

REGIVE COLLECTIVE FOUNDATION CONFLICT OF INTEREST POLICY

Introduction and Overview

Directors, officers, and employees of Regive Collective Foundation (the “Organization”) owe a duty of loyalty to the Organization. The duty of loyalty requires that, while serving the Organization, they must act not in their personal interests or in the interests of others, but solely in the interests of the Organization. Directors, officers, and key employees must have an undivided allegiance to the Organization’s mission and may not use their position, information they have about the Organization, or the Organization’s property, in a manner that allows them to secure a pecuniary or other material benefit for themselves or their immediate families at the expense of the Organization, its mission, or its reputation.

At the same time, directors are chosen because of their experience and ability to bring a valuable perspective to the deliberations of the Organization’s Board of Directors. The fact that a director, officer, key employee, or their immediate family members have a financial interest in another organization that does business with the Organization is not necessarily disadvantageous to the Organization. However, if it appears that those persons are able to advance their own economic interests or the economic interests of any other person or organization not affiliated with the Organization because of their duties or relationship with the Organization, the interests of the Organization could be harmed, and those responsible for making decisions on behalf of the Organization could be embarrassed or criticized for failing to be aware of the potential conflict or for failing to prevent that harm.

This Conflict of Interest Policy and Procedures (“Policy”) is designed to ensure that whenever a matter is discussed or a decision is made by the Organization’s Board or committee, Board and committee members first are made aware of the existence of any actual or potential conflicts of interest. The Policy also requires the Organization to gather information about such conflicts. This is done by requiring each Board member, officer, and key employee and any other person who regularly attends the Organization Board and committee meetings to complete and file a Conflict of Interest Disclosure Statement (“Disclosure Statement”) before serving on the Board or any committee with Board-designated powers. The Disclosure Statement requires each Board member, officer, or key employee to disclose any business or personal interests, direct or indirect, that the person may have in an organization that competes with or does business with the Organization or any other organization affiliated with the Organization. The Policy and the Disclosure Statement contain the information and definitions each person will need to properly complete his or her personal Disclosure Statement.

Article I: Purpose

The purpose of this Conflict of Interest Policy is to protect the interests of the Organization when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, or key employee of the Organization. This Policy is intended to supplement, but not replace, any applicable state laws governing conflicts of interest applicable to nonprofit and tax-exempt organizations. Each officer, director and key employee of the Organization has a fiduciary responsibility to the Organization. Therefore, each such individual must oversee the affairs of the Organization in good faith and without benefiting or enabling him/herself or any other person to benefit in an improper manner from his/her position with the Organization.

Article II: Definitions

1. *Interested Person*

An “Interested Person” is any director, officer, member of a committee with Board-delegated powers, or key employee who has a direct or indirect Financial Interest (as defined below).

An “Entity” includes any sole proprietorship, partnership, limited liability company, corporation, and any other form of enterprise. It also includes any nonprofit organization that receives a grant of goods or services from the Organization.

2. *Financial Interest*

A person has a “Financial Interest” if the person has, directly or indirectly, through business, investment or family --

- a. An existing or potential ownership or investment interest in any Entity with which the Organization has or is negotiating a transaction or arrangement, or
- b. An existing or potential employment or other compensation arrangement with the Organization or with any Entity or individual with which the Organization has or is negotiating a transaction or arrangement.

Nominal ownership interest and de minimis amounts of stock in publicly traded companies are not considered a Financial Interest according to this Policy. A Financial Interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a Financial Interest has a conflict of interest only if the Board or appropriate committee decides that a conflict of interest exists.

3. *Compensation*

“Compensation” includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. A gift will be deemed insubstantial if it is equal to or less than \$500 in value.

4. *Doing Business With the Organization*

“Doing Business with the Organization” means participating in any transaction with the Organization involving the sale, purchase, licensing, rental, disposition, or exchange of any goods, services, rights, property (including intellectual property), licenses, permits, grants, or any other benefits.

5. *Immediate Family Members*

“Immediate Family Members” means a person’s spouse, ancestors, brothers and sisters (whether by whole or half blood), children, step-children, grandchildren and great grandchildren, and the spouses of the person’s brothers and sisters, children, grandchildren and great grandchildren.

6. *Business Relationships*

“Business Relationships” means employment and contractual relationships, and common ownership of a business where any officers, directors, or key employees, individually or together, possess more than a 35% ownership interest in common. “Ownership” is voting power in a corporation, membership interest in a limited liability company, profits interest in a partnership, or beneficial interest in a trust. With respect to the Conflict of Interest Policy annual disclosure statement (“Disclosure Statement”), only direct individual relationships need to be reported (e.g., one director is employed by another in a sole proprietorship or partnership, or one director serves the other as attorney or accountant in a sole proprietorship or partnership), and not situations where one director does business with a corporation owned by another director.

