

THE SEED SCHOOL OF LOS ANGELES COUNTY

CONFLICT OF INTEREST POLICY

ARTICLE I

PURPOSE

The purpose of this Conflict of Interest Policy is to protect the interests of The SEED School of Los Angeles County, a California nonprofit public benefit corporation (the “Corporation”), when the Corporation or any of its officials is making any decision that might benefit the private financial interest of one or more of the Corporation’s directors, officers, employees, or other officials and/or relatives of such persons. This policy is intended to supplement but not replace any state and federal laws applicable to the Corporation or its officials.

Each official of the Corporation has the responsibility of performing his or her office in good faith, in a manner that the official reasonably believes to be in the best interests of the Corporation and with such care, including reasonable inquiry, as an ordinary prudent person in a like position would use under similar circumstances. In his or her dealings with or on behalf of the Corporation, each official of the Corporation must be ever mindful of possible and actual conflicts of interest.

ARTICLE II

DEFINITIONS

For purposes of this Conflict of Interest Policy:

1. Board

“Board” means the board of directors of the Corporation.

2. Compensation

“Compensation” includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

3. Conflict of Interest

An official of the Corporation has a “conflict of interest” when he or she knows or has reason to know that a decision to be made by or on behalf of the Corporation will have a reasonably foreseeable material financial effect, distinguishable from the effect on the public generally, directly on the official, or his or her immediate family, or on any financial interest.

4. Covered Persons

“Covered person” means any director or officer of the Corporation, any member of senior management of the Corporation and any other person designated in writing by the Board or the chief executive officer of the Corporation.

5. Director

“Director” means a member of the Board.

6. Financial Effect

“Financial effect” means an effect that provides a benefit of monetary value or provides, prevents, or avoids a detriment of monetary value.

7. Financial Interest

An official has a financial interest if the person, directly or indirectly, through business, investment, or a relative –

- (a) Is negotiating a transaction or arrangement with Corporation;
- (b) Has a present or contemplated ownership or investment interest in any entity with which the Corporation is negotiating a transaction or arrangement;
- (c) Has a present or contemplated compensation arrangement with any entity or individual with which the Corporation is negotiating a transaction or arrangement;
- (d) Has an interest in, or competes with the Corporation directly or indirectly for the acquisition of an interest in, any real estate, equipment, securities, or other real or personal property in which the Corporation has an interest or is contemplating acquiring an interest, including an interest as owner or lessee; or,
- (e) Serves as a member, officer, trustee, director, employee or consultant of, or participates in the management of, an entity (other than HighTech LA, a California nonprofit public benefit corporation, the corporation that this Corporation has been formed to support) with which the Corporation is negotiating a transaction or arrangement.

8. Immediate Family

“Immediate family” means the spouse and dependent children.

9. Indirectly

“Indirectly” means through an agent, estate, trust, partnership, corporation, limited liability company or other person or entity.

10. Official

Each director, officer, and employee of the Corporation and each consultant or member of any advisory body of the Corporation to whom the Corporation has delegated decision-making authority is deemed an “official” of the Corporation when acting in such capacity.

11. Relative

A “relative” of a person means a member of the immediate family of a person.

ARTICLE III **PROCEDURES**

Subject to any contrary provisions of applicable state and federal laws governing conflicts of interest:

1. Duty to Disclose

(a) Officials Other than Directors. If an official of the Corporation other than a director has knowledge that the official has an actual or possible conflict of interest with respect to a decision to be made by the Board, by a committee of the Board, or by a different person, the official must disclose the existence of the actual or possible conflict of interest and must be given the opportunity to disclose all material facts to the decision-maker. After disclosure of the actual or possible conflict of interest, if the decision is to be made by the Board or a committee of the Board, the official may make a presentation at the Board or committee meeting, but the official shall leave the room until after the discussion, vote, and any other disposition of the matter is concluded, unless the matter has been placed on the portion of the agenda reserved for uncontested matters.

