

FORTH MOBILITY FUND  
CONFLICT OF INTEREST POLICY

ARTICLE 1

PURPOSE

The purpose of this conflict of interest policy is to protect the interests of FORTH MOBILITY FUND (the "Corporation") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director or officer of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

ARTICLE 2

DEFINITIONS

**2.1 Interested Persons.** Any director, officer, or member of a committee with director-delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

**2.2 Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

(a) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,

(b) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or

(c) A potential ownership or investment interest in, or compensation arrangement with, 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.

A financial interest is not necessarily a conflict of interest. Under Article 3, Section 3.2, a person who has a financial interest may have a conflict of interest only if the directors or appropriate committee decides that a conflict of interest exists.

## ARTICLE 3

### PROCEDURES

3.1 Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with director delegated powers considering the proposed transaction or arrangement.

3.2 Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the director or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining directors or committee members shall decide if a conflict of interest exists.

3.3 Procedures for Addressing the Conflict of Interest.

(a) An interested person may make a presentation at the directors or committee meeting, but after the presentation, the interested person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

(b) The chairperson of the directors or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(c) After exercising due diligence, the directors or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

(d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

## ARTICLE 4

### RECORDS OF PROCEEDINGS

The minutes of the directors and all committees with director delegated powers 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 director's or committee's decision as to whether a conflict of interest in fact existed.

(b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

## ARTICLE 5

### COMPENSATION

(a) A director who receives compensation, directly or indirectly, from the Corporation, other than the annual director fee payable to all directors, for services is precluded from voting on matters pertaining to that director's compensation.

(b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

(c) No director or voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to the directors or any committee regarding compensation.

## ARTICLE 6

### STATEMENTS AND DISCLOSURES

Each director, officer and member of a committee with director delegated powers shall, upon joining the Corporation as a director or upon assuming an assignment with director- delegated powers, sign a statement which affirms such person:

- (a) Has received a copy of the conflict of interest policy,
- (b) Has read and understands the policy,
- (c) Has agreed to comply with the policy, and

(d) Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

## ARTICLE 7

### PERIODIC REVIEWS

To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

(a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining.

(b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

## ARTICLE 8

### USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Article 7, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the directors of their responsibility for ensuring periodic reviews are conducted.

CONFLICT OF INTEREST

Statement and Disclosure

The undersigned director, officer or committee member of FORTH MOBILITY FUND hereby affirms that he or she:

- (a) Has received a copy of the Conflict of Interest Policy of FORTH MOBILITY FUND;
- (b) Has read and understands the Conflict of Interest Policy;
- (c) Agrees to comply with the Conflict of Interest Policy; and
- (d) Understands FORTH MOBILITY FUND is charitable and, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

The undersigned hereby informs the President and the Board of Directors of FORTH MOBILITY FUND that he or she has an interest, as defined in the Conflict of Interest Policy, in the following entities, including potential grantees, that may engage in a transaction or otherwise have an arrangement with FORTH MOBILITY FUND

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Signature

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Date

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Printed Name