

CONFLICT of INTEREST
EVERNORTH EDUCATION, INC.

A Nonprofit Public Benefit Corporation

ARTICLE I: NAME AND PURPOSE

The purpose of this Conflict of Interest Policy is to protect the interests of EverNorth Education when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a board member, officer, or key employee of the Organization. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

ARTICLE II: DEFINITIONS

1. Interested Person

Any director, principal officer, or member of a committee with board-delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

A person has a financial interest if the person has, directly or indirectly:

- An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- A potential ownership, investment, or compensation interest in a transaction or arrangement involving the Organization.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the board or committee decides that a conflict 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 the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees considering the proposed transaction or arrangement.

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, he/she/they shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon.

3. Procedures for Addressing the Conflict of Interest

- The board or committee shall determine whether the transaction or arrangement is in the Organization's best interest and for its own benefit.
- It shall determine 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.

4. Violations of the Conflicts of Interest Policy

If the board or committee has reasonable cause to believe a person has failed to disclose actual or possible conflicts of interest, it shall inform them and give an opportunity for explanation. If the board determines the person failed to disclose, appropriate disciplinary or corrective action may be taken.

ARTICLE IV: RECORDS OF PROCEEDINGS

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

- The names of the persons who disclosed financial interests or were found to have a conflict of interest.
- The nature of the financial interest and any action taken to determine whether a conflict of interest was present.
- The decision made regarding whether to proceed with the transaction or arrangement.

ARTICLE V: ANNUAL STATEMENTS

Each director, officer, and member of a committee with board-delegated powers shall annually sign a statement which affirms that the person:

1. Has received a copy of the Conflict of Interest Policy,
2. Has read and understands the policy,
3. Agrees to comply with the policy, and
4. Understands that the Organization is charitable and must engage primarily in activities that accomplish its tax-exempt purpose.

ARTICLE VI: PERIODIC REVIEWS

To ensure the Organization 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 review shall include:

- Whether compensation arrangements and benefits are reasonable and result from arm's-length bargaining.
- Whether partnerships, joint ventures, and arrangements with other organizations conform to the Organization's mission and avoid conflicts of interest.

ARTICLE VII: USE OF OUTSIDE EXPERTS

When conducting periodic reviews, the Organization may use outside advisors. If used, their use shall not relieve the board of its responsibility for ensuring periodic reviews are conducted.