

The Conference on Jewish Material Claims Against Germany, Inc.

**ETHICAL GUIDELINES AND PRACTICES
INCLUDING CONFLICT OF INTEREST POLICY
(THE “GUIDELINES”)**

(As adopted by the Board of Directors July 8 – 9 , 2014)

1. Introduction

The Conference on Jewish Material Claims Against Germany, Inc. (the “Claims Conference”) is an international organization incorporated in the State of New York as a not-for-profit corporation. For over sixty years it has been responsible for the administration of funds aggregating billions of dollars for the benefit of Nazi victims.

The Board of Directors of the Claims Conference (the “Board”) believes that the trust and confidence placed in the Claims Conference depend on the Claims Conference continuing to maintain the highest standards of ethical and lawful conduct. It is also the Claims Conference’s position that all of its directors, committee members, officers and staff members, as well as agents and other associates, must comport themselves so that there is not even the appearance of conflict between personal or organizational interests and those of the Claims Conference.

It is appropriate for the Claims Conference to have a policy addressing potential conflicts of interest that may arise. The policy is designed to inspire public confidence in the Claims Conference, to ensure that all decisions of the Claims Conference are made solely to promote the mission of the Claims Conference without favor or preference based on personal considerations, and to provide the highest ethical conduct.

To ensure that the present standards, which are of the highest order, are strictly followed, the Claims Conference wishes to memorialize these standards in these Guidelines to provide a framework for the guidance of directors, committee members, officers and staff members regardless of their location or the nature of their association. Neither the Claims Conference nor any board member, committee member or staff member shall enter into any transaction that involves an actual, potential or apparent conflict of interest except in compliance with these Guidelines.

Finally, it should be noted that, in general, these standards are in keeping with the standards applied by public organizations in the United States, Germany and Israel.

2. General Ethical Conduct and Conflicts of Interest

Members of the Board, Committee Members and members of staff must be aware that they serve a public interest. They therefore have an obligation to conduct all the affairs of the Claims Conference in a manner which is morally, ethically, and fiscally of the highest order and can bear public scrutiny at any time. Decisions and acts of board members, committee members and staff must at all times be guided by the aims, policies and mission of the Claims Conference.

All board members, committee members and staff owe a duty of loyalty to the Claims Conference. That duty of loyalty requires that board members, committee members and staff act in good faith and in the best interests of the Claims Conference, rather than in their own interests or the interests of another individual or organization.

A conflict of interest arises whenever there is any proposed transaction, investment, arrangement, grant, program, or other activity in which (1) the Claims Conference would be a participant and one or more board members, committee members or staff or Related Parties, as defined below, would have a financial interest or (2) there could be an actual or perceived conflict of interest for some other reason, including any transaction, investment, arrangement, grant, program, or other activity in which the interests of a board member, committee member or staff or Related Party could be seen as competing with the interests of the Corporation.

While it is not possible to identify all possible conflict situations, conflicts of interest typically arise when a board member, committee member or staff (or a Related Party of such individual) has a compensation arrangement or other interest in a transaction with the Claims Conference (e.g., a grant from or contract with the Claims Conference). A conflict of interest can also arise where a board member, committee member or staff or Related Party has received or accepted a gift or other favor from a third party where such gift might create the appearance of influence on such person (other than gifts of nominal value, if representative of a token of respect and friendship unrelated to any particular transaction).

“Related Parties” include any of the following:

- a. The following relatives of each board member, committee member or staff: ancestors; siblings and half-siblings; the spouses of siblings and half-siblings; spouse or domestic partner;¹ children, grandchildren, and great-grandchildren, including by adoption; and the spouses of children, grandchildren, and great-grandchildren;
- b. Any entity or trust in which any one or more individuals described in paragraphs (a) or (b) above have a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.

Each board member, committee member and employee has a duty to disclose a personal or organizational relationship of any kind of him/herself or his/her family (including equity, loan, salary, finder’s fee or consultant status etc) in a third party which is involved in a transaction or proposed between the Claims Conference and that third party in accordance with the procedures in this document.

3. Conflict of Interest Procedures

A board member, committee member or key employee (“ Covered Person”) has a duty to disclose in good faith to the Chairman of the Audit Review Committee the material facts of

¹ The term “domestic partner” is defined pursuant to New York Public Health Law Section 2994-A. The term is not limited to registered domestic partner relationships and may include certain individuals who are named as beneficiaries of the life insurance policy or retirement benefits of a Covered Person, as well as certain individuals who are dependent on a Covered Person or upon whom a Covered Person is dependent for support. Individuals who are in relationships but are unmarried should contact the Claims Conference to obtain the complete definition.

any proposed transaction of the Claims Conference in which such Covered Person or a Related Party of such Covered Person has any actual or potential conflict of interest. The disclosure should be made prior to any consideration of such proposed transaction by the Board or any authorized committee of the Board, or promptly after such person has knowledge of the relevant facts if he or she has no actual knowledge prior to the relevant Board or committee action.

