VERTUELAB

CONFLICT OF INTEREST POLICY

ARTICLE I
PURPOSE

The purpose of this conflict of interest policy (the “Officers and Directors Conflict of Interest Policy”) is to protect VERTUELAB, an Oregon nonprofit public benefit corporation’s (“VertueLab”) interest when it is contemplating entering into a transaction that might benefit the private interest of a VertueLab officer or director, or might result in a possible excess benefit transaction, whether such transaction is made directly by VertueLab or through one of the entities to which VertueLab serves as manager.

ARTICLE II
APPROVAL AND AMENDMENT

This Officers and Directors Conflict of Interest Policy is effective upon ratification by the VertueLab Board of Directors. Amendment of this Officers and Directors Conflict of Interest Policy requires the approval of the VertueLab Board of Directors.

ARTICLE III
DEFINITIONS

“Company” means

a. any organization or entity which has received, is currently receiving, or may have the potential to receive assistance or funding from VertueLab or from any entity for which VertueLab serves as manager; or

b. any organization or entity with which VertueLab, or any entity for which VertueLab serves as manager, has entered into a financial transaction or arrangement or is negotiating a financial transaction or arrangement, and such transaction or arrangement is of such importance that it requires approval by the governing board of that organization or entity.

“Conflict of Interest” exists when a VertueLab director or officer, or a member of the officer or director’s immediate family, has a Financial Interest in a Company.

“Financial Interest” means any of:

a. An ownership investment interest in any Company,

b. A compensation arrangement with any Company,

c. A potential ownership or investment interest in, or compensation arrangement with any Company; or

d. Service as a director, officer or trustee of any Company.
“Interested Person” means any VertueLab director or officer, or a member of the officer or director’s immediate family, who has a Financial Interest in a Company.

**ARTICLE IV
PROCEDURES**

4.1 **Duty to Disclose.** Any director or officer of VertueLab with knowledge of an actual or potential Conflict of Interest on the part of that director or officer or any other director or officer of VertueLab shall promptly inform VertueLab’s entire Board of Directors (the "Board") of the conflict. Any director or officer who has an actual or potential Conflict of Interest shall timely submit a Disclosure form attached hereto as Exhibit A for each instance thereof to the VertueLab Executive Director.

4.2 **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 governing board or committee meeting in which the determination of a Conflict of Interest is discussed and voted upon. The remaining Board members shall decide if a conflict exists.

4.3 **Procedure for Addressing a Conflict of Interest.** If the Board determines that a conflict exists, the Board shall follow these procedures to address the Conflict of Interest:

4.3.1 The board member having a Conflict of Interest may participate in initial discussions about a potential arrangement or transaction, but will not be present during final deliberations and will be recused from voting.

4.3.2 The Board shall investigate alternatives to the proposed transaction or arrangement. After exercising due diligence, the Board shall determine whether the transaction or arrangement is fair to VertueLab.

4.3.3 Any transaction or arrangement wherein a Conflict of Interest exists must be approved by a majority of VertueLab’s directors who have no Financial Interest in the Company except that such transaction or arrangement cannot be approved by a single director.

4.3.4 Where a member of the Board is recused from voting as a result of a Conflict of Interest, such member is counted for purposes of establishing a quorum under the VertueLab Bylaws.

4.3.5 Anything in this policy to the contrary notwithstanding, VertueLab shall not enter into any contract with Company that employs (as an employee or under contract) a director or with which a director or a member of his/her immediate family is affiliated if that agreement is funded in whole or in part from the proceeds of a grant agreement between VertueLab and the Oregon Business Development Department. This restriction does not apply to a director in the performance of his/her duties on the board as a representative of the state of Oregon, Portland State University, Oregon State University, Oregon Institute of Technology, the University of Oregon, Oregon Health & Science University, National Energy Technology Laboratory, or the Pacific Northwest National Laboratory (collectively the “Institutions”), or if a member of his/her immediate family is affiliated with the Institutions; however, if this restriction would have otherwise applied to such a director but for the fact that he/she is a member of the board as a representative of, or a member of his/her immediate family is affiliated with the Institutions, he/she shall, at the outset of any discussions about a contract or potential contract with any of the Institutions, disclose such employment or affiliation, may not participate in any discussions regarding such contract, and may not cast a vote in any decision regarding such contract unless...
such director’s vote is required to meet a requirement of a minimum number of votes to take official action.

**ARTICLE V**
**RECORDS OF THE PROCEEDINGS**

The minutes of the Board meeting shall contain the names of the persons who had a Conflict of Interest, the nature of the Financial Interest, a summary of the discussion to determine whether a conflict was present and the vote as to whether a Conflict of Interest existed, the names of the directors and officers present for the discussion and vote related to the transaction or arrangement, a summary of the discussion relating to VertueLab's response to any Conflict of Interest transaction or arrangement, and a record of the vote taken.

**ARTICLE VI**
**CERTIFICATION BY DIRECTOR OR OFFICER**

The undersigned hereby acknowledges that the undersigned:

a. has received a copy of the Officers and Directors Conflict of Interest Policy;
b. has read and understands the Officers and Directors Conflict of Interest Policy;
c. has agreed to comply with the Officers and Directors Conflict of Interest Policy, and
d. understands that in order for VertueLab to maintain its federal tax exemption as a charitable organization, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Please check one of the following boxes:

- I have no Conflicts of Interest or potential Conflicts of Interest to disclose.
- I have Conflicts of Interest or potential Conflicts of Interest to disclose and have attached Conflict of Interest Forms for each instance thereof.

Name: ____________________________
Signature: ____________________________
Date: ____________________________
EXHIBIT A

CONFLICT DISCLOSURE FORM

Date: ______________________________________________

Member/Officer Name: ______________________________________________

Nature of the Conflict of Interest and Name of the Individual and/or Entity Involved:

_______________________________________________________________________
_______________________________________________________________________
_______________________________________________________________________
_______________________________________________________________________
_______________________________________________________________________
_______________________________________________________________________
_______________________________________________________________________
_______________________________________________________________________
_______________________________________________________________________
_______________________________________________________________________
_______________________________________________________________________
_______________________________________________________________________
_______________________________________________________________________
_______________________________________________________________________
_______________________________________________________________________