



CONFLICT OF INTEREST Policy

EFFECTIVE: 1.23.2025

STATEMENT OF Practice

The purpose of this Conflicts-of-Interest Policy is to prevent the institutional or personal interests of the members of the Connected Circles Board of Directors from compromising the performance of their duties to Connected Circles and to ensure that they realize no personal, professional, or political gain at the expense of Connected Circles. This policy is not designed to eliminate relationships and activities that may create a duality of interest, but to require the disclosure of any conflicts of interest and the recusal of any interested party in a decision relating thereto.

Specifically, this Conflicts of Interest Policy is intended to protect Connected Circles' interests when it is contemplating entering into a transaction or arrangement that might benefit the private Financial Interest of a Member of the Board of Directors of Connected Circles.

It also establishes limits on Directors' use of information that is confidential and proprietary to Connected Circles. This policy is intended to supplement and not to supplant any state laws applicable to nonprofit and charitable corporations.

In summary, the Directors of Connected Circles shall exercise their responsibilities and powers in good faith, on behalf of, and in the best interests of Connected Circles.

Administrative Rules and Procedures

I. Confidential and Proprietary Information

Members of the Connected Circles Board of Directors shall not disclose or use information, including documents, that is confidential and proprietary to Connected Circles or its members for any purpose other than in furtherance of Connected Circles business and interests, except with the specific written permission of the Chair of the Board of Directors or as the law may require.

II. Financial Interest and Conflicts of Interest

A. Financial Interest

In the event that a Director has an actual or possible Financial Interest, such person or persons shall declare said interest to the Board of Directors. Such disclosure shall be noted in the minutes.

Any Director has a Financial Interest if the person has, directly or indirectly, through business, investment or family ("Financial Interest"):

- An ownership or investment interest in any entity with which Connected Circles has a transaction or arrangement;
- A compensation arrangement with Connected Circles or any entity or individual with which Connected Circles has a transaction or arrangement; or

- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Connected Circles is negotiating a transaction or arrangement.

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

A Financial Interest is not necessarily a Conflict of Interest. Under Section III, below, a person who has a Financial Interest may have a Conflict of Interest only if the appropriate governing board decides that a Conflict of Interest exists.

B. Usurping Corporate/Business Opportunity

A corporate/business opportunity is any opportunity for the organization to make a profit in their line of work. A corporate/business opportunity exists when a certain activity is reasonably related to the corporation's present or prospective business and is one in which the corporation/business has the ability to do. Determining whether a corporate/business opportunity exists is primarily a factual inquiry. Several factors should be taken into consideration including: (1) to what extent the opportunity is within the organization's line of business, (2) how the opportunity came to the attention of the Director, (3) could the organization benefit from the opportunity or are they legally barred or financially incapable of pursuing it, and (4) should the organization fairly expect to receive the opportunity under the specific circumstances.

If a Director of an organization is presented with a business opportunity that is in the same or a related business as the one in which the organization is involved, they cannot simply pursue that opportunity for their own personal benefit. Rather, officers and directors have a duty to first offer the business opportunity to the organization. Personally pursuing such an opportunity without first offering it to the organization violates a Director's duty of a loyalty to the organization, and presents the organization with a cause of action against the breaching party.

C. Other Conflicts of Interest

A Conflict of Interest may exist when the interests or potential interests of any Director or that person's close relative, or any individual, group, or organization to which the person associated with Connected Circles has allegiance, may be seen as competing with the interests of Connected Circles, or may impair such person's independence or loyalty to Connected Circles. A Conflict of Interest is defined as an interest, financial or otherwise, that might affect, or might reasonably appear to affect, the judgment or conduct of any Director in a manner that is adverse to the interests of Connected Circles ("Conflict of Interest"). A Conflict of Interest may exist if a Director or close relative holds office, serves on a board, participates in management, or is employed by any third party dealing with Connected Circles, other than members of Connected Circles.

III. Procedures

1. Duty to Disclose. If a Director questions whether they have an actual or possible Financial Interest or an actual or possible Conflict of Interest that might require recusal from a discussion, authorization or review of business, then the question must be raised with the Chair of the Board of Directors that is carrying out the underlying business. The Director with the actual or possible Financial Interest, or actual or possible Conflict of Interest must then be provided with an opportunity to disclose all material facts to the Board.

