

THE CENTER FOR PET FOOD CONSUMER RIGHTS, INC.

CONFLICT OF INTEREST POLICY

Article I

Purpose

This conflict of interest policy (“Policy”) is designed to ensure that The Center For Pet Food Consumer Rights, Inc. (the “Company”) pursues its mission of authentically representing the interests of pet owners. This Policy should be read with the goal of ensuring that any conflicts of interest do not shape the Company’s goal of protecting the interests of pet owners in the services and pet products that they purchase and engage with. The Company intends to use this Policy to safeguard its mission.

Additionally, this Policy protects the interests of the Company when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Company or might result in a possible excess benefit transaction. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to non-profit and charitable organizations.

Article II

Definitions

1. Interested Person.

Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect “Financial Interest”, as defined below, is an “Interested Person”.

2. Financial Interest.

A person has a “Financial Interest” if the person has, directly or indirectly, through business, investment, or family:

- (a) an ownership or investment interest in any entity with which the Company has or is negotiating a transaction or arrangement;
- (b) a compensation arrangement with the Company or with any entity or individual with which the Company has or is negotiating a transaction or arrangement;
- (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Company is negotiating a transaction or arrangement;
- (d) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual that makes products or performs services used by pet consumers; or

(e) a direct or indirect financial motivation in any entity or individual (i) that makes products or performs services used by pet consumers and (ii) that would have an incentive to influence the operations of the Company in a way that benefits that entity or individual.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A “Financial Interest” is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a “Financial Interest” may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III **Procedures**

1. Duty to Disclose.

In connection with any actual or possible conflict of interest, an “Interested Person” must disclose the existence of the “Financial Interest” and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists.

After disclosure of the “Financial Interest” and all material facts, and after any discussion with the “Interested Person”, he or she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing a Conflict of Interest.

(a) An “Interested Person” may make a presentation at the governing board or committee meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

(b) The chairperson of the governing board or committee shall, if the chairperson deems it appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(c) After exercising due diligence, the governing board or committee shall determine whether the Company can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

(d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances that do not produce a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Company’s best interest, for its own benefit, and whether it is fair and reasonable. In

conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflict of Interest Policy.

(a) If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

(b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member failed to disclose an actual or possible conflict of interest, it shall take what it deems to be appropriate disciplinary and corrective action.

Article IV **Records of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain each of the following:

(a) The names of the persons disclosed or otherwise who were found to have a Financial Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V **Compensation**

(a) A voting member of the governing board who receives compensation, directly or indirectly, from the Company for services is precluded from voting on matters pertaining to that member's compensation.

(b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Company for services is precluded from voting on matters pertaining to that member's compensation.

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

Article VI **Acknowledgement Statement**

Each director, principal officer, and member of a committee with governing board-delegated powers shall, upon appointment to his or her respective position, and at any time this Policy is amended or otherwise modified, sign the Acknowledgement attached as **Exhibit 1** hereto, affirming that such person:

- (a) has received a copy of this Policy;
- (b) has read and understands this Policy;
- (c) has agreed to comply with this Policy; and

(d) understands the Company is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII **Periodic Reviews**

To ensure the Company operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

(a) whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining; and

(b) whether partnerships, joint ventures, and arrangement with management organization conform to the Company'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.

Article VIII **Use of Outside Experts**

When conducting periodic reviews as provided for in Article VII, the Company may, but shall not be required to, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

EXHIBIT 1

ACKNOWLEDGEMENT TO CONFLICT OF INTEREST POLICY

This Acknowledgement to Conflict of Interest Policy (this “*Acknowledgement*”) is made by the undersigned, a director, officer or committee member of The Center For Pet Food Consumer Rights, Inc., a Delaware non-profit corporation (the “*Company*”), as of the date written below. By executing this Acknowledgement, the undersigned hereby affirms that he or she:

- (a) has received a copy of the Company’s current Conflict of Interest Policy (the “*Policy*”);
- (b) has read and understands the Policy;
- (c) has agreed to comply with the Policy; and

(d) understands that the Company is charitable and, in order to maintain its federal tax exemption, the Company must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

By:

Name: _____

Title: _____

Effective Date: _____