

**SILICON ALLY
CONFLICT OF INTEREST POLICY**

**ARTICLE 1
PURPOSE**

The purpose of this Conflict of Interest Policy (this “*Conflict of Interest Policy*”) is to protect the tax-exempt interests and status of **SILICON ALLY**, a Colorado nonprofit corporation (the “*Corporation*”) when the Corporation is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, an officer and/or member of any committee of the Corporation, or might otherwise result in a so-called “excess benefit transaction.” This Conflict of Interest Policy is intended to supplement but not to replace any applicable state and federal laws governing conflicts of interest applicable to charitable tax-exempt organizations.

**ARTICLE 2
DEFINITIONS**

2.1 **FINANCIAL INTEREST.** A person has a “*Financial Interest*” if such person has, directly or indirectly, through business, investment or family members:

(a) A current or potential ownership or investment interest in any third party entity with which the Corporation is considering or negotiating a Proposed Transaction (as defined below); or

(b) A direct or indirect compensation or other remuneration arrangement with the Corporation or with any third party entity or person with which the Corporation is considering or negotiating a Proposed Transaction, including without limitation, the expectation of the receipt of gifts or other favors.

2.2 **INTERESTED PERSON.** “*Interested Person*” shall mean any director, officer or member of any other committee with delegated powers from the Corporation’s Board of Directors (the “*Board*”), who has a Financial Interest.

2.3 **PROPOSED TRANSACTION.** “*Proposed Transaction*” shall mean any transaction or other business arrangement proposed or contemplated between the Corporation and any third party entity.

A Financial Interest is not necessarily a conflict of interest. Under Section 3.2, a person who has a Financial Interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

**ARTICLE 3
PROCEDURES**

3.1 **DUTY TO DISCLOSE.** An Interested Person shall be required to disclose to the Executive Director, the Board and/or other committee of the Corporation that has been delegated board powers and authority to consider or negotiate a Proposed Transaction the existence of any Financial Interest of such Interested Person, including all material facts regarding the nature and magnitude of such Financial Interest.

3.2 **DETERMINATION OF WHETHER A CONFLICT OF INTEREST EXISTS.** After disclosure of a Financial Interest and all material facts related thereto, and after any discussion with the applicable Interested Person, such Interested Person shall not attend or shall leave the Board meeting or committee meeting so that the remainder of the Board or the committee may further privately discuss whether a conflict of interest exists, which determination shall be a vote of the Board or the committee in accordance with the applicable voting requirements set forth in the Corporation’s Bylaws.

3.3 **PROCEDURES FOR ADDRESSING A CONFLICT OF INTEREST.** In the event that the Board or the committee determines that a conflict of interest exists with respect to any Financial Interest (a “*Conflict of Interest*”), the Board or the committee shall adhere to the following process:

(a) The Chairperson of the Board or the committee shall determine if it is in the best interest of the Corporation to appoint a disinterested third party or separate committee to investigate alternatives to the Proposed Transaction related to such Financial Interest. If the Chairperson makes such determination, then he or she shall promptly make such appointment.

(b) If such appointment is made, the Board or the committee shall review the findings of such third party or separate committee. Thereafter, the Board or the committee shall in the ordinary course of business investigate and determine whether there are reasonable and viable alternatives to such Proposed Transaction involving another party or entity that is not an Interested Person (a “*Disinterested Person*”) in order to avoid such Conflict of Interest, which determination shall be a vote of the Board or the committee in accordance with the applicable voting requirements set forth in the Corporation’s Bylaws.

(c) If the Board or the committee determines that there is a reasonable and viable alternative to such Proposed Transaction involving a Disinterested Person, the Board or the committee shall commence to pursue such alternative in lieu of such Proposed Transaction.

(d) If the Board or the committee determines that there is no reasonable and viable alternative to such Proposed Transaction involving a Disinterested Person, the Board or the Committee shall determine whether the Proposed Transaction, notwithstanding such Conflict of Interest, is in the Corporation’s best interest, for its own benefit, and whether it is fair and reasonable, which determination shall be made by a vote of the Board or the committee in accordance with the applicable voting requirements set forth in the Corporation’s Bylaws.

