

RONALD MCDONALD HOUSE CHARITIES, INC.

CONFLICTS OF INTEREST POLICY

ARTICLE I. Purpose

The purpose of the conflicts of interest policy is to avoid a conflict, or the appearance of conflict, between the interests of Ronald McDonald House Charities, Inc. ("RMHC") and the private interests of any officer, trustee or other interested person associated with RMHC, as defined below. This policy supplements (but cannot replace) any applicable laws governing conflicts of interest applicable to nonprofit corporations. The procedures set forth in this policy shall be used for all actual or potential conflicts of interest transactions that RMHC proposes to undertake, including, but not limited to, any compensation arrangement between RMHC and an interested person.

ARTICLE II. Definitions

1. Interested Person. Any trustee, officer, member of a committee with board-delegated powers, any person who functions as a director-level staff of RMHC, or any other person who is in a position to exercise substantial influence over the decisions of the board and who has a direct or indirect financial interest in a transaction being considered by RMHC, as defined below, is an interested person.

2. Financial Interest. A person has a financial interest in a transaction if the person has, directly or indirectly, through business, investment or immediate family member --

(a) an ownership or investment interest in any entity with which RMHC has an actual or proposed transaction or arrangement, or

(b) a compensation arrangement with RMHC or with any entity or individual with which RMHC has an actual or proposed transaction or arrangement, or

(c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which RMHC is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. Compensation does not include reimbursement of properly documented travel and other appropriate business expenses of an interested person providing services approved by RMHC.

3. Immediate Family Member. An immediate family member means any spouse, parent, child, grandchild, sibling, mother- and father-in-law, son- and daughter-in-law, brother- and sister-in-law of an interested person. Immediate family member shall also include anyone (other than a domestic employee or service provider) who shares the interested person's home.

4. Disinterested Trustee or Committee Member. A disinterested trustee or committee member is a trustee or committee person of RMHC who is not an interested person in the transaction being considered by RMHC.

ARTICLE III. Procedures for Transactions

1. Duty to Disclose. In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest in the proposed transaction and all material facts to the trustees and/or members of committees with board-delegated powers considering the proposed transaction or arrangement in advance of RMHC engaging in the proposed transaction or arrangement.

2. Procedures for Addressing the Conflict of Interest.

(a) Any interested person shall not vote on, or use his or her personal influence (either at or outside the meeting) in connection with, the resolution of an issue or matter regarding a proposed transaction or arrangement between RMHC and the interested person or an entity with which the interested person has a financial interest. When any such issue or matter comes under consideration by the board of trustees or one of its committees, the interested person shall promptly disclose to the board or the committee the existence of any such financial interest. Following any such disclosure, the person making the disclosure may answer questions of fact from other trustees when the person's knowledge of the facts may assist the board or its committee in reaching a decision.

(b) The trustees or committee must carefully consider whether obtaining appropriate comparability data and/or a reasoned opinion is necessary in order to evaluate the fairness and reasonableness of the proposed transaction or arrangement in question.

(c) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested trustees whether the transaction or arrangement involving the interested person or the entity with which the interested person has a financial interest is in RMHC's best interest and fair and reasonable to RMHC. The transaction may not be authorized, approved or ratified by a single disinterested trustee.

(d) Unless requested to do so by the Chairperson, the interested person need not leave the meeting during the discussion of, and vote on, the matter under consideration, but, except as provided in subparagraph (a) above, shall not participate in the discussions.

3. Violations of the Conflicts of Interest Policy.

(a) If the trustees or committee has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, it shall inform such person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.

(b) If, after hearing the response of the member and making such further investigation as may be warranted under the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV. Procedure for Grant Requests

If RMHC is considering a request for a grant to a charitable organization that employs an interested person or if known, employs an immediate family member of an interested person, or on whose board the interested person or if known, on whose board an immediate family member of an interested person serves, the interested person shall disclose the existence of and any material facts relating to his or her position with the organization or, if known, the position of his or her immediate family member with the organization. The interested person need not leave the meeting during the discussion of, and vote on, the grant request, but shall abstain from voting on or influencing the vote on the grant request. In addition to the annual statements required in Article VI, an interested person shall annually provide a list, to the knowledge of such person, of charitable organizations that employ or on whose board an immediate family member serves.

ARTICLE V. Documentation

The minutes of the board and all committees with board-delegated powers shall contain the names of the persons who disclosed or otherwise were found to be interested persons in connection with an actual or possible conflict of interest, the nature of the interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed. The minutes shall also contain the names of the persons who were present for discussions and votes relating to the transaction or arrangement, a summary of the discussion, including any alternatives to the proposed transaction or arrangement and a record of the action taken by the trustees or committee with respect to the proposed transaction or arrangements.

ARTICLE VI. Annual Statements

Each trustee, officer and member of a committee with board-delegated powers shall annually sign a statement that affirms that 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 that RMHC is a tax-exempt organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes and refrain from activities that confer an impermissible private benefit or result in private inurement.

In addition to the annual statement, each interested person shall annually provide a list of all organizations in which he or she has a financial interest.

As approved by the Board of Trustees on
December 9, 2008