

CONFLICTS OF INTEREST POLICY SOVRIN FOUNDATION

Board of Trustees

WHEREAS, Sovrin Foundation (the “Foundation”) is a nonprofit social welfare corporation organized under the laws of the State of Utah, and is organized and operated exclusively for public purposes within the meaning of Internal Revenue Code Section 501(c)(4), rather than for the personal and private benefit of any person;

AND WHEREAS, the Board of Trustees of the Foundation (the “Board”) seeks to ensure that any and all persons serving thereupon fully understand the nature, extent and implications of these principles, which at all times shall be deemed fundamental to the existence of the Foundation, and that such persons manifest a complete understanding and acceptance of, and commitment to, these principles;

NOW, THEREFORE, the Board hereby adopts the following Conflicts of Interest Policy:

SECTION I DEFINITIONS

1.1 **Interested Person**. Any person serving as a member of this Board who, as of the date of discussion or action by the Board, either: (i) has a direct or indirect Financial Interest, as defined in Section 1.2 below, or (ii) intends, or understands it to be more probable than not, that he or she will acquire such a direct or indirect Financial Interest at any time during the pendency of the proposed transaction or arrangement.

1.2 **Financial Interest**. An interest, whether through business, investment, or immediate family (spouse, children and parents), which can be described as one or more of the following:

- (i) an ownership or investment interest in any entity with which the Foundation has a transaction or arrangement, or
- (ii) a Compensation Arrangement with the Foundation or with any entity or individual with which the Foundation has a transaction or arrangement, or
- (iii) a potential ownership or investment interest in, or Compensation Arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement.

A Financial Interest need not be held as of the date of discussion or action by the Board; rather, it is sufficient, for purposes of this Policy, if, as of the date of discussion or action by the

Board, the Interested Person intends, or understands it to be more probable than not, that he or she will acquire a Financial Interest at any time during the pendency of the proposed transaction or arrangement that is the subject of discussion or action by the Board. For purposes of this Policy, a person shall be deemed to have a Financial Interest with respect to the Foundation if such person has a Financial Interest with respect to any other organization that controls, is controlled by, or is under common control with the Foundation.

1.3 Compensation Arrangement. Any agreement or understanding pursuant to which a person may or shall receive, either directly or indirectly, money or property from another person or organization, irrespective of whether such money or property is paid in consideration for the performance of services or the provision of other value.

1.4 Conflict of Interest. With respect to a matter for discussion or action by the Board, any circumstance under which an Interested Person, by virtue of a Financial Interest, may be influenced, or may appear to be influenced, either in whole or in part by any purpose or motive other than the success and well-being of the Foundation and the achievement of its exempt purposes.

SECTION II DISCLOSURE OF FINANCIAL INTEREST AND DETERMINATION OF CONFLICT

2.1 Disclosure of Financial Interest. If, at any time, an Interested Person becomes aware that the Board may or shall discuss or act upon any transaction or arrangement which may have any bearing of any kind upon, or may relate in any manner to, a Financial Interest of the Interested Person, such Interested Person shall disclose such Financial Interest to the Board as follows:

- (i) the Interested Person shall provide to the Board, in advance of such discussion or action by the Board, written disclosure of the existence, nature and extent of the Interested Person's Financial Interest, or
- (ii) if written disclosure cannot be provided in advance, e.g., in situations where the Interested Person does not realize the nature of the transaction or arrangement to be discussed or acted upon until discussions have already begun, the Interested Person shall verbally inform the Board immediately upon such Interested Person's realization that the transaction or arrangement may bear upon or relate to a Financial Interest of the Interested Person, and shall provide such written disclosure to the Board at the soonest practicable time thereafter.

Any and all written or verbal disclosures of Financial Interests shall be made a formal part of the minutes of the Board. Notwithstanding the foregoing, an Interested Person shall not be required to disclose pursuant to this Section 2.1 any Financial Interest which, in the exercise of such Interested Person's reasonable judgment, is so de minimis that it would not under any circumstances influence, or appear to influence, the Interested Person's judgment or actions with

respect to the proposed transaction or arrangement to be discussed and/or acted upon by the Board.

2.2 Recusal by Interested Person. In connection with an Interested Person's disclosure of a Financial Interest pursuant to Section 2.1 above, an Interested Person may determine that such Financial Interest creates a Conflict of Interest with respect to the proposed transaction or arrangement to be discussed or acted upon by the Board. In such circumstances, the Interested Person may voluntarily recuse himself or herself from discussion or action by the Board, at such time and in such form as is used by the Interested Person to disclose such Financial Interest pursuant to Section 2.1 above.