Any proposed transaction or arrangement in which a Covered Person or Related Party has a conflict of interest (as determined by the Chairman of the Audit Committee) must be approved by a majority of the directors of the Audit Review Committee, not including the interested individual. In approving any such transaction, the Audit Review Committee must make a determination that the transaction is fair, reasonable, and in the best interests of the Claims Conference. If a Covered Person or Related Party has a substantial financial interest in such transaction, the Audit Review Committee must consider alternative transactions to the extent available.

Covered Persons shall recuse themselves from deliberations or decisions in which they, or their Related Parties, have a conflict of interest. An interested person may make a presentation or answer questions about the transaction or arrangement involving the conflict of interest at the Audit Review Committee meeting at the request of the Audit Review Committee, but he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the conflict of interest. The minutes of the Audit Review Committee shall contain:

- a. The names of the interested persons, the nature of the interest, that the interested person did not vote and was not present during deliberations and vote, and any action taken to determine whether a conflict of interest was present and the Audit Review Committee's decision as to whether a conflict of interest in fact existed; and
- 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 considered due to the presence of a substantial financial interest, and a record of any votes taken in connection with the proceedings.

Every staff member (apart from key employees) have a duty to disclose in good faith to the Director of Human Resources in the New York office or his/her designee material facts of any proposed transaction of the Claims Conference in which such staff member or a Related Party of such staff member has any actual or potential conflict of interest. The disclosure should be made prior to any consideration of such proposed transaction by the Claims Conference management or any Board or any authorized committee of the Board, or promptly after such person has knowledge of the relevant facts if he or she has no actual knowledge prior to the relevant Claims Conference management, Board or committee action.

The following rules shall apply specifically to the Allocations (including the Advisory Committees) and Investment Committees .

- a. All chairmanships of committees will be limited to individuals who do not serve in a senior position in institutions or organizations that are considered for allocations or the investment of funds, as the case may be.

- b. While members (as opposed to chairmen of committees) may be associated with organizations that would receive an allocation or have an affiliation with an investment manager of Claims Conference funds, in all such situations that affiliation must be disclosed and reflected in the minutes of the meeting.
- c. Members of the committee with such an association shall recuse themselves and leave the room during any deliberations and shall not vote on the relevant application or decision.
- d. Members of the committee with such an association shall not attempt to influence improperly the deliberations or vote on the matter giving rise to the application or decision;
- e. Paragraph (a) above will not apply where the Board decides that the allocations to the institutions or organizations in question are not significant.
- f. The Chairman of the Committee shall have the task of reminding committee members of these provisions and ensuring compliance of these provisions.

4. Disclosure of Actual, Potential or Apparent Conflict of Interests

In furtherance of these Guidelines:

- a. Each board member, committee member or staff is required to complete a Conflicts of Interest Questionnaire (which is attached hereto) prior to his or her election or hiring and thereafter on an annual basis disclosing any actual, potential or apparent conflicts of interest, and affirming that he or she has read, understood and has and will adhere to these Guidelines. Completed Conflicts of Interest Questionnaires shall be provided (i) by the Secretary of the Claims Conference to the Chair of the Audit Review Committee in relation to Covered Persons or (ii) to the Director of Human Resources for other staff members, and may be reviewed by a person designated by the President.
- b. Should any board member, committee member or staff discover that his or her circumstances have changed subsequent to the filing of the annual questionnaire, he or she must complete a new questionnaire.
- c. The questionnaire and disclosure statement are not intended to apply to situations where any board member, committee member or staff or Related Party holds securities of or banks with firms or institutions interacting with the Claims Conference in the ordinary course of business.
- d. Any board member, committee member, employee or Related Person who is applying to or accepting money for any of the Claims Conference compensation programs must disclose this information to the Claims Conference on the Conflict of Interest Questionnaire.

- e. No staff member or Related Party of a staff member shall accept gifts, other than non-monetary gifts of nominal value, from individuals or organizations having any relationship with the Claims Conference. All such non-monetary gifts of nominal value (generally not to exceed \$25 in value) shall be disclosed on a Disclosure Statement Regarding Gifts, which is attached hereto and which must be submitted to the staff member's manager or supervisor for approval of acceptance of such gift. Such Disclosure Statement should be forwarded to Human Resources in the relevant office. Under no circumstances shall monetary gifts be accepted. If any money or other gift is received, the manner of its return should be disclosed.

