



CONFLICT OF INTEREST POLICY

ARTICLE I | *Purpose*

This Conflict-of-Interest Policy is designed to protect Dysphonia International's tax-exempt status and help Dysphonia International directors, officers, employees, and committees with Board of Directors delegated powers identify situations that present potential conflicts of interest. This policy provides Dysphonia International with a procedure which will allow a transaction to be treated as valid and binding even though a director, officer, employee, or a committee with Board of Director delegated powers has or may have a conflict of interest with respect to the transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

ARTICLE II | *Definitions*

1. Interested Person

Any director, officer, employee, or member of a committee with Board of Directors 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 that does or seeks to do business with Dysphonia International or with which Dysphonia International has a transaction or arrangement,
- b) A Compensation Arrangement with any entity or individual that does or seeks to do business with Dysphonia International or with which Dysphonia International has a transaction or arrangement, or
- c) A potential ownership or investment interest in, or Compensation Arrangement with, any entity or individual with which Dysphonia International is negotiating a transaction or arrangement.
- d) Has received, is receiving, or is seeking to receive a loan, grant or other financial commitment from Dysphonia International.
- e) Employees of or consultants to Dysphonia International who receive remuneration for their services are deemed to be Interested Persons with Financial Interest only to the extent of determination of their own compensation in accordance with the provisions of Article V below.

3. Compensation Arrangement

A Compensation Arrangement includes direct or indirect remuneration, as well as gifts, gratuities, entertainment or favors that are not insubstantial. This does not preclude an Interested Person from accepting gifts, gratuities, or entertainment of nominal or insignificant value which are not related to any particular transaction or arrangement of Dysphonia International.

4. Conflict of Interest

The Board of Directors of Dysphonia International has sole and exclusive authority to determine whether an Interested Person has a Conflict of Interest in each situation under this policy. In accordance with Article III, Section 2 below, a person who has a Financial Interest is deemed to have a conflict of interest only if the Board of Directors or committee decides that a Conflict of Interest exists. A Financial Interest is not necessarily a Conflict of Interest.

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 all material facts related thereto to the Board of Directors and members of committees with Board of Directors delegated powers considering the proposed transaction or arrangement. Such disclosure shall be reflected in the minutes of the meeting. To the extent a potential Conflict of Interest is brought to the attention of the Board of Directors, a committee with Board of Directors delegated powers or any officer or employee, the Board of Directors and if applicable the committee shall be notified of the possible Conflict of Interest and the Interested Person shall be informed of the procedures under this Article III.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the Financial Interest and all material facts related thereto, and after any discussion with the Interested Person, he/she shall leave the Board of Directors 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 the Conflict of Interest

- a) An Interested Person may make a presentation at the Board of Directors or committee meeting, but after the presentation he/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 Board of Directors or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c) After exercising due diligence, the Board of Directors or committee shall determine whether Dysphonia International 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 not producing a Conflict of Interest, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in Dysphonia International'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 whether to enter into the transaction or arrangement.

4. Validations of the Conflicts of Interest Policy

- a) If the Board of Directors 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 Board of Directors or committee determines the member has failed to disclose an actual or possible Conflict of Interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV | Records of Proceedings

The minutes of the Board of Directors and all committees with Board delegated powers shall contain:

- a) The names of the persons who disclosed or otherwise 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 Board of Directors 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) Compensation of employees or of consultants to Dysphonia International is to be determined by the Board of Directors or officers with authority delegated from the Board of Directors consistent with Dysphonia International's tax-exempt status and the requirements of this Article V.
- b) A voting member of the Board of Directors who receives compensation, directly or indirectly, from Dysphonia International for services is precluded from voting on matters pertaining to that member's compensation
- c) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Dysphonia International for services is precluded from voting on matters pertaining to that member's compensation.
- d) No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Dysphonia International, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI | Annual Statements

Each director, officer, employee, and member of a committee with Board of Directors delegated powers shall annually sign a statement which affirms such person:

- a) Has received a copy of the Conflicts of Interest Policy,
- b) Has read and understands the Policy,
- c) Has agreed to comply with the Policy, and
- d) Understands Dysphonia International is a non-profit charitable organization 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.

Any such information regarding business interests of a director, officer, employee, or committee member with Board of Directors delegated powers shall be treated as confidential and shall generally be made available only to the President and any committee appointed to address Conflicts of Interest,

except to the extent additional disclosure is necessary in connection with the implementation of this Policy.

ARTICLE VII | Periodic Reviews

To ensure Dysphonia International operates in a manner consistent with its non-profit 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.
- b) Whether partnerships, joint ventures and arrangements with management organizations conform to Dysphonia International'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 the periodic reviews as provided for in Article VII, Dysphonia International may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

ARTICLE IX | Review of Policy

- a) Each new member of the Board of Directors or committee member with Board of Director delegated powers shall be required to review a copy of this policy and to acknowledge in writing that he/she has done so.
- b) This policy shall be reviewed annually by each member of the Board of Directors. Any changes to the policy shall be communicated immediately to all directors, officers, and employees.

ARTICLE X | Confidentiality

Each director, officer, employee and committee with Board of Directors delegated powers shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of Dysphonia International. Furthermore, a director, officer, employee, or committee member with Board of Directors delegated powers shall not disclose or use information relating to the business of Dysphonia International for the personal profit or advantage of the director, officer, employee, committee member with Board of Directors delegated powers or a family member.