEREST DISCLOSURE STATEMENT

CLA follows a conflict of interest policy designed to foster public confidence in our integrity and to protect our interest when we are contemplating entering a transaction or arrangement that might benefit the private interest of an insider of CLA.

Part I. Acknowledgment of Receipt

I hereby acknowledge that I have received a copy of the conflict of interest policy of CLA, have read and understood it, and agree to comply with its terms.

__________________________    _______________________
Signature       Date

__________________________
Printed Name
Part II. Disclosure of Financial Interests

We are required annually to file Form 990 with the Internal Revenue Service, and the form we file is available to the public. To complete Form 990 fully and accurately, we need each insider of CLA to disclose the information requested in this Part II.

A “conflict of interest,” for purposes of Form 990, arises when a person in a position of authority over an organization, such as an officer, Board Representative, or key employee, may benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to family members or businesses with which the person is closely associated.

Part II Please check ONE of the following boxes:

☐ My interests and relationships have not changed since my last disclosure of interests. [Proceed to signature block below. Do not complete the tables.]

OR

☐ I hereby disclose or update my interests and relationships that could give rise to a conflict of interest: [Complete the table below. Use additional pages as needed.]

<table>
<thead>
<tr>
<th>Names of those presenting a potential conflict of interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Include spouse/domestic partner, living ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great grand-children, and spouses/domestic partners of brothers, sisters, children, grandchildren, and great grandchildren</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Transactions or arrangements with the CLA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transactions or affiliations with other nonprofit organizations</td>
</tr>
<tr>
<td>Substantial business or investment holdings</td>
</tr>
<tr>
<td>Transactions or affiliations with businesses not listed above</td>
</tr>
</tbody>
</table>

I am not aware of any financial interest involving me or a family member that could present a conflict of interest that I have not disclosed either above or in a previous disclosure statement.

Signature ____________________________ Date ____________________________

Printed Name ____________________________