If an official of the Corporation other than a director has knowledge that the official has an actual or possible conflict of interest with respect to a decision that otherwise would be made by the official, the official must submit a written disclosure of the actual or possible conflict of interest and all material facts to the official’s supervisor, who shall immediately reassign the decision to a disinterested decision-maker and shall forward the disclosure notice to the chief executive officer of the Corporation, who shall record the official’s disqualification. In the case of an official who reports directly to the Board, the official shall submit the written disclosure to the Board, and the Board shall make the decision involving the actual or possible conflict of interest or assign the decision to a committee of the Board or to a disinterested decision-maker. After disclosure of the actual or possible conflict of interest, the official shall recuse himself or herself from deciding the matter. If the decision is to be made by the Board or a committee of the Board, the official may make a presentation at the Board or committee meeting, but the official shall leave the room until after the discussion, vote, and any other disposition of the matter is concluded, unless the matter has been placed on the portion of the agenda reserved for uncontested matters.

(b) Directors. If a director has knowledge that the director has an actual or possible conflict of interest with respect to a decision to be made by or on behalf of the Corporation, the director must disclose the existence of the actual or possible conflict of interest and must be given the opportunity to disclose all material facts to the Board.

- (i) In the case of disclosure of a possible conflict of interest, the Board may determine whether the possible conflict of interest gives rise to an actual conflict of interest. After disclosure of the possible conflict of interest, the director shall recuse himself or herself from voting on whether an actual conflict of interest exists. The director may make a presentation regarding the possible conflict of interest, but the director shall leave the room until after the discussion, vote, and any other disposition of the question whether an actual conflict of interest exists is concluded. If the Board, by the vote of majority of the directors then in office without counting the vote of the potentially interested director, and with knowledge of the material facts concerning the decision and the director's interest in the decision, determines that no actual conflict of interest exists, then the director shall be deemed not to have a conflict of interest and, if otherwise appropriate, may fully participate in the making of the decision.
- (ii) Unless the Board finds that no actual conflict of interest exists pursuant to clause (a) above, after disclosure of the actual or possible conflict of interest, the director shall recuse himself or herself from voting on the matter and the Board shall make the decision involving the actual or possible conflict of interest. The director may make a presentation at the Board meeting, but the director shall leave the room until after the discussion, vote, and any other disposition of the matter is concluded, unless the matter has been placed on the portion of the agenda reserved for uncontested matters.
- (c) Disclosure by Other Officials. If an official of the Corporation does not self-disclose an actual or possible conflict of interest, it is the responsibility of other officials of the Corporation who become aware of an actual or possible conflict of interest to bring it to the attention of the responsible parties.

2. Procedures for Addressing a Conflict of Interest in a Transaction or Arrangement

After receiving disclosure of an actual or possible conflict of interest with respect to a proposed transaction or arrangement, the decision-maker, after reasonable investigation under the circumstances, shall determine whether the Corporation can obtain with reasonable efforts under the circumstances a more advantageous transaction or arrangement that would not give rise to a conflict of interest. If a more advantageous transaction or arrangement not giving rise to a conflict of interest is not reasonably possible under the circumstances, the decision-maker shall determine (in the case of a conflict of interest concerning a director, by the vote of majority of the directors then in office without counting the vote of the interested director, and with knowledge of the material facts concerning the transaction and the director's interest in the transaction) whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable as to the Corporation. In conformity with this determination, the decision-maker shall make the decision whether the Corporation should enter into the transaction or arrangement.

3. Violations of the Conflicts of Interest Policy

If there is reasonable cause to believe that an official of the Corporation has failed to disclose an actual or possible conflict of interest, the official's supervisor (which, in the case of a director or an official that reports directly to the Board, is deemed to be the Board) shall inform the official of the basis for such belief and afford the official an opportunity to explain the alleged failure to disclose.

If, after hearing an official's response and after making further investigation as warranted by the circumstances, the supervisor determines that an official has failed to disclose an actual or possible conflict of interest, the supervisor shall take such disciplinary and corrective action, if any, that the supervisor deems appropriate and that is within the supervisor's authority. The supervisor may report the circumstances of the non-disclosure and any action taken to more senior management for record or for further action. Subject to the terms of any employment contract, disciplinary action may include termination of employment.