5. Political Activities

The Claims Conference, organized as a New York not-for-profit corporation, is exempt from Federal and State income taxation under section 501(c)(4) of the Internal Revenue Code and corresponding New York laws. Although the Claims Conference may engage in political activities, to preserve its tax-exempt status, political activities must not be the primary function of the Claims Conference, and any political activities of the Claims Conference must be in furtherance of its tax-exempt purposes. However, this does not prevent directors, committee members or staff from supporting political parties, candidates, or activities in their personal capacities, as long as they do not purport to act in the name of the Claims Conference or use Claims Conference resources to do so.

6. Supervision and Guidance

The Chairman of the Audit Review Committee, shall supervise, guide and advise all relevant persons in the interpretation and application of these Guidelines. He or she shall render guidance and advice to persons seeking it in confidence, and shall have no enforcement authority other than to report alleged violations to the President of the Board.

Disciplinary action in accordance with the provisions of the By-laws of the Claims Conference and the provisions of applicable public laws is reserved to the President of the Board, or the entire Board, as the case may be. If the President of the Board or the entire Board, as the case may be, has reasonable cause to believe a board member, committee member or staff has failed to disclose actual, potential or apparent conflicts of interest, the individual shall be informed of the basis for such belief and such individual will be afforded an opportunity to explain the alleged failure to disclose.

In the event that the President of the Board, or the entire Board, as the case may be, concludes, after investigation and consideration of the facts and circumstances, that there has been a violation of these Guidelines, the President or the entire Board, as the case may be, shall be entitled to bar participation of such individual from subsequent meetings of the relevant committee or the Board. Repeated violations of these Guidelines may be considered a basis for removal from office of a board member, committee member or staff.

Breach of these Guidelines by a member of staff can result in disciplinary action up to and including termination of employment.

7. Periodic Review of Guidelines

To ensure that the Claims Conference operates in a manner consistent with its mission and does not engage in activities that could jeopardize its tax-exempt status, there shall be periodic reviews of these Guidelines, the Conflict of Interest questionnaire, and the Disclosure Statement Regarding Gifts. While these Guidelines may only be amended by the Board, it is the intention of the Claims Conference to revise the Conflict of Interest questionnaire and the Disclosure Statement Regarding Gifts from time to time and as necessary, to ensure that the disclosures contemplated or mandated by these Guidelines can be obtained.

**THE CONFERENCE ON JEWISH MATERIAL CLAIMS AGAINST GERMANY, INC.
ANNUAL CONFLICT OF INTEREST QUESTIONNAIRE FOR BOARD MEMBERS,
COMMITTEE MEMBERS AND STAFF.**

This form should be submitted once a year by Board Members, Committee Members and Staff of the Claims Conference.¹

I have read and understood the *Ethical Guidelines and Practices* as amended by the Board of Directors on July 8 – 9, 2014, agree to adhere to its terms, and state, to the best of my knowledge, the following regarding conflicts of interests with respect to the Claims Conference:

1. Below I have listed any entity of which I or a Related Party of mine is an officer, director, trustee, member, owner (either as a sole proprietor or a partner) or employee and with which the Claims Conference has a relationship (or is known to be in discussions to have a relationship):

(Attach additional sheets if necessary.)

2. Below I have listed and described any transaction, agreement, or other arrangement in which the Claims Conference is a participant (or is known to be in discussions to be a participant) and in which I or a Related Party of mine has or may have a conflicting interest:

¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the *Ethical Guidelines and Practices*.

(Attach additional sheets if necessary.)

3. Below I have listed and described any other interests of mine or of Related Parties of mine that could give rise to a conflict of interest under the Ethical Guidelines and Practices.

(Attach additional sheets if necessary.)

If my circumstances change, I agree to refile this questionnaire promptly.

Name _____
(print)

Name _____
(signature)

Date _____

Note: This disclosure statement is not intended to apply to situations where any Covered Person or Related Party holds securities of or banks with firms or institutions interacting with the Claims Conference in the ordinary course of business.

THE CONFERENCE ON JEWISH MATERIAL CLAIMS AGAINST GERMANY, INC.

Disclosure Statement Regarding Gifts

This form should be submitted if a staff member or Related Party of a staff member receives a personal gift from an individual or external organization having any relationship with the Claims Conference.¹

I have read and understood the *Ethical Guidelines and Practices* as amended by the Board of Directors through July 8 - 9, 2014, and state the following:

I understand that that neither I nor Related Parties of mine may accept cash or other monetary personal gifts from individuals or organizations having any relationship with the Claims Conference under any circumstances, but may, if approved, accept nominal personal non-monetary gifts generally valued at less than \$25.

I or a Related Party of mine has received the following non-monetary personal gift(s) from the following individual(s) and/or organization(s):

Name _____
(print)

Name _____
(signature)

Approved by Manager/Supervisor:

Signature _____

Date _____

I returned the gift in the following way:

¹ Please see the meaning of this term in the Ethical Guidelines and Practices.