

Cambridge Credit Counseling Corp.
CODE OF ETHICS
FOR DIRECTORS AND OFFICERS

I. Introduction

Cambridge Credit Counseling Corp. (“Cambridge” or “the Organization”) is committed to conducting its business in compliance with the law and the highest ethical standards. This Code of Ethics (“the Code”) summarizes the standards that must guide the actions of Cambridge’s Chief Executive Officer, Chief Financial Officer, Clerk of the Corporation, any other officer of the Organization and members of the Board of Directors (“Directors”).

While covering a wide range of business practices and procedures, this Code cannot and does not cover every issue that may arise, or every situation in which ethical decisions must be made, but rather sets forth key guiding principles of business conduct that Cambridge expects of its Directors and Officers. This Code should be read in conjunction with Cambridge’s other corporate policies and procedures, including those related to corporate disclosure, conflicts of interest, insider trading, code of conduct for employees and the protection of confidential information.

II. Compliance with Laws, Rules and Regulations

Cambridge is strongly committed to conducting its business affairs with honesty and integrity and in full compliance with all applicable laws, rules and regulations. No Director may commit an illegal or unethical act, or instruct or authorize others to do so, for any reason, in connection with any act, decision or activity that is or may appear to be related to his or her employment by or position with Cambridge.

III. Conflicts of Interest

All Directors and Officers have an obligation to act in the best interest of the Organization, and should avoid any situation that presents an actual or potential conflict between their personal interests and the interests of Cambridge. A Director has a conflict of interest when his or her personal interests, relationships or activities, or those of a member of his or her immediate family, interfere or conflict, or even appear to interfere or conflict, with Cambridge’s interests. A conflict of interest can arise when a Director takes an action or has a personal interest that may adversely influence his or her objectivity or the exercise of sound, ethical business judgment. Conflicts of interest can also arise when a Director, or a member of his or her immediate family, receives improper and/or unauthorized personal benefits as a result of his or her position at Cambridge.

IV. Definitions

1. Interested Person

Any Director, Officer, member of a Committee with Board-delegated powers, or a member of senior management of the Organization in a position to exercise substantial influence over a material aspect of the affairs of the Organization who has

a direct or indirect financial or personal interest that constitutes a Conflict of Interest (as defined above) is an “Interested Person”.

2. Financial or Personal Interest

The presence or existence of a financial or personal interest does not necessarily constitute a Conflict of Interest. An Interested Person who has a prospective or existing financial or personal interest shall be deemed to have a Conflict of Interest only if the appropriate Board or Committee decides that a Conflict of Interest exists. A financial or personal interest would be determined to exist if an interested person has one or more of the following, directly or indirectly, through either a business, investment, financial, family, personal or other relationship (this list should not be considered all-inclusive):

- a. Has a personal interest in a transaction involving Cambridge (other than routine investments in publicly traded companies);
- b. Accepts a gift, service, payment or other benefit (other than a nominal gift) from a competitor, supplier, or customer of Cambridge, or any entity or organization with which Cambridge does business or seeks or expects to do business;
- c. Lends to, borrows from, or has a material interest in a competitor, supplier, or client of Cambridge, or any entity or organization with which Cambridge does business or seeks or expects to do business;
- d. Knowingly competes with Cambridge or diverts a business opportunity from Cambridge;
- e. Uses Cambridge assets for other business or personal endeavors;
- f. Obtains or seeks to obtain any personal benefit from the use or disclosure of information that is confidential or proprietary to Cambridge, or from the use or disclosure of confidential or proprietary information about another entity acquired as a result of or in the course of his or her employment with Cambridge;
- g. Serves as an officer, director, employee, consultant, or in any management capacity, in an entity or organization with which Cambridge does business or seeks or expects to do business (other than routine business involving immaterial amounts, in which the Director has no decision-making or other role);
- h. Has a material interest directly or through a family member in an entity or organization with which Cambridge does business or seeks or expects to do business;

- i. Knowingly acquires, or seeks to acquire an interest in property (such as real estate, patent rights, securities, or other properties) where Cambridge has, or might have, an interest; or
- j. Participates in a venture in which Cambridge has expressed an interest.

No Director should improperly benefit, directly or indirectly, from his or her status as a Director of the Organization, or from any decision or action by Cambridge that he or she is in a position to influence. A benefit may include a direct and indirect tangible or intangible remuneration, as well as gifts or favors that are more than insubstantial in nature.

V. Procedures

1. Duty to Disclose

In connection with any actual or potential Conflict of Interest, an Interested Person shall have the affirmative duty and obligation to fully disclose the existence of his or her circumstances giving rise to such actual or potential Conflict of Interest and all material facts and circumstances relating thereto to the Directors and Officers and members of Committees with Board-delegated powers considering the proposed transaction or arrangement. Such disclosure shall be made at the earliest practicable time. Any Interested Person who is uncertain whether he or she has a Conflict of Interest in any sense or degree shall have the affirmative duty and obligation to request the Board to determine whether a Conflict of Interest exists.

In addition, any Director or any Officer of the Organization who is or becomes aware of a potential situation or circumstance or contemplated transaction, arrangement or undertaking in which any other Interested Person could have a Conflict of Interest, shall have the affirmative duty and obligation to disclose such matter to the Board, which, in turn, shall take appropriate action after consideration of the facts presented and surrounding circumstances.