Article III: Procedures

1. *Duty to Disclose*

In connection with any Financial Interest, an Interested Person must disclose the existence of his or her Financial Interest and must disclose all material facts to the Board or appropriate committee.

2. *Determining Whether a Conflict of Interest Exists*

After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person, such individual, and any other Interested Person *vis a vis* that person or transaction, shall leave the Board or committee meeting while the determination of whether any conflict of interest (actual or potential) exists is discussed and voted upon. The remaining disinterested Board or committee members (referred to as the “Independent Evaluation Committee” or “IEC”) shall decide if a conflict of interest exists.

3. *Procedures for Addressing the Conflict of Interest*

- a. If an actual or potential conflict has been determined to exist, an Interested Person may still make a presentation at the IEC meeting, but after such presentation, such individual, and any other Interested Person *vis a vis* that person or transaction, shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest. Any benefit received by the Interested Person must be disclosed at such Board or committee meeting.
- b. The chairperson of the IEC shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the IEC shall determine 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 that would not give rise to a conflict of interest is not reasonably attainable under the circumstances, the IEC shall determine by a majority vote 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 Conflict of Interest Policy*

- a. If any director or officer has reasonable cause to believe that a director, officer, member of a committee with Board-delegated powers or key employee has failed to disclose actual or possible conflicts of interest, he or she shall inform the President or IEC of the alleged failure to disclose.
- b. If the Board or IEC has reasonable cause to believe that a director, officer, member of a committee with Board-delegated powers or key employee has failed to disclose actual or possible conflicts of interest, it shall inform that director, officer, member of a committee with Board-delegated powers or key employee of the basis for such belief and afford him/her an opportunity to explain to the IEC the alleged failure to disclose.
- c. If, after hearing the response of that director, officer, member of a committee with Board-delegated powers or key employee and making such further investigation as may be warranted in the circumstances, the IEC determines that the individual, in fact, knowingly failed to disclose an actual or possible conflict of interest, it shall refer the matter to the entire Board for appropriate action.

Article IV: Records of Proceedings

The minutes of the meeting of the Board at which any possible conflict of interest is addressed shall contain --

1. The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest, any action taken to determine whether a conflict of interest was present, and the IEC's decision as to whether a conflict of interest in fact existed.

2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including the objective information upon which the IEC relied in reaching its conclusion, alternatives to the proposed transaction or arrangement that were discussed, and a record of any votes taken in connection therewith. Once again, only members of the IEC may discuss or vote on approval or rejection of the transaction or arrangement.

Article V: Compensation

1. A voting member of the Board who receives Compensation for services from the Organization, whether directly or indirectly, and any other director who is that voting member's Immediate Family Member, is precluded from voting on matters pertaining to that member's Compensation, or the Compensation of any other member of the Board, or any transaction with a business in which either the member or any other member of the Board holds a Financial Interest.

2. A voting member of any committee whose jurisdiction includes Compensation matters and who receives Compensation from the Organization for services, whether directly or indirectly, is precluded from voting on matters pertaining to his/her Compensation or the Compensation of any more senior staff executive of the Organization.

Article VI: Annual Statements

Each director, officer, member of a committee with Board-delegated powers, and key employee shall annually sign a statement which affirms that such person--

- a. has received a copy of this Conflict of Interest Policy,
- b. has read and understands this Policy,
- c. has agreed to comply with this Policy,
- d. understands that the Organization 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.

Article VII: Periodic Reviews

To ensure that the Organization operates in a manner consistent with its tax-exempt purposes and does not engage in activities that could jeopardize its status as a 501(c)(3) tax-exempt organization, the Board shall ensure that periodic reviews are conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether Compensation of directors, officers, and key employees, including all benefits, are reasonable, based on competent survey information, and are the result of arm's length bargaining.
- b. Whether acquisitions of services result in inurement to any Interested Person or any impermissible private benefit.
- c. Whether partnership and joint venture arrangements, and arrangements with management service organizations and other organizations, conform to written policies, if any, are properly recorded, reflect reasonable payments for goods and services, further the Organization's tax-exempt purposes, and do not result in inurement to any Interested Person or any impermissible private benefit.
- d. Whether agreements to provide goods or services to the Organization further the Organization's tax-exempt purposes and do not result in inurement to any Interested Person or any impermissible private benefit.
- e. When conducting these periodic reviews, the Board may, but need not, use outside advisors and/or experts. If outside advisors and/or experts are used, their use shall not relieve the directors of their responsibility for ensuring that periodic reviews are conducted, and determining from these findings whether to continue in existing contracts or seek new proposals.