

Conflict of Interest Policy for SRIC

1. The primary purpose of the Conflict of Interest Policy is to protect the Corporation's interest when it is contemplating entering into a transaction, contract or other arrangement that might benefit the private interest of a Director or Officer of the Corporation. This Conflict of Interest Policy is designed to help identify situations that present potential conflicts of interest and to provide the Corporation with a procedure which, if observed, will allow a transaction, contract or other arrangement to be treated as valid and binding even though a Director or Officer has or may have a conflict of interest with respect to the transaction, contract or other arrangement. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations

2.
 - (a) A "material financial interest" is a financial interest of any kind which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a person's judgment with respect to a transaction, contract or other arrangement, including all forms of compensation.

 - (b) A "direct" interest is a transaction, contract or other arrangement between the Corporation and a Director or Officer (or a Family Member).

 - (c) "Indirect" interest is defined to include transactions, contracts or other arrangements with another entity in which the Director or Officer (or a Family Member) has a material interest or is a compensated or uncompensated Director, Officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative.

 - (d) A Family Member includes any spouse, ancestors, siblings (by the whole or half blood), children, grandchildren, great grandchildren and the spouses of ancestors, siblings, children, grandchildren and great grandchildren of any such person.

3. This Corporation may engage in a conflict of interest transaction, contract or other arrangement when the Board or an authorized Committee of the Board determines, before the transaction, contract or other arrangement, that:
 - (a) this Corporation is entering into the transaction, contract or other arrangement for its own benefit;

- (b) the transaction, contract or other arrangement is fair and reasonable to this Corporation at the time; and
- (c) after reasonable investigation, the Board determines that it could not have obtained a more advantageous transaction, contract or other arrangement with reasonable effort under the circumstances.

Such determinations must be made by the Board or Committee in good faith, with knowledge of the material facts concerning the transaction, contract or other arrangement and the Director's or Officer's interest in the transaction, contract or other arrangement.

4. In any matter requiring a conflict of interest decision by the Board of Directors or a Committee, the material facts of the transaction, contract or other arrangement and the individual's interest shall be disclosed and the transaction, contract or other arrangement approved by the affirmative vote of a majority of the members on the Board or the Committee then in office.
5. Directors or Officers, who have declared or have been found to have a conflict of interest in any matter pending before the Board or Committee, shall refrain from participating in the consideration and deliberation of the matter. The Board or Committee may request information or interpretation from the person or persons involved in the conflict, presented in person and/or by written communication.
6. Any Director or Officer who is uncertain about a possible conflict of interest in any matter should request the Board or Committee make a determination. The Board or Committee shall resolve the question by majority vote of those Directors then in office or on the Committee.
7. Any Director involved with an actual or potential conflict of interest situation shall not be counted in any quorum of a Board or Committee meeting to address such matters and accordingly shall not vote on any such matters even if the disinterested Directors are less than a quorum provided that at least one consenting Director is disinterested.
8. If the Board or Committee has reasonable cause to believe that a Director or Officer has failed to disclose actual or possible conflicts of interest, it shall inform the Director or Officer of the basis for such belief and afford the Director or Officer an opportunity to explain the alleged failure to disclose. If, after hearing the response of the Director or Officer and making such further investigation as may be warranted under the circumstances, and the Board or Committee determines that the Director or Officer has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action. The violation of this Conflict of Interest Policy is a serious matter and may constitute "cause" for removal or termination of a Director or Officer, or the termination of any contractual relationship the Corporation may have with an interested person or other party.
9. The minutes of a Board or Committee meeting addressing conflict of interest matters shall contain:

- (a) 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 Board's or Committee's decision as to whether a conflict of interest in fact existed; together with
- (b) the names of the persons who were present for discussions and votes relating to the transaction, contract or other arrangement, the content of the discussion, including any alternatives to the proposed transaction, contract or other arrangement, and a record of any votes taken in connection therewith.

10. Annually each member of the Board of Directors and each Officer shall:

- (a) disclose in writing any conflicts of interest that may affect the Corporation; and
- (b) sign a statement which affirms that such person:
 - i. has received a copy of the Conflict of Interest Policy;
 - ii. has read and understands the policy;
 - iii. has agreed to comply with the policy; and
 - iv. understands that the Corporation is a charitable 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.

Additionally, all Directors and Officers shall disclose in writing conflicts as they arise during any year.

All disclosures and statements shall be provided to the Board of Directors.

11. An additional purpose of this Conflict of Interest Policy is to have Best Practices procedures in place to be utilized for establishing the compensation for key and highest compensated employees and independent contractors as well as for directors and officers. The following procedures, to the extent reasonably practical and available, are to be utilized:

- (a) Individuals who approve compensation agreements are to follow a Conflict of Interest Policy;
- (b) Compensation arrangements are to be approved in advance of paying compensation;
- (c) Compensation arrangements are to be documented in writing, including the date and terms of approved compensation agreements;
- (d) Decisions made by each individual who decided or voted on compensation arrangements will have their voting record recorded in writing reflecting the decision made; and

- (e) The organization will approve compensation arrangements based on information about compensation paid by similarly situated taxable or tax-exempt organizations for similar services, current compensation surveys compiled by independent firms, or actual written offers from similarly situated organizations.

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The date of adoption of this Conflict of Interest Policy by the Board of Directors of SRIC was: August 27, 2005

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