Furthermore, the Officers of the Organization shall be required to present to the Board of Directors for approval any proposed transaction in which any Interested Person has an actual or potential Conflict of Interest, and provide a summary of: (i) the process the Organization's management followed in developing the transaction and the criteria used; (ii) how the Organization will benefit from the transaction, including a comparison of the proposed transaction with alternative transactions in which the subject person(s) would not have an interest; and (iii) the value of the transaction to the Organization, and, if known, to the person with the Conflict of Interest.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial or personal interest and all material facts, and after any discussion with the Interested Person, the Interested Person shall leave the Board or Committee meeting while the determination of a Conflict of Interest is discussed, deliberated and voted upon. The remaining Board or Committee members shall decide if a Conflict of Interest exists by a majority vote of the Board.

3. Procedures for Addressing the Conflict of Interest

- a. An Interested Person may make a presentation, in person, by conference telephone, or otherwise if permitted by the Organization's By-Laws, at the Board or Committee meeting, but after such presentation, he/she shall leave or otherwise be excused from the meeting during the discussion and deliberation of, and the vote on, the transaction or arrangement that results in the Conflict of Interest. An Interested Person who is a Director may attend a Board or Committee meeting for purposes of establishing a quorum, but then must leave the room in accordance with the foregoing sentence.
- b. The chairperson of the Board or Committee shall, if appropriate, appoint a disinterested person (*i.e.*, an individual who is not an Interested Person with respect to the proposed transaction or arrangement at issue) or a Committee composed entirely of disinterested persons to fully investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board or Committee shall determine, taking into consideration the transaction or arrangement as a whole, whether the Organization can obtain a more advantageous transaction or arrangement with reasonable efforts 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 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 entire number of disinterested Directors whether the transaction or arrangement is in the Organization's best interest and for its own benefit, and whether the transaction is fair and reasonable to the Organization and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. Violations of the Conflicts of Interest Policy

- a. If the Board or Committee has reasonable cause to believe that an Interested Person has failed to properly, fully and/or timely disclose actual or possible Conflicts of Interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to comply with his or her affirmative duty to disclose.
- b. If, after hearing the response of the Interested Person and making such further investigation as may be warranted under the circumstances, the Board or Committee determines that the Interested Person has in fact failed to properly, fully and/or not in a timely manner disclose an actual or possible Conflict of Interest, it shall take appropriate disciplinary and/or corrective action requiring a vote of a majority of the directors then in office in the case of a director or two-thirds vote in the case of an officer by a vote of disinterested directors.

VI. Records of Proceedings

The minutes of the Board and all Committees with Board-delegated powers shall contain:

- a. the names of the Interested Person(s) who disclosed or otherwise were found to have an actual or possible Conflict of Interest, the nature of the actual or possible Conflict of Interest and the underlying financial or personal 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; and
- b. the names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

VII. Annual Statements and Reviews

Each Director, 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 Code of Ethics;
- b. has read and understands the Code of Ethics;
- c. agrees to comply with the Code of Ethics; and

On an annual basis, the Directors and Officers shall determine whether and to what degree this Code of Ethics had been adhered to during the preceding year, and whether the need exists to amend or modify this Code of Ethics.

VIII. Quality of Public Disclosure

Cambridge is committed to providing information about the Organization to the public in a manner that is consistent with all applicable legal and regulatory requirements and that promotes the public's confidence by facilitating fair, orderly, and efficient behavior. Cambridge's reports and documents filed with or submitted to legal authorities or other public communications must include full, fair, accurate, timely, and understandable disclosure. Directors and Officers are responsible for using their best efforts to ensure that Cambridge meets such requirements.

Directors and Officers are prohibited from knowingly misrepresenting, omitting or causing others to misrepresent or omit, material information about the Organization to others, including the Organization's independent auditors.

IX. Compliance with this Code and Reporting of any Illegal or Unethical Behavior

Directors and Officers are expected to comply with all of the provisions of this Code. This Code will be strictly enforced and violations will be dealt with immediately, including subjecting Directors and Officers to corrective and/or disciplinary action such as dismissal or removal from office.

Situations that may involve a violation of ethics, laws or this Code may not always be clear and may require difficult judgment. Directors and Officers, who have concerns or questions about violations of laws, rules or regulations, or of this Code, should report them to the Chairman of the Board and/or the President of the Organization. If you feel your report is not being handled correctly, please follow the Organization's "Whistleblower Policy".

Cambridge encourages all Directors and Officers to report promptly any suspected violation of this Code to the Chairman of the Board and/or the President of the Organization. The Organization will not tolerate retaliation for reports or complaints regarding suspected violations of this Code that were made in good faith. Open communication of issues and concerns without fear of retribution or retaliation is vital to the successful implementation of this Code. The Organization will take such disciplinary or preventive action as it deems appropriate to address any violations of this Code that are brought to its attention.

X. Improper Influence on Conduct of Auditors

Directors, Officers and persons acting under their direction are prohibited from taking action to fraudulently influence, manipulate, mislead or coerce the auditor of the organization's financial statements for the purpose of rendering the organization's financial statements misleading. Examples include, but are not limited to, causing or coercing an auditor:

- To issue or reissue a report on the organization's financial statements that is not warranted in the circumstances,
- Not to withdraw an issued report that the auditor believes should be withdrawn, or
- Not to communicate matters to Cambridge's Audit & Finance Committee

Adopted: January 27, 2010