2.3 Determination of Conflict of Interest. Where an Interested Person has provided advance written disclosure of a Financial Interest but has not voluntarily recused himself or herself from discussion of or action upon the proposed transaction or arrangement, the Board shall, prior to commencing its discussion or taking action, determine whether the Financial Interest creates a Conflict of Interest, as defined above. The Interested Person shall not participate in any discussions or vote related to this determination, except to the extent necessary to fully explain the Financial Interest and the manner in which the proposed transaction or arrangement to be discussed or acted upon by the Board may or will bear upon or relate to the Financial Interest. Acting either at the request of any member of the Board or in his or her individual discretion, the Chairperson may direct that the Interested Person leave the meeting room for all or any part of the discussion or vote related to the determination of whether the Financial Interest creates a Conflict of Interest.

SECTION III PROCEDURES UPON DETERMINATION OF A CONFLICT OF INTEREST

3.1 Exclusion from Discussion and Vote. In circumstances where the Board has determined that a Conflict of Interest exists, the Interested Person shall not participate in any discussion or vote regarding the transaction or arrangement at issue, and shall not be present in the meeting room for any part of the discussion or vote relating to the transaction or arrangement.

3.2 Action by Board. With respect to any transaction or arrangement with regard to which the Board has determined that a Conflict of Interest exists, the Board shall discuss such transaction or arrangement as appropriate, but shall not formally approve such transaction or arrangement unless and until the non-interested members of the Board have decided, by majority vote, that the transaction or arrangement is in the best interests of and for the benefit of the Foundation, and is fair and reasonable thereto in all respects. In complying with this Section 3.2, the Board shall recognize that, under certain circumstances, a decision made pursuant to this Section may necessitate an investigation of alternatives to the proposed transaction or arrangement, and/or a determination as to whether a more advantageous transaction or arrangement might be obtained with reasonable efforts under the circumstances.

**SECTION IV
DOCUMENTATION OF DISCLOSURE AND PROCEDURES**

4.1 Meeting Minutes. Minutes of meetings of the Board shall include copies of all written disclosures of Financial Interests, and shall describe all verbal disclosures thereof. Such minutes shall further reflect the determination of the Board as to whether a Conflict of Interest exists, and the objection of the Interested Person, if any, to such determination. Where a Conflict of Interest has been determined to exist, the minutes should reflect in significant detail the Board's compliance with the procedures described in Sections 3.1 and 3.2 above. With respect to any transaction or arrangement with regard to which a Conflict of Interest has been determined to exist, meeting minutes shall describe the substance of the discussions relating to the transaction or arrangement, and who was present for such discussions. In addition, minutes should identify the members who were present for any and all votes upon such transaction or arrangement, along with a record of the final vote.

**SECTION V
PERIODIC REVIEW**

5.1 Periodic Review of Policy Implementation. To ensure the utmost efficacy of this Policy, the Board shall establish a system to ensure the periodic review by one or more independent persons or organizations of the record of implementation of this Policy.

5.2 Periodic Review of Transactions and Arrangements. In connection with and in addition to the above, the Board shall establish a system to ensure the periodic review of actions taken by the Board on behalf of the Foundation. Such review is intended to ensure that the Foundation continues at all times to be operated exclusively for the achievement of its exempt purposes, rather than for the benefit of one or more private persons.

**SECTION VI
WRITTEN ASSENT BY MEMBERS**

6.1 Written Acceptance. At the first meeting of the Board subsequent to the annual election of members of the Board, or, if elected less frequently, then at least once per year, each member of the Board shall sign a written statement certifying to all of the following:

- (i) he or she has received a copy of this Policy;
- (ii) he or she has read and understands this Policy;
- (iii) he or she agrees to comply with this Policy;
- (iv) he or she understands that this Policy applies to all committees having board-delegated powers; and

- (v) he or she understands that the Foundation is a tax-exempt organization and, in order to maintain the tax-exempt status of the Foundation under Section 501(c)(4) of the Internal Revenue Code of 1986, as amended, the Foundation must continuously engage primarily in activities which accomplish its tax-exempt purposes.

Any member of the Board who refuses or fails to sign such a statement shall be prohibited from participating in discussion or action by the Board.

6.2 Failure to Disclose Financial Interests. If it is determined at any time that an Interested Person has negligently or intentionally failed to disclose a Financial Interest, the Chairperson shall consider the imposition of such sanctions as the Chairperson, in his or her exclusive discretion, may deem appropriate.

WRITTEN ACCEPTANCE OF CONFLICTS OF INTEREST POLICY
SOVRIN FOUNDATION
Board of Trustees

The undersigned, as a member of the Board of Trustees of Sovrin Foundation (the “Foundation”), hereby acknowledges and agrees as follows:

- (i) he or she has received a copy of the Foundation’s Conflicts of Interest Policy (the “Policy”);
- (ii) he or she has read and understands the Policy;
- (iii) he or she agrees to comply with the Policy;
- (iv) he or she understands that the Policy applies to all committees having board-delegated powers; and
- (v) he or she understands that the Foundation is a tax-exempt organization and, in order to maintain the tax-exempt status of the Foundation under Section 501(c)(4) of the Internal Revenue Code of 1986, as amended, the Foundation must continuously engage primarily in activities which accomplish its tax-exempt purposes.

Dated this ____ day of _____.

Signed: _____
Trustee