

# CONFLICT OF INTEREST AND CONFLICT OF ISSUES POLICY FOR THE FRENCH BULLDOG FOUNDATION OF AMERICA (FBDFA)

## 1. PURPOSE

The purpose of this Conflict of Interest and Conflict of Issues Policy (“Policy”) is to:

- Protect the integrity, reputation, and charitable purposes of the FBDFA (“the Corporation”);
- Ensure that decisions are made solely in the best interests of the Corporation and in regard to French Bulldogs or other animals generally; and
- Provide clear procedures for identifying, disclosing, and managing:
  - \* Personal and financial conflicts of interest; and
  - \* Conflicts of issues, especially those involving animal breeding, animal use, and animal welfare standards.

This Policy is also intended to:

- Help the Corporation comply with section 501(c)(3) requirements, including avoiding private inurement and excess benefit transactions; and
- Align with the Tennessee Nonprofit Corporation Act’s provisions on “conflicting interest transactions” for directors and officers, Tenn. Code Ann. §§ 48-58-701–703, as they may be amended.

If there is any inconsistency between this Policy and applicable Tennessee law, the statute shall control.

## 2. SCOPE AND COVERED PERSONS

This Policy applies to:

- Members of the Board of Directors;

- Officers;
- Employees (full-time, part-time, temporary, and contract);
- Key volunteers; and
- Any other person with decision-making authority or access to confidential information, as designated by the Board.

All such individuals are referred to as “Covered Persons.”

Key persons or others given special decision-making authority or access to confidential information should be provided with notice that the Board considers them a Covered Person and be provided with a copy of these rules. Covered Persons are not required to sign a copy of this policy for them to be governed by it.

### 3. KEY DEFINITIONS

#### 3.1 Conflict of Interest (Personal or Financial)

A conflict of interest exists when a Covered Person’s personal, financial, professional, or family interests could reasonably be seen as:

- Influencing, or appearing to influence, their judgment or actions on behalf of the Corporation; or
- Where they could result in a personal benefit from decisions made in their organizational role.

Examples include, but are not limited to:

- A Covered Person or their family member owning or working for a business that sells animals, breeding services, veterinary services, supplies, or consulting services;
- A Covered Person receiving fees, commissions, gifts, or other benefits from vendors, breeders, adopters, or donors in connection with their work for the Corporation; or
- A Covered Person participating in decisions regarding contracts, grants, or employment with the Corporation that affect themselves, their family, or a business they are connected to.

Under Tennessee law, these types of situations may be referred to as “conflicting interest transactions.”

#### 3.2 Conflict of Issues

A conflict of issues exists when a Covered Person's activities, affiliations, or public positions on animal-related issues:

- Are inconsistent with, or undermine, the Corporation's stated mission, core values, or humane standards or a member's adherence to the Corporation's Animal Welfare Pledge; or
- Reasonably create the appearance that the Corporation condones practices contrary to its mission.

Examples include:

- Publicly advocating for or participating in practices the Corporation opposes (such as inhumane breeding operations, animal fighting, inhumane training methods, or substandard housing/transport of animals);
- Serving in leadership roles in organizations that promote policies or practices clearly inconsistent with the Corporation's humane standards; or
- Making public statements, endorsements, or social media content that may reasonably be perceived as contrary to the Corporation's core animal welfare positions, where the Covered Person is identified with the Corporation.

### 3.3 Animal Breeding Activity

For purposes of this Policy, "animal breeding activity" includes:

- Owning, operating, or working in a business, kennel, cattery, breeding program, or breeding cooperative;
- Personally breeding animals for sale, show, sport, or other purposes; or
- Receiving any direct or indirect financial or reputational benefit from the breeding, sale, or transfer of offspring.

### 3.4 Ethical Breeding

"Ethical breeding" means animal breeding activity that, at a minimum, complies with:

- All applicable laws and regulations;
- The Corporation's written humane standards and breeding guidelines adopted by the Board; and
- Industry-recognized best practices for animal welfare, including (as applicable) appropriate housing, socialization, veterinary care, and genetic and health screening.

Ethical breeding expressly excludes high-volume or substandard operations, “puppy mills” or similar situations, sales through brokers or pet stores, or any situation the Board determines is inconsistent with the Corporation’s animal welfare mission.

