CONFLICT OF INTEREST POLICY

PURPOSE

The purpose of this Conflict of Interest Policy is to protect the interests of Common Threads when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of its officers or directors, 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 conflicts of interest.

SCOPE

This Conflicts of Interest Policy applies to all Board Members and all members of committees with powers delegated by the Board.

DELEGATION OF AUTHORITY

The interpretation and enforcement of this Conflicts of Interest Policy is delegated to the Finance Committee, except as expressly set forth herein.

DEFINITIONS

- *Interested Person* – Any Board Member or member of a committee with powers delegated by the Board, who has a direct or indirect Financial Interest.
- *Financial Interest* – A person has a Financial Interest if the individual has, directly or indirectly, any actual or potential ownership, investment, or compensation arrangement with Common Threads or with any entity that conducts transactions with Common Threads.
PROCEDURES

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 all material facts to the Finance Committee with regard to the proposed transaction or arrangement. In the discretion of the Finance Committee, Board Members and committee members may be required to complete annual questionnaires disclosing potential conflicts of interest.

2. Determining whether a conflict of interest exists

The Finance Committee shall review all relevant materials regarding the Financial Interests, as disclosed by the Interested Person. At the discretion of the Finance Committee, potential conflicts of interest may be addressed by the full Board.

3. Addressing the conflict of interest

The Finance Committee shall determine whether Common Threads can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not result in a conflict of interest. If no alternative transaction is reasonably possible, the Finance Committee shall determine by majority vote (excluding any Interested Persons) whether to enter into a transaction or arrangement, taking into account whether the transaction or arrangement is in the best interest of Common Threads and whether it is fair and reasonable.

4. Disciplinary action

If the Finance Committee has reason to believe an individual has failed to disclose actual or potential conflicts of interest, it will inform the Interested Person and allow them to explain the alleged failure to disclose. The Finance Committee shall determine, based on information provided by the Interested Person, whether corrective action is necessary. Any corrective action proposed by the Finance Committee must be approved by a majority vote of the Board (excluding any Interested Persons).

REVIEW

Adopted ___________________

Reviewed most recently on ________________
Next review June 2021