3.4 **VIOLATIONS OF THE CONFLICT OF INTEREST POLICY.**

(a) If the Board or the committee has determined (by a vote of the Board or the committee in accordance with the applicable voting requirements set forth in the Corporation’s Bylaws) that an Interested Person has failed to disclose a possible Financial Interest, it shall deliver written notice to such Interested Person specifying the basis for such determination and afford such Interested Person a reasonable opportunity to explain and justify such failure to disclose.

(b) Thereafter, if the Board or the committee has determined (by a vote of the Board or the committee in accordance with the applicable voting requirements set forth in the Corporation’s Bylaws) that such Interested Person has failed to disclose a possible Financial Interest without good reason, it shall take appropriate disciplinary and corrective action with respect to such Interested Person.

**ARTICLE 4
RECORDS OF PROCEEDINGS**

The minutes of all Board meetings and meetings of any committees shall include, among other information:

(a) The names of any Interested Persons who disclose or otherwise have been determined to have a Financial Interest in a Proposed Transaction;

(b) A summary of the nature of such Proposed Transaction;

(c) A summary of the nature of such Financial Interest;

(d) A summary of any discussions or other efforts undertaken to determine whether such Financial Interest created a Conflict of Interest;

(e) The names of any third parties or other committees appointed in connection with any Conflict of Interest;

(f) The names of any Disinterested Parties and a summary of the nature of any reasonable and viable alternatives to such Proposed Transaction;

(g) The names of all persons who were present for discussions and votes conducted during such meetings; and

(h) A summary record of all votes taken during such meetings, including the individual votes of all persons participating in such votes and the tallied results for the same.

ARTICLE 5 COMPENSATION

(a) A director serving on the Board who receives compensation, directly or indirectly, from the Corporation in consideration of services of any kind (a “*Compensated Director*”) is precluded from voting on matters pertaining to such compensation and shall abstain from any such votes.

(b) A voting member of any committee whose delegated responsibilities include the Corporation’s compensation matters and who receives compensation, directly or indirectly, from the Corporation in consideration of services of any kind (a “*Compensated Committee Member*”) is precluded from voting on matters pertaining to such compensation and shall abstain from any such votes.

(c) Compensated Directors and Compensated Committee Members shall not deliver any information or otherwise report to the rest of the Board or applicable committee regarding the Corporation’s compensation matters.

ARTICLE 6 ANNUAL STATEMENTS

Each director, officer and member of a committee shall sign on an annual basis the Corporation’s then-standard statement which affirms he or she:

(a) Has received a copy of this Conflict of Interest Policy;

(b) Has read and understands this Conflict of Interest Policy;

(c) Has agreed to comply in full with the requirements set forth in this Conflict of Interest Policy; and

(d) Understands the Corporation is tax-exempt under Federal law and, in order to maintain such tax exemption, it is in the best interest of the Corporation to adopt and enforce this Conflict of Interest Policy as a material part of pursuing one or more of its tax-exempt purposes.

ARTICLE 7 PERIODIC REVIEWS

For the purpose of ensuring that the Corporation operates in a manner consistent with its tax-exempt purposes and does not engage in activities that could jeopardize its tax-exempt status, the Board shall commission periodic reviews regarding, among other things, the following:

(a) Whether the Corporation’s compensation arrangements and benefits are reasonable, based on competent survey information, and are the result of arm’s length bargaining;

(b) Whether partnerships, joint ventures and arrangements with management organizations are consistent with any written policies of the Corporation; and

(c) Whether partnerships, joint ventures and arrangements with management organizations are properly memorialized, reflect reasonable investments and/or consideration for goods and services, further the Corporation's tax-exempt purposes and do not result in inurement, impermissible private benefit, or "excess benefit transactions."

**ARTICLE 8
USE OF OUTSIDE ADVISORS**

The Corporation may, as determined by a vote of the Board or a committee in accordance with the applicable voting requirements set forth in the Corporation's Bylaws, engage outside advisors to perform the periodic reviews described in Article 7 above; provided, that such engagements shall not relieve the Board from the requirement to ensure that such periodic reviews are in fact conducted in good faith and in a timely manner.

CERTIFICATE

The foregoing Conflict of Interest Policy was adopted by resolution of the Board of Directors, effective August 26, 2021

GRADY WARD, SECRETARY