THE CONDUCTSCIENCE FOUNDATION

CONFLICT OF INTEREST POLICY

ARTICLE I: PURPOSE

The purpose of this Conflict of Interest Policy (the "Policy") is to protect the interests of The ConductScience Foundation (the "Corporation") when it is contemplating an action or transaction that might benefit the private financial interest of an officer, director, or other "Insider."

This Policy is intended to supplement, not replace, all applicable state and federal laws governing conflicts of interest and private inurement for nonprofit organizations.

ARTICLE II: KEY DEFINITIONS

1. **Insider:** Any person who is in a position to exercise substantial influence over the affairs of the Corporation, including but not limited to:
    - Any director or officer of the Corporation.
    - Any key employee of the Corporation.
    - Any substantial contributor to the Corporation.
    - Any "Family Member" of the persons listed above (spouse, ancestors, children, grandchildren, great-grandchildren, and their spouses).
    - Any "35% Controlled Entity," which is a corporation or other entity in which any of the persons listed above (individually or combined) own more than a 35% percent interest, whether by voting power, profit, or beneficial interest.
2. **Financial Interest:** An Insider has a Financial Interest if they have, directly or indirectly, through business, investment, or family:
    - An ownership or investment interest in any entity with which the Corporation is negotiating a transaction or arrangement.
    - A compensation arrangement with the Corporation or with any entity with which the Corporation has a transaction.
    - A potential ownership, investment, or compensation arrangement that would be created as a result of the transaction.
3. **Conflict of Interest:** A Conflict of Interest exists when an Insider, or their Family Member or Controlled Entity, has a Financial Interest in a transaction or arrangement being considered by the Corporation.

ARTICLE III: PROCEDURES

Section 1. Duty to Disclose Any Insider who has a Financial Interest in a proposed transaction must disclose the existence and nature of the conflict, in good faith and in full, to the Board of Directors as soon as it is known.

Section 2. Duty to Recuse The Insider with the conflict (the "Interested Person"):

- May not be present during the Board's discussion of the transaction, except to briefly answer factual questions if requested by the Board.
- May not attempt to influence the vote.
- Must not be present for the final vote.
- Must not be counted for the purpose of establishing a quorum for the vote.

Section 3. Duty of the Board (Disinterested Directors) The remaining, non-conflicted ("Disinterested") Directors shall:

1. Discuss and vote on the matter in the Interested Person's absence.
2. Have a duty to act solely in the best interests of the Corporation.
3. Approve the transaction *only if* they determine, in good faith, that the transaction is fair, reasonable, and in the Corporation's best interest.

Section 4. Contemporaneous Documentation All discussions and decisions must be documented in the official Board minutes, which must include:

- The name of the Interested Person and the nature of their disclosed Financial Interest.
- A record that the Interested Person disclosed their interest and left the meeting.
- The names of the Disinterested Directors who were present, discussed, and voted.
- The data and comparable information the Board used to make its decision, as required by Article IV.
- The final result of the vote.

ARTICLE IV: SPECIAL PROCEDURES FOR TRANSACTIONS

To establish a rebuttable presumption of reasonableness under IRS regulations, the Board must follow this specific procedure for all transactions with Insiders.

A. For Setting Employee Compensation:

1. **Approval:** The compensation must be approved in advance by the Disinterested Directors.
2. **Comparability Data:** The Board must obtain and rely upon objective salary data for comparable positions from appropriate, independent sources.
3. **Documentation:** The Board must document the data and analysis used to determine the compensation was reasonable (at or below fair market value).

B. For Contracts with an Insider's Business:

1. **Approval:** The contract must be approved in advance by the Disinterested Directors.
2. **Comparability Data:** The Board must obtain and rely upon competing bids or appraisals. This requires soliciting **at least two (2) independent, third-party bids** for the same services or goods.
3. **Documentation:** The Board must document the competing bids and their analysis. The Board may only approve the contract with the Insider's business if it is provably the most advantageous arrangement for the Corporation.

ARTICLE V: ANNUAL COMPLIANCE

1. Each director, officer, and key employee shall be given a copy of this Policy and shall sign a statement annually, affirming that they have received, read, understand, and agree to comply with it.
2. Each individual shall also disclose, on this annual statement, any known affiliations or financial interests that could potentially create a conflict.