ARTICLE IV

RECORDS OF PROCEEDINGS

The minutes of the Board and of all committees of the Board and any memo prepared by any individual to whom is delegated authority to make a decision involving a conflict of interest shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a conflict of interest in connection with a decision made by the Board, committee or individual, the nature of the conflict of interest, and a description of any action taken to avoid the conflict of interest.
- (b) The names of persons who were present for discussions and their votes or abstentions relating to a decision involving a conflict of interest.

ARTICLE V

DECLARATIONS

Each official of the Corporation shall, upon commencing his or her position with the Corporation and thereafter as may be requested by the Corporation, complete and execute a Declaration in the form attached as Form A or as that form may be modified by the Corporation from time to time which affirms that such person has received a copy of this Conflict of Interest Policy, has read and understands the Policy and has agreed to comply with the Policy.

In addition to the foregoing, each covered person shall, annually following the end of each fiscal year of the Corporation and as may be requested by the Corporation, complete and execute a Declaration in the form attached as Form B or as that form may be modified by the Corporation from time to time which affirms that such person has received a copy of this Conflict of Interest Policy, has read and understands the Policy and has agreed to comply with the Policy.

Form A
CONFLICT OF INTEREST DECLARATION
FOR
THE SEED SCHOOL OF LOS ANGELES COUNTY

Pursuant to the Conflict of Interest Policy ("Policy") adopted by the Board of Directors of The SEED School of Los Angeles County, a California nonprofit public benefit corporation ("Corporation"), I affirm that:

1. I have received a copy of the Policy.
2. I have read and I understand the Policy.
3. I agree to comply with the Policy.
4. I understand that the Corporation is charitable and that, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

I execute this Declaration at _____, on this _____
day of _____, 20_____.

Signature

Type or Print Name

Position

Form B

ANNUAL CONFLICT OF INTEREST DECLARATION

FOR

THE SEED SCHOOL OF LOS ANGELES COUNTY

Pursuant to the Conflict of Interest Policy ("Policy") adopted by the Board of Directors of The SEED School of Los Angeles County, a California nonprofit public benefit corporation ("Corporation"), a copy of which has been furnished to me, I hereby answer the following questions to the best of my knowledge and submit the following information to the Corporation's Board of Directors.

1. Have you or any relative (as defined in the Policy) received compensation from the Corporation for services rendered as a full or part-time employee, independent contractor, or otherwise during the period July 1, _____ through June 30, _____?

Yes ☐ No ☐ *If the answer is "yes", please state the compensation received by you or the relative and his or her relationship to you and describe the services rendered.*

2. Do you have a conflict of interest financial interest (as defined in the Policy) with respect to any transaction or arrangement to which the Corporation became a party during the period July 1, _____ through June 30, _____? For this purpose, a "transaction" includes a contract, loan, deposit, lease, rental, transfer of assets, purchase of goods or services, gifts, or other business dealings whether or not money payment is involved.

Yes ☐ No ☐ *If "yes", describe the transaction, who was involved, and your interest in any entity so involved.*

3. Do you have or did you have in the year ended June 30, _____, a family relationship or business relationship with any director, officer, or employee of the Corporation?

Yes ☐ No ☐ *If “yes”, please describe the relationship.*

4. List the for-profit and nonprofit and other entities of which you are an officer, director, principal, trustee, influential employee, or consultant. (Use a separate sheet, if necessary.)

I have read and understand the Corporation’s Conflict of Interest Policy and agree to comply with it. I also understand that the Corporation is charitable and that, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

I hereby agree to report to the Board of Directors of the Corporation any other possible conflict of interest situation that might develop before completion of my next annual Declaration.

I execute this Declaration at _____, on this _____ day of _____, 20_____.

Signature

Type or Print Name

Position

Certificate of Secretary

The undersigned Secretary of The SEED School of Los Angeles County (the “Corporation”), a California nonprofit public benefit corporation, certifies that the foregoing Conflict of Interest Policy was adopted and approved by the unanimous written consent of all directors of the Corporation then in office effective as of January ___, 2019, in compliance with the Bylaws of the Corporation.

Date: January ___, 2019

Jasmine-Simone Morgan, Secretary