

ODCEM, INC.

CONFLICT OF INTEREST POLICY

ARTICLE ONE: PURPOSE.

The purpose of this Conflict of Interest Policy (the “Policy”) is to protect the interests of **ODCEM, INC. (“Corporation”)**, a Delaware non-stock not-for-profit corporation formed under the General Corporation Law of the State of Delaware, when the Corporation is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director or key employee of the Corporation, or any affiliate of the Corporation, 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 nonprofit and charitable organizations.

ARTICLE TWO: DEFINITIONS.

2.1 Interested Party Transactions.

An interested party transaction is any transaction, agreement or other arrangement in which an “interested” party (as defined below) has a financial interest (as defined below) and in which the Corporation or an affiliate (as defined below) of the Corporation is a participant.

2.2 Interested Party.

- (a) any director, officer or key employee of the Corporation or any affiliate;
- (b) any relative of a director, officer or key employee of the Corporation or any affiliate; and
- (c) any entity in which an individual described in (a) or (b) or has a 35% or greater ownership or beneficial interest, or in the case of partnership or professional Corporation, a direct or indirect ownership interest in excess of 5%.

2.3 Key Employee.

A key employee is any person who is in a position to exercise substantial influence over the affairs of the Corporation, as referenced in §4958(f)(1)(A) of the Internal Revenue Code and the corresponding Treasury regulations governing “excess benefit transactions.”

2.4 Affiliate.

An affiliate of a Corporation means any entity controlled by, in control of or under common control with, such Corporation.

2.5 Relative.

A relative is defined as an individual's spouse, domestic partner, child, grandchild, great-grandchild, sibling, half-sibling, ancestor and the spouse of such individual's child, grandchild, great-grandchild or sibling.

2.6 Financial Interest.

A person has financial interest if the person has directly or indirectly through business, investment, or a relative (as defined above) any of the following:

- (a) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement.
- (b) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
- (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

A financial interest is not necessarily a conflict of interest. An interested party 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 THREE: PROCEDURES FOR ADDRESSING CONFLICT OF INTEREST.

3.1 The Corporation may not enter into any interested party transaction unless the board, or an authorized committee designated by the board, first determines that the proposed transaction is fair, reasonable, and in the best interest of the Corporation.

3.2 Duty to Disclose.

In connection with any actual or possible conflict of interest, an "interested party" or interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the board of directors and/or members of an authorized committee of the board that is considering the proposed transaction or arrangement.

3.3 Determining if a Conflict of Interest Exists.

After disclosure of the financial interest and all material facts, and after any discussion with the interested party, the board or authorized committee shall hold a meeting to determine if a conflict of interest exists.

3.4 An interested party having an interest in an interested party transaction or arrangement is prohibited from attending a meeting at which the transaction is considered, or from participating in the deliberations or discussions of the board or authorized committee regarding the interested party transaction.

3.5 Under no circumstances may the interested party vote on such interested party transaction or influence improperly the deliberations or voting on the matter.

3.6 Investigating Alternative Options.

The chairperson of the board or authorized committee meeting shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3.7 After exercising due diligence, the board or authorized committee shall determine whether the Corporation 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.

3.8 If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board or authorized committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interests, 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.

3.9 Violations of the Conflict of Interest Policy.

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

If, after hearing the director or key employee's response and after making further investigation as warranted by the circumstances, the board or authorized committee determines that the director or key employee has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE FOUR: RECORDS OF PROCEEDINGS.

- 4.1 The board shall document contemporaneously all deliberations on the interested party transaction and maintain voting records with respect to the same.
- 4.2 The minutes of the board of directors or authorized committee meeting 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;
 - (b) the nature of the financial interest and any action taken to determine whether a conflict of interest in fact existed;
 - (c) the names of the persons who were present for discussions and votes relating to the transaction or arrangement;
 - (d) the content of the discussion, including any alternatives to the proposed transaction or arrangement; and
 - (e) a record of any votes taken in connection with the proceedings.

ARTICLE FIVE: COMPENSATION.

- 5.1 A director or officer who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that director's compensation.
- 5.2 A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
- 5.3 No director or voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE SIX: ANNUAL STATEMENTS.

- 6.1 Each director, officer or key employee of an authorized committee of the board with delegated powers shall annually sign a statement which affirms such person:
 - (a) has received a copy of the Conflict of Interest Policy;
 - (b) has read and understands the Policy;

- (c) has agreed to comply with the Policy; and
- (d) understands the Corporation is a 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.

6.2 Annual Disclosure Statement by Directors.

Prior to initial election to the board of directors, and annually thereafter, each director shall submit to the secretary of the Corporation a signed written statement identifying:

- (a) any entity of which the director is an officer, director, trustee, member, owner or employee with which the Corporation has a relationship; and
- (b) any transaction in which the Corporation is a participant which might possibly give rise to a conflict for the director.

ARTICLE SEVEN: PERIODIC REVIEWS.

To ensure that the Corporation operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted, as necessary. 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 negotiations.
- (b) Whether partnerships, joint ventures and arrangements with management organizations conform to the Corporations written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further the Corporation's charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

ARTICLE EIGHT: USE OF OUTSIDE EXPERTS.

When conducting the periodic reviews as provided for in ARTICLE SEVEN, the Corporation may, but need not, use outside experts. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

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