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Forty-Niner Shops, Inc.

4.5. Business Interest in Customer/Supplier Connection.

A Board member represents the Company in a business dealing with a customer/supplier where the member holds an interest in the customer's/supplier's business.

4.6. Use of Company Facilities, Equipment, or Supplies for Personal Activities.

A Board member uses Company equipment, supplies or facilities for his/her personal benefit or for the benefit of an outside organization, without appropriate compensation to the Company for the use of such equipment, supplies, or facilities.

5. Appearance of a Conflict of Interest.

The appearance of a conflict of interest may be just as damaging to the Company's reputation as an actual conflict. All Board members should objectively examine their actions periodically so that an outside observer (such as a customer, government agent, vendor, or employee) would have no reason to believe that a conflict of interest might exist.

6. Gifts Received From External Contacts.

Board members and their relatives are prohibited from accepting anything above nominal value (including gifts or cash) from outside business contacts doing business with the Company. These exchanges may be seen as attempts to unduly influence business relationships.

6.1. Discourage Gifts.

The Board member is responsible to tactfully discourage gifts.

6.2. Board Officer Informed.

Board members who receive gifts from a single business contact of more than \$420 value a year must inform Chair or General Manager/CEO using the "Gifts Received from External Contacts Form".

6.3. Unacceptable Gifts

Examples of inappropriate gifts or favors include:

- 6.3.1. Expensive Entertainment;
- 6.3.2. Free or discounted travel or vacation facilities;
- 6.3.3. Free or discounted services or equipment;
- 6.3.4. Loans
- 6.3.5. Clothing, jewelry; or

6.3.6 Any gift(s) received from a single business contact totaling more than \$420 in a 12 month period.

6.4. Acceptable Gifts (Exceptions to the Gift Rule).

Normal gifts are acceptable when it is clear that:

6.4.1. The intent is not to try to exert any influence or gain any special treatment.

10.1. Board Member Reports a Potential Conflict of Interest

If a Board member believes that he/she (or his/her relative) has a financial conflict of interest, he/she must immediately complete and submit a "Board of Directors Disclosure of Financial Interest Statement" to the Board chairperson.

10.2. Board Officer Review

The Board chairperson will review the "Board of Directors Disclosure of Financial Interest Statement" received and determine whether or not a real or perceived conflict of interest exists. In the case where the Board member with a conflict of interest is the Board chairperson, the Board vice chairperson will review the "Board of Directors Disclosure of Financial Interest Statement" received and determine whether or not a real or perceived conflict of interest exists.

10.3. Determination of No Conflict of Interest.

In the case that the Board chairperson determines that there is no real or apparent conflict of interest, the Board chairperson will check the "No conflict of interest determined" box.



Forty-Niner Shops, Inc.
CaliforniaState University, Long Beach

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