### 3.5 Family Member and Related Entity

- “Family Member” means a spouse, domestic partner, parent, child, sibling, in-law, or any person sharing a household with the Covered Person.
- A “Related Entity” is any business, nonprofit, or other organization in which a Covered Person or Family Member has an ownership interest greater than five percent (5%) of all outstanding voter or membership shares, a significant governance role, or from which they receive compensation of any kind other than the reimbursement for costs only.

## 4. GENERAL DUTIES OF COVERED PERSONS

All Covered Persons owe the Corporation the duties of loyalty, care, and obedience, including:

- Acting in the best interests of the Corporation;
- Avoiding situations where personal or financial interests conflict with organizational duties;
- Disclosing potential conflicts promptly and fully; and
- Following this Policy and any related procedures adopted by the Board.

## 5. CONFLICTS OF ISSUES INVOLVING ANIMAL WELFARE AND BREEDING

### 5.1 Humane Standards and Mission Alignment

The Corporation is dedicated to promoting humane treatment and welfare of animals. Covered Persons must:

- Refrain from participating in or supporting activities that are clearly inconsistent with the Corporation’s humane standards (for example, cruel or inhumane breeding operations, animal fighting, or inhumane training or handling practices);
- Avoid public statements or actions that reasonably appear to endorse practices the Corporation opposes; and
- Disclose any roles or affiliations related to animal use in entertainment, research, or sport that may conflict with the Corporation’s mission.

Where a conflict of issues is identified, the Board may require:

- Recusal from certain decisions;
- Limitation or modification of roles; or
- In significant cases, resignation from a Covered Person role.

## 5.2 Animal Breeding-Related Conflicts and Regulated Ethical Breeding Exception

Because of the high risk of reputational and ethical conflicts in animal breeding, the following rules apply.

### 5.2.1 Disclosure Requirement

Any Covered Person engaged in animal breeding activity, personally or through a Family Member or Related Entity, must disclose this fully, including:

- The nature and scale of breeding operations;
- Species and/or breeds involved;
- Whether animals are sold, traded, shown, or otherwise transferred; and
- Any overlapping relationships with the Corporation (for example, foster or adoptive homes, shelter intakes, or rescue partnerships).

### 5.2.2 General Restrictions

Unless expressly authorized by the Board after full disclosure and documented review, Covered Persons may not:

- Use Corporation resources (premises, equipment, staff, volunteers, social media, mailing lists, logo, or name) to advertise or support breeding operations except for generating lists of those persons for purposes of disclosing verification or investigation of their breeding or testing standards. The Corporation may determine standards for breeders or others to qualify for the use of a humane breeding service mark and shall police the use of that mark where appropriate;
- Participate in Corporation decisions that affect any breeding operation in which they or a Family Member or Related Entity are involved (including vendor contracts, partnerships, promotions, or joint events).

### 5.2.3 Regulated Certified Ethical Breeding Exception

The Corporation may, but is not required to, permit persons to be listed as engaging in ethical breeding under a regulated certified breeding exception if all of the following conditions are met:

1. **Written Standards.** The Board has adopted written ethical breeding standards and guidelines that are consistent with the Corporation's animal welfare mission and applicable law.
2. **Full Disclosure.** The Covered Person's breeding activities have been fully and publicly disclosed in writing, reviewed by the Board or a designated committee, and recorded in the minutes.
3. **Determination of Ethical Breeding.** The Board or designated committee has made a written determination that:
  - The activities qualify as ethical breeding under this Policy and the Corporation's standards; and
  - The activities do not undermine the Corporation's mission or public trust.
4. **Recusal.** Any member is recused from any Board or organizational decisions that could materially affect their own breeding operations or confer a financial advantage on those operations.
5. **Periodic Review.** The Board or designated committee conducts periodic (at least annual) review of the ethical breeding relationship to confirm continued compliance with this Policy and the Corporation's standards.

The Board may revoke the ethical breeding exception at any time if it determines that the certified person's activities are no longer consistent with the Corporation's mission, welfare standards, or best interests.

#### 5.2.4 Corporate Positions on Breeding

The Board may adopt specific positions on animal breeding, such as opposition to high-volume commercial breeding, mandatory spay/neuter for adopted animals, or limiting breeding to situations that meet ethical breeding standards. Certified must not publicly use their organizational role to advocate for positions directly contrary to those adopted positions.

### 6. PERSONAL AND FINANCIAL CONFLICTS OF INTEREST

In addition to breeding-related conflicts, the following are examples of personal or financial conflicts of interest:

- The Corporation entering into a transaction or contract with a Covered Person, a Family Member, or a Related Entity (for example, for construction, veterinary services, training, consulting, fundraising, marketing, or technology services);

- Setting compensation or benefits for a Covered Person; or
- Awarding grants, sponsorships, or in-kind support to entities where a Covered Person has a significant role or financial interest.

