

Libella Foundation, Inc.

Conflict of Interest Policy

ARTICLE I – PURPOSE

The purpose of this Conflict of Interest Policy is to protect the interests of the Libella Foundation (“the Corporation”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, or staff member of the Corporation, or might result in a possible excess benefit transaction as defined by the IRS. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest.

ARTICLE II – DEFINITIONS

1. **Interested Person:** Any director, officer, or employee who has a direct or indirect financial interest, as defined below.
2. **Financial Interest:** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
 - A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
 - A potential ownership, investment, or compensation interest in any entity or individual with which the Corporation is negotiating a transaction or arrangement.
Compensation includes direct and indirect remuneration, as well as gifts or favors that are not insubstantial.

ARTICLE III – PROCEDURES

1. **Duty to Disclose:** In connection with any actual or possible conflict of interest, an interested person must disclose the existence and nature of the financial interest and all material facts to the Board of Directors.
2. **Determining Whether a Conflict Exists:** After disclosure of the financial interest, the Board shall decide if a conflict of interest exists.
3. **Procedures for Addressing the Conflict:**
 - The interested person may make a presentation at the Board meeting but must leave the room during the discussion and vote.
 - The Chair of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction.

- After exercising due diligence, the Board shall determine whether the Corporation can obtain a more advantageous arrangement with reasonable effort that does not give rise to a conflict.
- If a more advantageous arrangement is not reasonably possible, the Board may approve the transaction if it is in the best interest of the Corporation.

4. Violations of the Policy:

- If the Board has reasonable cause to believe a member has failed to disclose an actual or possible conflict, it shall inform the member and allow an opportunity to explain.
- If the member fails to disclose, the Board may take appropriate disciplinary and corrective action.

ARTICLE IV – RECORDS OF PROCEEDINGS

The minutes of the Board shall contain:

1. The names of persons who disclosed or were found to have a financial interest, the nature of the interest, and the Board's decision.
2. The names of persons present for discussions and votes, and a record of the vote taken.

ARTICLE V – COMPENSATION

1. A voting member of the Board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
2. No voting member may vote on compensation for any family member.
3. Board members may receive reasonable stipends for meeting attendance as approved in the bylaws.

ARTICLE VI – ANNUAL STATEMENTS

Each director, officer, and key employee shall annually sign a statement affirming that such person:

1. Has received a copy of the Conflict of Interest Policy;
2. Has read and understands the policy;
3. Has agreed to comply with the policy; and
4. Understands the Corporation is a charitable organization and must engage in activities consistent with its tax-exempt status.

ARTICLE VII – PERIODIC REVIEWS

To ensure the Corporation operates in a manner consistent with charitable purposes, periodic reviews shall be conducted to verify that compensation arrangements, partnerships, and transactions are reasonable and in compliance with applicable law.

ARTICLE VIII – USE OF OUTSIDE EXPERTS

When conducting the periodic reviews, the Corporation may use outside advisors. Use of such experts does not relieve the Board of its responsibility.