



## CONFLICT OF INTEREST POLICY

### DRIVE OREGON

The effectiveness of Drive Oregon, an Oregon nonprofit corporation, depends upon its credibility and reputation for objectivity and fairness. The purpose of this conflict of interest policy is to protect the interests of Drive Oregon when it enters into a transaction or arrangement that might benefit the private interest of a director, officer or employee of Drive Oregon. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest that are applicable to nonprofit organizations.

#### I. Definitions

A. Interested Person. An “Interested Person” is a director, officer, or employee of Drive Oregon. An “Interested Person” shall also include a person who is a spouse, sibling, parent or child of a person defined above.

B. Financial Interest. An Interested Person has a financial interest if the Interested Person has, directly or indirectly, through business, investment or family: (i) an ownership or investment interest in any entity with which Drive Oregon has a transaction or arrangement; (ii) a compensation arrangement with Drive Oregon or with any entity or individual with which Drive Oregon has a transaction or arrangement; or (iii) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Drive Oregon is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

C. Conflict of Interest. A conflict of interest arises when an Interested Person is in a position, or perceived to be in a position, to have a direct or indirect financial interest in a transaction by virtue of his or her relationship with Drive Oregon, and the board decides a conflict of interest exists pursuant to Section II, paragraph B.

D. Contractual Conflict of Interest. In accordance with the terms of the Grant Agreement between Drive Oregon and the State of Oregon, acting by and through its Business Development Department (Contract Number C2011154), Drive Oregon is prohibited from contracting with any company or organization that employs (as an employee or under contract) a Director or with which a Director of a member of his/her immediate family is affiliated if that agreement is funded in whole or in part from the proceeds of the Grant Agreement, without explicit written authorization from the Audit Committee of the Oregon Innovation Council.

This restriction does not apply to an appointed Director in the performance of his/her duties on the Board as a representative of the Oregon University System (OUS), the State of Oregon, Oregon Health and Science University (OHSU), or Pacific Northwest National Laboratory (PNNL) or to a member of his/her immediate family. However, this restriction may apply to an appointed Director if that Director has a financial interest in a company or organization outside his/her role with the State, OUS, OHSU, or PNNL.

## **II. Procedures**

A. **Duty to Disclose.** Prior to board or committee discussion on a policy, contract or transaction involving an actual or possible conflict of interest, an Interested Person shall disclose to the board or committee the actual or possible conflict of interest and all facts material. If an individual believes an Interested Person has an actual or possible conflict of interest and the Interested Person has not disclosed the actual or possible conflict, the individual perceiving the actual or possible conflict shall disclose to the board or committee the actual or possible conflict of interest as well as all material facts.

B. **Determining Whether a Conflict of Interest Exists.** In the event it is not clear that a conflict of interest exists, an individual or the Interested Person shall disclose the circumstances in accordance with the procedures above. The Interested Person shall then be excused from the board or committee meeting and the remaining board or committee members shall decide if a conflict of interest exists.

C. **Absence.** A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the director or committee member is an Interested Person shall disclose to the chair of the meeting all facts material to the conflict of interest. The chair shall report the disclosure at the meeting.

D. **Addressing the Conflict.** An Interested Person may make a presentation at a board or committee meeting regarding a proposed policy, contract or transaction, but shall then leave the meeting and shall not participate in or be permitted to hear the board or committee discussion and vote regarding the matter except to respond to questions. The Interested Person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.

E. **Analysis of Transaction.**

1. The board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

2. After exercising due diligence, the board or committee shall determine whether Drive Oregon 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.

3. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board or committee may approve of the conflict of interest transaction after determining that the transaction or arrangement is in Drive Oregon's best interest, for its own benefit, and is fair and reasonable.

F. **Quorum.** An Interested Person shall not be counted in determining the presence of a quorum for purposes of a vote on a conflict of interest transaction.

G. **Later Approval.** In the event that a conflict of interest with respect to a transaction is disclosed after that transaction has been approved, the board or committee shall review the disclosed conflict of interest at the next meeting to determine, following the procedures outlined above, if a conflict of interest did exist and shall establish procedures to remedy the conflict, if

possible.

H. Violations of Conflict of Interest Policy. If an individual has reasonable cause to believe an Interested Person has failed to disclose an actual or possible conflict of interest, the individual must inform the board of the basis for such belief and the board shall afford the Interested Individual an opportunity to explain the alleged failure to disclose. If, after hearing the Interested Person's response, and after making further investigation as warranted by the circumstances, the board or committee determines the Interested Person has failed to disclose an actual or possible conflict of interest, it must take appropriate disciplinary and corrective action.

### **III. Records of Proceedings**

The minutes of the board or a committee addressing conflict issues shall contain:

A. The names of the Interested Persons who disclosed or otherwise were found to have an actual or possible conflict of interest, the nature of the interest, any action taken to determine whether a conflict of interest was present, and the board or committee 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 proposed conflict of interest transaction, the content of the discussion, including any alternatives to the proposed transaction, and a record of any votes taken in connection with the proceedings.

### **IV. Periodic Review of Policy**

A. Each director, officer, and employee of Drive Oregon shall annually review a copy of this policy and shall sign a statement which affirms the such individual: (i) has received a copy of the conflicts of interest policy; (ii) has read and understands the policy; and (iii) has agreed to abide by the policy.

B. In accordance with the terms of the Grant Agreement between Drive Oregon and the State of Oregon, acting by and through its Business Development Department (Contract Number C2011154), Drive Oregon is required to collect the following information by January 1 of each year and make it publicly available online: board member's principle occupation; the name, address, phone number and principal business of each corporation or other organization that employees (as an employee or under contract) such Board member and the Board member's job title and duties at, or a description of the Board member's contractual arrangement with, each such corporation or organization; a statement of whether or not such corporation or organization is an affiliate of, or has any contractual relationship or arrangement with, Drive Oregon; and any other directorships held by the Board member.

C. To ensure Drive Oregon does not engage in activities that could jeopardize its tax-exempt status, periodic reviews must be conducted. The periodic reviews must, at a minimum, include the following subjects:

1. Whether compensation arrangement and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

2. Whether partnerships, joint ventures, and arrangements with management organizations conform to Drive Oregon'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.

D. When conducting reviews of this policy, the board may, but shall not be required to, use outside advisors. If outside advisors are used, the use shall not relieve the directors of the responsibility for ensuring periodic reviews of the policy.

This Conflict of Interest Policy was adopted by the board of directors of Drive Oregon on December 8, 2011.

\_\_\_\_\_ Julie Skirvin, Secretary

## CONFLICT OF INTEREST

### ACKNOWLEDGEMENT AND DISCLOSURE FORM

I certify that I have received a copy of the Drive Oregon Conflict of Interest Policy dated December 8, 2011 (the "Policy"). I have read and understand the Policy, and agree to abide by the Policy. I further certify that the information I have provided below is complete and true.

\_\_\_\_\_ (SIGNATURE)  
\_\_\_\_\_ (PRINT NAME)  
\_\_\_\_\_ (DATE)

In accordance with the terms of the Grant Agreement between Drive Oregon and the State of Oregon, acting by and through its Business Development Department (Contract Number C2011154), Drive Oregon is required to collect the following information by January 1 of each year and make it publicly available online:

Board member's name	
List other board directorships	
Board member's principal occupation	
<b>For each employer, please provide the following information:</b>	
Name of employer	
Title or description of duties/contractual arrangement	
Employer's address	
Employer's phone number	
Description of employer's principal business	
Does employer have any contractual relationship or arrangement with Drive Oregon?	