

CONFLICT OF INTERESTS, DUTY TO DISCLOSE, AND VENDOR RELATIONS

A. CONFLICTS OF INTEREST

The Food Bank of Delaware's conflict of interest policy applies to Employees and Directors. To the extent set forth herein, Employees and Directors are responsible for the activities of Family Members. The Food Bank's conflict of interest policy is intended to emphasize the Food Bank's commitment to the highest standards of integrity, fairness, and conduct so as to ensure the maximum public trust. The criteria set forth herein cannot, however, anticipate every conflict that may be a violation of public trust. It is, therefore, necessary to emphasize that in applying to the Food Bank's conflict of interest policy, those persons who are subject to it are expected to act so as to honor the spirit and the principles of the policy and, in acting so, to be guided by good judgment, personal honesty and sound ethics.

In their activities on behalf of, and in their dealings with, the Food Bank, it is the responsibility of each Employee and Director to avoid any actual conflict of interest and the appearance of a conflict of interest. Each person to whom this policy applies must be free of any activity, association, or investment which might influence, or give the appearance of interfering with, the independent exercise of his or her judgment in conducting the Food Bank's activities or in dealing with the Food Bank. The following criteria are provided to inform persons who are subject to this policy concerning potential conflicts of interest.

1. Disclosure of Interests

Each Employee and Director, and each Employee and Director on behalf of his or her Family Members, who personally has or is attempting to establish or who, directly or indirectly, holds an interest in an organization which has or which is attempting to establish a business relationship with the Food Bank is responsible for disclosing such interest and relationship if, in the aggregate, such interest exceeds:

- (a) Five percent of any class of outstanding securities of a corporation.

- (b) A five percent interest in a partnership or association, or,
- (c) Five percent of the person's assets or annual income is derived from the subject activity or organization.

2. Participation in Decision Making:

An Employee or Director or his or her Family Members may not participate in the making of any decision or recommendation, including voting, concerning a matter which would result in financial gain, either directly or indirectly, to the Employee, Director or Family Member as a result of his or her participation in a transaction to be conducted by, for or with the Food Bank. In abstaining from voting or participating in the making or decision of a recommendation because of the existence of a conflict of interest or potential conflict of interest, an Employee or Director shall specifically disclose the reason for such action and shall request that the Employee's or Director's abstention and non-participation in the matter be noted in the minutes of the meeting which abstention or non-participation occurs.

3. Financial Gain:

In connection with any matter which must be disclosed by an Employee under paragraph (1) above, no Employee or Family Member of an Employee may derive any financial gain.

4. Participation in Disclosed Relationship:

In connection with any matter which must be disclosed by a Director under paragraph (1) above, the Board of Directors shall decide whether the Director or the Family Member of the Director may participate in the business relationship which is to be conducted by, for or with the Food Bank. In considering whether the Director or the Family Member of the Director may participate in the disclosed relationship, among the matters to be considered by the Planning and Resource Development Committee are the terms and conditions of the proposed relationship, the nature of the proposed relationship could be entered into. In no event shall a relationship be entered into with a Director or a Family Member of a Director unless the terms and conditions of the proposed relationship are at least as favorable to the Food Bank as the terms and conditions which could be obtained from a third party with respect to a similar relationship.

5. Outside Employment:

Without prior approval, no Employee may perform services for an organization which has or which seems to establish a business relationship with the Food Bank. In addition, no Employee may be employed for compensation by a Food Bank member agency. Employment of an Employee by a person or organization other than the Food Bank or ownership of a business by an Employee is permitted if such person, organization or business has no significant business relationship with the Food Bank and if such employment or ownership does not interfere with an Employee's job performance at the Food Bank.

6. Non-Food Bank Business

Employees may not use Food Bank facilities or equipment to conduct non-Food Bank business.

7. Acceptance of Gifts:

An Employee must not place the Food Bank, or in connection with matters relating to his or her employment by the Food Bank, himself or herself, under an actual or perceived obligation to another person or entity as a result of a gift, personal favor or financial transaction. Individual gifts of \$25.00 or less may be accepted by employees but only if the acceptance of such a gift is not likely to give the appearance of an impropriety and does not interfere with the exercise of good judgment by an employee, and provided that such gifts are customarily associated with ethical conduct and practices and are not in a form which could be constructed as a bribe and do not place an Employee under any actual or perceived obligation.

8. Confidential Information:

An Employee and a Director shall have a duty not to use confidential or proprietary information obtained as a result of his or her relationship with the Food Bank for personal gain.

B. DUTY TO DISCLOSE

At the time a person is employed by the Food Bank, or becomes a director, and annually while a person continues to be an Employee or a Director, each such Employee and Director shall review the Code of Ethics and sign a Certificate of Compliance with the Code of Ethics in a form to be furnished by the Food Bank. If an Employee or a Director believes that he or she is involved in or has

knowledge of a matter involving an actual or potential violation of the Code of Ethics, the Employee (other than the President) shall promptly disclose any such matter to the President or the Planning and Resource Development Committee, and the Director or the President shall promptly disclose any such matter to the Chair of the Board of Directors of the Food Bank or the Planning and Resource Development Committee.

C. DUTY OF A VOLUNTEER

The Food Bank recognizes the importance of volunteers. Without volunteer involvement it would not be possible for the Food Bank to operate successfully in fulfilling its purposes and achieving its goals. Food Bank volunteers are expected to act at all times in the best interest of the Food Bank and the community and, in so acting, to be guided by good judgment, personal honesty and sound ethics, and to honor the spirit and the principles of the Code of Ethics. Any question which a volunteer may have concerning his or her duty hereunder should be directed to the Food Bank's President.

D. NONDISCRIMINATION

The Food Bank shall be an equal opportunity employer. All matters relating to the Food Bank's dealings with its employees shall be dealt with on a nondiscriminatory basis. The Food Bank of Delaware does not discriminate on the basis of race, creed, color, gender, age, religion, national origin, veteran or handicapped status, or sexual orientation in programs, activities, or employment practices.

E. NEPOTISM

Employment decisions and opportunities for career advancement must be based on individual qualifications, work history and documented job performance. Family Members of Employees may be employed by the Food Bank so long as neither family member is responsible for the hiring, supervision, determination of compensation or evaluation of the other.

F. VENDOR RELATIONS

Vendors must be treated fairly to avoid favoritism or the appearance of impropriety. Vendors are to be afforded the opportunity to offer or qualify themselves and their products or services on a competitive basis. Competitive

bidding is to be conducted in a fair and professional manner, giving no special preference or advantages to any vendor.

G. CONSEQUENCES OF FAILING TO COMPLY WITH CODE OF ETHICS

All matters relating to a possible failure to comply with the Code of Ethics are to be dealt with the utmost discretion and in confidence. In the event of a failure to comply with the standards of the Code of Ethics by an Employee, the President, after consultation with the Chair of the Food Bank's Board of Directors shall determine the appropriate action, if any, to be taken. In the event of a failure to comply with the standards of the Code of Ethics by the President or a Director, the Food Bank's Board of Directors shall determine the appropriate action, if any, to be taken. If an Employee fails to comply with the Code of Ethics, such failure could result in disciplinary action, including reprimand, probation, suspension, or dismissal of the Employee for cause. If a Director fails to comply with the Code of Ethics, such failure could result in a request of the Director by the Chair of the Board of Directors of the Food Bank to resign from the Board of Directors. If the President fails to comply with the Code of Ethics, such failure could result in a request of the President by the Chair of the Board of Directors of the Food Bank to resign from the position of President.