

CAYUGA COUNTY CHAMBER OF COMMERCE

Conflict of Interest Policy

Section 1. Purpose. The purpose of this Policy is to protect the Corporation's interests in transactions in which a director or officer of the Corporation has an interest while also permitting directors and officers to support the Corporation consistently with their fiduciary obligations, all as more fully provided below. The provisions of this Policy are in addition to, and not in replacement of, any applicable law.

Section 2. Definitions.

(a) A "Financial Interest" is an ownership or investment interest in, compensation from, or a contractual arrangement with, directly or indirectly, any person or entity. For purposes of the preceding sentence:

A Financial Interest includes, without limitation, a "substantial financial interest" within the meaning of Section 715 (interested directors and officers) of the Not-for-Profit Corporation Law, or any successor section.

"Directly or indirectly" includes, without limitation, any such interest, compensation, or arrangement of a member of the immediate family of the Interested Person.

"Compensation" includes, without limitation, a direct or indirect gift, gratuity, benefit or other consideration, whether or not substantial.

(b) A "Conflict of Interest" is a Financial Interest of an Interested Person in a person or entity that is party to a Transaction. "Conflict of Interest" includes a matter that may or may not be a Conflict of Interest until further review and determination. Therefore, prior to such review and determination, no inference should be drawn from the use of the term "Conflict of Interest" that a Conflict of Interest exists or that the Transaction that is the subject of the Conflict of Interest is not fair and reasonable.

(c) An "Interested Person" is each director and officer of the Corporation, including ex-officio directors, and each member of advisory or honorary committees. It is recognized that "officer" includes any non-director serving on any committee of the Board of Directors or of the Corporation that has powers delegated to it by the Board of Directors.

(d) A "Transaction" is any actual or prospective contractual arrangement or other transaction between the Corporation, or a parent, subsidiary or affiliate (if any) of the Corporation (referred to as a "related entity"), and any other person or entity, other than purchases or sales of goods or services in the normal course of operations that are available to the general public under similar terms and conditions.

Section 3. Disclosure. Each Interested Person shall promptly disclose to the Board of Directors of the Corporation all material facts concerning each Conflict of Interest. Each

Interested Person shall annually submit a written statement that the Interested Person (a) has received a copy of this Policy, (b) has read and understands this Policy, (d) agrees to comply with this Policy, (d) understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its charitable purposes and (e) is not aware that he or she has any Conflict of Interest or, if he or she is aware of any Conflict of Interest, a description of all material facts concerning it.

Section 4. Review of Transactions or Arrangements Involving Financial Interests.

(a) The Board of Directors shall review all the material facts and circumstances concerning each Conflict of Interest, shall conduct such investigation as it deems appropriate or necessary and shall determine (i) whether a Conflict of Interest exists, (ii) if it does exist, whether the Transaction is fair and reasonable to the Corporation or related entity, or (if entered into earlier) was fair and reasonable at the time it was entered into, (iii) if the Transaction is not or was not fair and reasonable, what action should be taken, and (iv) at its sole discretion, any other appropriate matter in relation to the Conflict of Interest. The Interested Person shall be notified of such review and permitted to offer facts and arguments in connection with such review and determination. If the Section 4958 of the Internal Revenue Code of 1986, or any successor section, is applicable, then such review may include, without limitation, such facts, if available, as shall tend to establish the "rebuttable presumption" that the benefit to the Interested Person from the Transaction or other transaction or arrangement is reasonable under such statute and the regulations promulgated under such statute.

(b) The Board of Directors shall determine, by a vote sufficient for that purpose without counting the vote of the Interested Person, whether the Transaction that is the subject of the Conflict of Interest is or was fair and reasonable to the Corporation notwithstanding the Interested Person's Financial Interest. Without limiting the foregoing, in determining whether the Transaction is or was fair and reasonable, the Board may consider whether a comparable Transaction is or was available from another person or entity on terms that are more advantageous than the Transaction at issue and may consider other factors, in addition to price or cost, that significantly affect the value to the Corporation of the Transaction, recognizing that the least costly Transaction is not necessarily the most advantageous.

(c) Except as provided above, the Interested Person shall not be present during any of the deliberations or voting under this Section 4, nor shall the Interested Person (if a director of the Corporation) be counted toward the existence of a quorum.

Section 5. Action after Review. If a Transaction is approved, no further action is necessary. If the Transaction is not approved, then it may not be entered into by the Corporation. If the Transaction has already been entered into and is disapproved, the Board of Directors (i) may pursue such legal remedies as may be available with respect to such Transaction or the Interested Person and (ii) without limiting the foregoing or any applicable law, without being deemed to have elected its remedies, and notwithstanding anything to the contrary in the Corporation's By-Laws, may remove the Interested Person from his or her position in the Corporation.

Annual Certification
under
Conflict of Interest Policy
Of
CAYUGA COUNTY CHAMBER OF COMMERCE.

The undersigned hereby certifies that he or she (a) has received a copy of the Corporation's Conflict of Interest Policy, (b) has read and understands the Policy, (c) agrees to comply with the Policy, (d) understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its charitable purposes and (e) is not aware that he or she has any Conflict of Interest (as defined in the Policy) except as described below in detail (attach additional pages if necessary):

Dated: _____

Signed: _____

Name: _____