

JCAW FOUNDATION, INC.

CONFLICT OF INTEREST POLICY STATEMENT

Article I
Purpose

The purpose of the conflict of interest policy is to protect JCAW Foundation, Inc. (the "Foundation")'s interest when it is contemplating entering into transactions or arrangements that might benefit the private interest of an officer, trustee or director of the organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state or federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Article II
Definitions

Interested Person

An interested person is any director, principal officer, trustee or member with governing board delegated powers, who has a direct or indirect financial interest as defined below, is an interested person.

A person has a financial interest if the person has directly or indirectly, through business, investment of family:

- a. Has an ownership or investment interest in any entity in which the Foundation has a transaction or arrangement.
- b. A compensation arrangement with the Foundation or with any entity or individual with which the Foundation 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 Foundation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gift or favors that are not insubstantial.

Financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has financial interest, may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Article III
Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose, the existence of a financial interest and be given the opportunity to disclose all material facts to the directors, officers, trustees, and members of interest with governing board delegated powers, considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exist

After disclosure of financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures of Addressing the Conflict of Interest

- a. An interested person may make a presentation at the governing board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Foundation 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.
- d. If a more advantageous transaction or arrangement is not reasonable possible under the circumstances not producing a conflict of interest, the governing board or committee, shall determine by a majority of vote of the disinterested directors or trustee, whether the transaction or arrangement is in the Foundation's best interest, 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.

4. Violations of the Conflict of Interest Policy

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis of such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV **Records of Proceeding**

The minutes of the governing board and all committees with board delegated powers shall contain:

- a. The names of the persons who disclosed or otherwise were found to have financial interest in connection with actual or possible conflict of interest, the name of the financial interest, any action taken to determine whether any conflict of interest was present, and the governing board or committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the context of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article V **Compensation**

- a. A voting member of the governing board who receives compensation directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.
- c. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation directly or indirectly, from the Foundation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI
Annual Statements

Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement, which affirms such persons:

- a. Has received a copy of the conflicts of interest policy;
- b. Has read and understood the policy;
- c. Has agreed to comply with the policy; and
- d. Understands the Foundation is charitable 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.

Article VII
Periodic Reviews

To ensure that the Foundation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews will be conducted. The periodic reviews shall at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable based upon competent survey information and the result of arms length bargaining.
- b. Whether partnerships, joint ventures, and arrangement with management organizations conform to the Foundation's written policies, are properly recorded, reflect reasonable investment or payments of goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

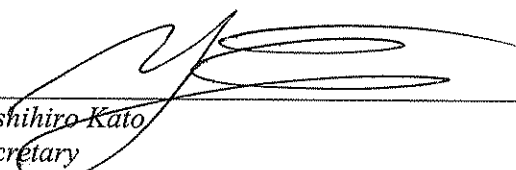
Article VIII
Use of Outside Experts

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

CERTIFICATE

This is to certify that the foregoing is a true and correct copy of the Conflict of Interest Policy of JCAW Foundation, Inc. and that such Conflict of Interest Policy was duly adopted by the board of trustees on the date below.

By:

Name:  _____
Yoshihiro Kato

Title: Secretary

Date: July 30, 2012