No Covered Person with a conflict of interest may:

- Vote on any matter in which they have a potential conflict or the appearance of conflict; or
- Improperly influence the deliberation or voting of others on that matter.

Transactions involving directors or officers that constitute “conflicting interest transactions” under the Tennessee Nonprofit Corporation Act must be handled in a manner consistent with Tenn. Code Ann. §§ 48-58-701–703, as they may be amended.

## 7. DISCLOSURE AND APPROVAL PROCEDURES

### 7.1 Initial and Annual Disclosure

All Covered Persons must complete a Conflict of Interest and Conflict of Issues Disclosure Form upon joining the Corporation and annually thereafter, listing:

- Any animal breeding activity;
- All positions, interests, and relationships that might present a conflict of interest or conflict of issues; and
- Any changes since the last disclosure.

### 7.2 Ongoing Disclosure

Covered Persons must promptly update their disclosure in writing whenever a new potential conflict of interest or conflict of issues arises, including changes in breeding activities or animal-related affiliations.

### 7.3 Review Process

- Disclosures will be reviewed by the Board or a designated Committee.
- The reviewing body may request additional information and determine whether a conflict exists and, if so, what management steps are appropriate (such as recusal, restrictions, conditions, or other measures).

## 8. STANDARDS FOR BOARD OR COMMITTEE ACTION

When a potential conflict has been disclosed:

1. The interested Covered Person may present relevant information but must then leave the meeting during the discussion and vote.

2. The disinterested Board or committee members will determine:

- Whether a conflict of interest or conflict of issues exists;
- Whether the proposed action or relationship is in the Corporation's best interests and consistent with its mission and welfare standards;
- Whether the transaction or relationship is fair to the Corporation; and
- Whether alternative arrangements could avoid or lessen the conflict.

3. Decisions shall be made by a majority vote of disinterested Board or committee members present, in accordance with Tennessee law and the Corporation's bylaws.

## 9. RECORDS OF PROCEEDINGS

Minutes of the Board and committees addressing conflicts shall include:

- The name of the Covered Person involved;
- The nature of the conflict of interest or conflict of issues;
- Any information the Board or committee relied on in making its decision;
- The steps taken to determine whether a conflict existed;
- The final decision, including any conditions, recusals, or restrictions on participation; and
- The names of all persons present for the discussion and the results of any votes taken.

## 10. VIOLATIONS AND CORRECTIVE ACTION

If the Board or designated committee has reasonable cause to believe that a Covered Person has:

- Failed to disclose a conflict;
- Ignored a recusal requirement; or
- Engaged in activities seriously inconsistent with the Corporation's humane mission (including prohibited or unethical breeding activities),

then it shall:

1. Inform the Covered Person of the concern and provide an opportunity to explain; and



2. After considering the response and any additional information, determine whether a violation occurred and, if so, take appropriate corrective action, which may include:

- Additional training or written warning;
- Removal from specific responsibilities;
- Termination of employment or volunteer service; or
- Removal from the Board or officer position in accordance with the Corporation's bylaws and applicable Tennessee law.

## 11. WHISTLEBLOWER PROTECTION

Covered Persons and others are encouraged to report in good faith any suspected conflicts or violations of this Policy. The Corporation will:

- Prohibit retaliation against any person who makes a good-faith report; and
- Maintain confidentiality to the extent practical and consistent with a thorough review and applicable law.

## 12. ANNUAL ACKNOWLEDGMENT AND PERIODIC REVIEW

- Each Covered Person shall sign an Annual Acknowledgment form stating that they:
  - \* Have received, read, and understand this Policy;
  - \* Agree to comply with it; and
  - \* Have disclosed all known potential conflicts.
- The Board shall periodically review this Policy and related practices to ensure continuing compliance with Tennessee law, IRS guidance for section 501(c)(3) organizations, best practices for nonprofit animal welfare organizations, and the Corporation's evolving mission and standards.

## 13. ACKNOWLEDGMENT

I, \_\_\_\_\_, acknowledge that I have received and read the Conflict of Interest and Conflict of Issues Policy of the French Bulldog Foundation of America, a Tennessee nonprofit corporation intended to be recognized as exempt under section 501(c)(3) of the Internal Revenue Code. I agree to comply with this Policy and to disclose any potential conflicts as required.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_