2. Determining Whether a Conflict of Interest Exists. After disclosure of the actual or possible Financial Interest or actual or possible Conflict of Interest and all related material facts, and after any discussion with the interested person, they shall leave the governing board or committee meeting while the determination of a Conflict of Interest is discussed and voted upon. The remaining Directors shall decide if a Conflict of Interest exists.

3. Procedures for Addressing the Conflict of Interest.

a. A Director with a Conflict of Interest may make a presentation at the Connected Circles Board of Directors meeting, but after the presentation, they shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the Conflict of Interest.

b. The chairperson of the Board of Directors shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the Connected Circles Board of Directors shall determine whether Connected Circles 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 reasonably possible under circumstances not producing a Conflict of Interest, the Connected Circles Board of Directors shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in Connected Circles'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.

e. A Director with a Conflict of Interest that does not involve a Financial Interest may make a presentation at the Connected Circles Board of Directors meeting, but after the presentation, they shall leave the meeting during the discussion of the Conflict of Interest and any vote that the Directors decide should be taken to establish a measure or procedure to protect Connected Circles's interests. By way of example only, the Directors could decide that the Director at issue should not be present for certain Board discussions or decisions involving an organization with which that Director has a conflicting allegiance.

4. Violations of the Conflicts of Interest Policy

a. If the Board of Directors has reasonable cause to believe that a member Director has failed to disclose an actual or possible Financial Interest or an actual or possible Conflict of Interest, it shall inform the member Director of the basis for such belief and afford the member Director an opportunity to make the disclosure and/or explain the alleged failure to disclose.

b. If, after hearing the Director's response and after making further investigation as warranted by the circumstances, the Board of Directors determines the member has failed to disclose an actual or possible Financial Interest or an actual or possible Conflict of Interest, it shall take any corrective action, consistent with the Connected Circles By-laws, determined to be appropriate to the situation and to Connected Circles's interests.

c. No contract or other transaction between Connected Circles and any other individual, association, corporation or business in which one or more of Connected Circles's Directors has an interest is either void or voidable because of a Director's Financial Interest or Conflict of Interest, even if the Director(s) is present at the meeting of the Board of Directors thereof which reviews, discusses, authorizes or approves the contract or transaction.

IV. Records of Proceedings

The minutes of the Board shall contain the name(s) of the Director(s) who disclosed that they had an actual or possible Financial Interest, an actual or possible Conflict of Interest, the nature of the actual or possible Financial Interest or actual or possible Conflict of Interest, the action taken to determine if a Financial Interest or Conflict of Interest exists and the Board's decision as to whether a Financial Interest and/or a Conflict of Interest was found to exist, as well as the names of those Directors who were present and voting on the question.

V. Compensation

A voting member of the Board of Directors who receives compensation, directly or indirectly, from Connected Circles for services is precluded from voting on matters pertaining to that Director's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Connected Circles for services is precluded from voting on matters pertaining to that Director's compensation.

No voting member of the Board of Directors whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Connected Circles either individually or collectively, is prohibited from providing information to any committee regarding compensation.

VI. Periodic Reviews

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

- Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- Whether partnerships, joint ventures, and arrangements with management organizations conform to Connected Circles's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, advance charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.
- When conducting the periodic reviews as provided for in this Article VI, Connected Circles may, but need not, use outside advisors such as the organization's auditors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

VII. Annual Statement

Each Director shall complete an annual statement affirming that such person:

- Has received a copy of this Connected Circles Conflicts of Interest Policy;
- Has read and understood this Policy;
- Agrees to comply with this Policy; and
- Understands that Connected Circles is a charitable organization 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.

Approved January 23, 2025 by the Connected Circles Board of Directors.

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Affirmation

I affirm that I:

- have received a copy of the Connected Circles Conflicts of Interest Policy;
- have read and understood this Policy;
- agree to comply with this Policy; and
- understand Connected Circles is a charitable organization 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.

Signature: _____

Print Name: _____

Date: _____