

ASSOCIATION OF THE BAR OF THE CITY OF NEW YORK FUND, INC.

CONFLICTS OF INTEREST POLICY

January 17, 2017

The Association of the Bar of the City of New York Fund, Inc. (“the Fund”) has a responsibility to maintain the highest level of honesty and ethical conduct. Similarly, the Fund’s officers, members and employees bear a responsibility to maintain personal integrity and avoid financial and other interests that create a conflict or an appearance of conflict between their involvement with the Fund and their personal affairs.

All officers, directors, employees, members and volunteers who provide substantial services to the Fund, when undertaking their responsibilities with regard to the Fund, shall exercise those responsibilities with undivided loyalty. If there is a material personal, financial, professional or other interest that creates a conflict or the appearance of a conflict, or if the individual or a relative is a current owner, whether wholly or partially, director, officer or employee of the Fund’s outside auditor or has worked on the audit at any time during the past three years, the individual shall report such conflict to the Counsel of the Fund (“Counsel”) or Vice President who serves as Executive Director of the New York City Bar Association (“Vice President”), except that reporting of conflicts with regard to financial interests shall be performed as set forth in Section A below.

The Vice President or Counsel may advise the Audit Committee of the conflict if they deem it appropriate, and shall consider the conflict and advise the individual with the conflict as to whether disclosure, and possibly recusal, is necessary. Should the individual disagree with the determination of the Vice President or Counsel, he or she may bring the matter to the Audit Committee, or the Vice President or the Counsel may refer the matter to the Audit Committee.

Officers and directors may raise such conflict issues in the first instance with the Chair of the Board of Directors or the Chair of the Audit Committee. If so, the procedure set forth in the above paragraph shall be followed, substituting those Chairs for the Vice President or Counsel.

A. Related Party Transactions<sup>1</sup>

When an officer, director, an employee who is in a position to exercise substantial influence over the Fund’s affairs or a key person<sup>2</sup>, becomes aware that the Fund is

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<sup>1</sup> The term “related party transaction” excludes transactions (1) where the transaction itself or the related party’s financial interest in the transaction is de minimis, (2) that would not customarily be reviewed by the board or boards of similar organizations and are available to others on the same terms, or (3) that constitute a benefit provided to a related party only as a member of a class of the beneficiaries that the Fund intends to benefit as part of its mission, as long as the benefit is available to similarly situated members of the same class on the same terms.

considering entering into a transaction in which that individual, or a relative of such individual, or someone with whom the individual has an intimate personal relationship has a financial interest, he or she shall disclose the material facts regarding such interest to the Board of Directors or to such other committee authorized by the Board of Directors to receive such disclosure.

In addition to situations where the individual or the individual's relative or other intimate personal relationship would receive remuneration as a result of the transaction, individuals should also report instances where the transaction would involve an entity in which the individual or relative or intimate personal relationship has 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 five percent.

For purposes of this Policy, "relative" means your (i) spouse or domestic partner; (ii) ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great-grandchildren; and (iii) spouses or domestic partners of brothers, sisters, children, grandchildren, and great-grand-children.

The Fund shall not undertake a related party transaction without the approval of the Board of Directors. The Board of Directors may approve such a transaction should it determine that the transaction is fair, reasonable and in the best interest of the Fund, provided it considers alternative transactions to the extent possible. Any determination with regard to such transaction and the alternative transactions considered shall be documented in the Board's minutes. The individual who has such an interest in the party involved in the transaction shall not be present or participate in the deliberation or vote on the transaction.

With regard to other employees and Fund members:

Any other employee who becomes aware that the Fund is considering entering into a transaction in which that employee, or a relative of that employee, or someone with whom the employee has an intimate personal relationship has a financial interest, or

Any member other than an officer or Board member who has (i) responsibility with regard to City Bar Fund funds or (ii) responsibility to recommend products or services for purchase by the Fund, and becomes aware that the Fund is considering entering into a transaction in which that member, or a relative of that member, or someone with whom the member has an intimate personal relationship has a financial interest:

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<sup>2</sup> A "key person" is defined as any person, other than a director or officer, whether or not an employee of the Fund, who (i) has responsibilities, or exercises powers or influence over the Fund as a whole similar to the responsibilities, powers, or influence of directors and officers; (ii) manages the Fund, or a segment of the Fund that represents a substantial portion of the activities, assets, income or expenses of the Fund; or (iii) alone or with others controls or determines a substantial portion of the Fund's capital expenditures or operating budget.

shall disclose the material facts regarding such interest to the Vice President and the Audit Committee. The Vice President or the Audit Committee may refer the matter to the Board. If neither the Vice President nor Audit Committee refers the matter to the Board of Directors, the Vice President may approve such transaction if he or she determines that the transaction is fair, reasonable and in the best interest of the Fund. However, if such transaction would normally be subject to approval by the Board of Directors, the information provided by the employee should be disclosed to the Board and the Board shall be responsible for approving the transaction after determining that the transaction is fair, reasonable and in the best interest of the Fund. Any determination with regard to such transaction shall be documented in the Fund's records or in the Board of Director's minutes if that Board makes a determination.

No individual who has a conflict of interest shall attempt to influence improperly the deliberation or voting on, or other determination of, the matter giving rise to such conflict.

#### B. Receipt of Gifts

1. No Fund employee shall accept any cash gift payment, or accept any non-cash gift with a dollar value in excess of \$100 from a vendor or any other party seeking to do business, or doing business, with the Fund. Any gift received in excess of \$100 shall be returned.
2. No Fund officer or director shall accept any cash gift payment, or accept any non-cash gift with a dollar value in excess of \$100, if that member believes or has reason to believe that the gift is motivated by a desire to obtain a benefit from the Fund.

#### C. Payments to Vendors

No Fund officer, director or employee may offer or authorize gifts or payments to a vendor or any other party seeking to do business, or doing business, with the Fund except payments legally owing for goods or services rendered.

Any violation of the Conflicts of Interest Policy by an employee of the Fund may be cause for discharge. Any violation of the Conflicts of Interest Policy by an officer or director could be considered cause for sanctions including expulsion from the Fund. Should any officer, director or employee have any questions with regard to the application of this Policy, that individual may contact the Vice President, Counsel or Chair of the Audit Committee.

This Policy shall be distributed to all officers, directors and employees, and to volunteers who provide substantial services to the Fund, and shall be posted on the Fund's website.

In addition, prior to the election of any officer or director and annually thereafter, each such officer or director shall complete, sign and submit to the Secretary of the Fund a written form identifying, to the best of his or her knowledge, any entity of which she or he is an officer,

director, trustee, member, owner (either as a sole proprietor or a partner), or employee and with which the Fund has a relationship, and any transaction in which the Fund is a participant and in which he or she might have a conflicting interest. The Secretary of the Fund shall provide a copy of all completed forms to the Chair of the Audit Committee.