

Policy was accepted by the BOT in the meeting with ZMA Legal on 10/13/2025

CONFLICT OF INTEREST POLICY FOR ISLAMIC FOUNDATION NORTH

ARTICLE I. PURPOSE, SCOPE, AND APPLICATION

1. The purpose of this Conflict of Interest Policy (the “**Policy**”) is to protect the interests of Islamic Foundation North (“**IFN**”) when it is contemplating entering into a transaction or arrangement to ensure private interests do not interfere or compete with what is in the best interests of IFN.
2. This Policy establishes guidelines, procedures, and requirements for identifying and appropriately managing a Conflict of Interest.
3. This Policy applies to all directors, officers, employees, and volunteers of IFN. All directors, officers, employees, and volunteers must familiarize themselves with and adhere to the principles and rules set out in this Policy.
4. This Policy is intended to supplement but not replace any state and federal laws governing conflicts of interest applicable to non-profit and charitable organizations.
5. Any questions about this Policy should be referred to the Board of Trustees of IFN which is in charge of administering, enforcing, and updating this Policy.

ARTICLE II. DEFINITIONS

1. “**Conflict of Interest**” means situations where, in the judgment of IFN’s Board of Trustees (“**Board**”):
 - (a) The outside interests or activities (such as Covered Interests) of a director, officer, employee, or volunteer of IFN interfere or compete with IFN’s interests.
 - (b) The benefit gained by a director, officer, employee, or volunteer in a transaction or arrangement is such that it reduces the likelihood that such person’s influence can be exercised impartially in the best interests of IFN.
 - (c) A director, officer, employee, or volunteer has divided loyalties.
 - (d) An Excess Benefit Transaction would occur.
2. “**Covered Interest**” means when any director, officer, employee, or volunteer, or their family or close associates, has a direct, or indirect personal or financial connection that relates to IFN. This can include:
 - (a) An ownership or investment interest in any entity with which IFN has a transaction or arrangement.
 - (b) A compensation arrangement with IFN or with any entity or individual with which IFN has a transaction or arrangement.
 - (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which IFN is negotiating a transaction or arrangement.

(d) A legal commitment or financial interest, including by virtue of a Board appointment, employment position, or volunteer arrangement, to act in the interests of another entity or individual.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A Covered Interest is not necessarily a Conflict of Interest. Under Article III.2 of this Policy, a person who has a Covered Interest may have a Conflict of Interest only if the Board decides that a Conflict of Interest exists.

3. “**Excess Benefit Transaction**” means any transaction in which an economic benefit is provided by IFN, directly or indirectly, to or for the use of a disqualified person and the value of the economic benefit provided by IFN exceeds the value of the consideration (including the performance of services) received by IFN. A “disqualified person” is any person who was in a position to exercise substantial influence over the affairs of the non-profit at any time during the past five-year period, ending on the date of the transaction, and includes but is not limited to IFN’s directors, officers, and Related Parties, as defined herein.

4. “**Interested Person**” means any director, officer, employee, or volunteer who has a direct or indirect Covered Interest.

5. “**Related Party**” means any one of the following persons or entities:

(a) Any director, officer, employee, or volunteer of IFN or its affiliates.

(b) Any Relative of any individual described in subsection 5(a) above.

(c) Any entity or trust of which any individual described in subsection 5(a) or 5(b) above serves as a director, trustee, officer, employee, or volunteer, or has a thirty-five percent (35%) or greater ownership or beneficial interest.

(d) Any partnership or professional corporation in which any individual described in subsection 5(a) or 5(b) above has a direct or indirect ownership interest in excess of five percent (5%).

(e) Any other entity or trust in which any individual described in subsection 5(a) or 5(b) above has a material financial interest.

6. “**Relative**” means any one of the following persons:

(a) The spouse or domestic partner of an Interested Person.

(b) The ancestors of an Interested Person.

(c) The siblings or half-siblings, children (whether natural or adopted), grandchildren, and great-grandchildren of an Interested Person.

(d) The spouse or domestic partner of any person described in subsection 6(c) above.

ARTICLE III. PROCEDURES

1. Duty to Disclose. An Interested Person must disclose to the Board or their manager (as applicable) the existence of any actual, potential, or perceived Conflict of Interest as soon as such Interested Person identifies that there may be a Conflict of Interest, and before IFN enters into the proposed transaction or arrangement that gives rise to the Conflict of Interest.

The Interested Person shall disclose all material facts to the Board concerning the proposed transaction or arrangement, including the circumstances giving rise to the Conflict of Interest.

2. Determining Whether a Conflict of Interest Exists. After disclosure of the actual, potential, or perceived Conflict of Interest, the Board shall discuss internally and vote to determine whether a Conflict of Interest exists. The Interested Person shall not be present for the Board's internal discussion and vote. If the Board determines by majority vote that no conflict exists, no further review of the transaction by the Board is required. The discussion and determination of the existence of a Conflict of Interest shall be documented in accordance with Article IV.

3. Procedures for Addressing the Conflict of Interest. If the Board determines an actual, potential, or perceived Conflict of Interest exists, to address such Conflict of Interest, the Board shall follow the procedures described in this Section 3:

(a) The chairperson of the Board shall, if appropriate, appoint a disinterested person or committee to investigate market information and alternatives to the proposed transaction or arrangement, including obtaining comparability data when determining compensation.

(b) After exercising due diligence, the Board shall determine whether IFN 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.

(c) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a Conflict of Interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is: (i) in IFN's best interests; (ii) for its own benefit; and (iii) fair and reasonable.

(d) In conformity with the above determinations, the Board 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 Board has reasonable cause to believe an Interested Person has failed to disclose an actual, potential, or perceived Conflict of Interest, it shall inform the Interested Person of the basis for such belief and give the Interested Person an opportunity to explain the alleged failure to disclose.

(b) If, after hearing the Interested Person's response, the Board determines the Interested Person has failed to disclose an actual, potential, or perceived Conflict of Interest, it shall take appropriate disciplinary and corrective action, up to and including termination of employment or volunteering, or removal from the Board.

(c) Each director, officer, employee, and volunteer is responsible for reporting to their manager or to the Board any suspected failure to disclose by any Interested Person, regardless of position.

5. Confidentiality.

(a) IFN shall maintain the confidentiality of any disclosures made in connection with this Policy and limit access to the information.

(b) Each director, officer, employee, and volunteer shall exercise care not to use, publish, or disclose confidential information acquired in connection with disclosures of actual, potential, or perceived Conflicts of Interest during or subsequent to their employment, participation as a volunteer, or participation on the Board.

ARTICLE IV. RECORDS OF PROCEEDINGS

1. The minutes of the meeting(s) of the Board shall contain:

(a) (i) The names of the persons who disclosed or otherwise were found to have an actual, potential, or perceived Conflict of Interest; (ii) the nature of the disclosed interest; (iii) any action taken to determine whether a Conflict of Interest was present; (iv) whether the Interested Person was present during the determination; and (v) the Board's decision as to whether a Conflict of Interest in fact existed.

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

ARTICLE V. COMPENSATION

1. A voting member of the Board who receives compensation, directly or indirectly, from IFN for services cannot vote on matters pertaining to that member's compensation.

2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from IFN for services cannot vote on matters pertaining to that member's compensation.

3. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from IFN, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI. ANNUAL STATEMENTS AND DISCLOSURES

Each director, officer, employee, and volunteer shall annually disclose all Conflicts of Interest and previously unreported Conflicts of Interest in writing to the Board or their manager, as applicable, in accordance with this Policy and sign a statement that affirms that such person has received a copy of this Policy, acknowledges and agrees to it and has no Conflict of Interest to report or is reporting current and any previously unreported Conflicts of Interest.

ARTICLE VII. PERIODIC REVIEWS

To ensure IFN operates in a manner that does not jeopardize its reputation or tax-exempt status, periodic reviews of this Policy shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

(a) Whether compensation arrangements and benefits are: (i) reasonable; (ii) based on competent survey information; and (iii) the result of arm's length bargaining; and

(b) Whether partnerships, joint ventures, and arrangements with management organizations: (i) conform to IFN's written policies; (ii) are properly recorded; (iii) reflect reasonable investment or payments for goods and services; (iv) further charitable purposes; and (v) do not result in inurement, impermissible private benefit, or an Excess Benefit Transaction.

ARTICLE VIII. AMENDMENTS

All amendments to this Policy shall be internally discussed by the Board and approved by a majority vote of the Board.

ARTICLE IX. USE OF OUTSIDE EXPERTS

When conducting a Conflict of Interest determination as provided for in Article III or a periodic review as provided for in Article VII, IFN may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its fiduciary duties or responsibilities when considering a transaction or arrangement with an Interested Person or Related Party, or for ensuring periodic reviews are conducted.