

**CONFLICT OF INTEREST POLICY
OF
LOS ANGELES COUNTY ECONOMIC DEVELOPMENT CORPORATION (LAEDC)**

ARTICLE I

Purpose

The purpose of the Conflict of Interest Policy (“Policy”) is to protect LAEDC’s (the “Company”) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director or employee of the Company 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 organizations.

ARTICLE II

Definitions

1. Interested Person

Any director, officer, or employee, who has a direct or indirect financial interest, as defined below, is an interested person.

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 Company has a transaction or arrangement,
- b. A compensation arrangement with the Company or with any entity or individual with which the Company 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 Company is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. Compensation shall not include receiving unsolicited gifts of value less than \$100, expense reimbursement from the Company or value in the form of ordinary social activities or events.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate Board of Directors or committee decides that a conflict of interest exists.

ARTICLE III

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 be given the opportunity to disclose all material facts to the directors and members of committees with Board of Directors delegated powers considering the proposed transaction or arrangement. The Company has adopted a Conflict of Interest Disclosure Form for submission by officers, employees and members of the Board of Directors for purposes of making such disclosures.

2. Determining Whether a Conflict of Interest Exists

- a. An interested person may make a presentation at the Board of Directors meeting, but after the presentation, he or she 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 Board of Directors shall, if appropriate, appoint a disinterested person to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board of Directors shall determine whether the Company 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 Board of Directors shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Company's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination the Board of Directors shall make its decision as to whether to enter into the transaction or arrangement.

3. Violations of the Conflicts of Interest Policy

- a. If the Board of Directors has reasonable cause to believe a member, officer or employee has failed to disclose actual or possible conflicts of interest, it shall inform the member, officer or employee of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the member, officer or employee and after making further investigation as warranted by the circumstances, the Board of Directors determines the member, officer or employee has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV

Records of Proceedings

The minutes of the Board of Directors and all committees with board 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 Board of Directors' 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 VI

Annual Statements

Each director, principal officer, employee and member of a committee with Board of Directors' delegated powers shall annually 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, and
- c. Has agreed to comply with the policy.


ARTICLE VII

Periodic Reviews

To ensure the Company 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 companies conform to the Company's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further the Company's tax exempt purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

The Undersigned, Secretary of this Corporation, hereby certify that the Conflict of Interest Policy of the Corporation was duly adopted as of the 7 day of March, 2022.

By: 

Secretary

CONFLICT OF INTEREST DISCLOSURE FORM
LOS ANGELES COUNTY ECONOMIC DEVELOPMENT CORPORATION (LAEDC)

Notice to LAEDC

This form is to initially be submitted upon your acceptance of election/appointment as a member or officer of the Board of Directors or as an employee of LAEDC (the "Company"). You are further required to re-submit this form each year thereafter that you serve as a director, officer or employee of the Company as well as each time you or an immediate family member receives a personal financial benefit or has any other interest in a transaction resulting from your position as a member or officer of the Board of Directors or as an employee of the Company. Further, by signing this Disclosure Form, you are warranting and representing that you have received and have read, reviewed and understood the Bylaws and policies of the Company, including but not limited to the Conflict of Interest Policy of the Company.

Name: _____

Name of Employer and
Position Held: _____

Address: _____

Telephone Number
and Email: _____

AT THIS TIME, I HAVE NOTHING TO DISCLOSE

I am disclosing the following significant financial interests related to my position as a member or officer of the Board of Directors or as an employee of LAEDC (Responses should include interests of the individual, his/her spouse, and/or any dependent children).

Name of Entity or transaction in which you have an interest ("Entity"): _____

Description of transaction in which you have an interest: _____

Address of Entity: _____

Principal Type of Business: _____

Are you a director, officer, partner, trustee, or employee of the Entity? Yes No

Do you have an investment of \$1,000 or more in the Entity? If so, how much? _____ Yes No

Do you hold an equity position of 5% in the Entity? If so, what percentage? _____ Yes No

Do you receive contingent compensation from the Entity? If so, please describe? _____ Yes No

Have you received a loan from the Entity for which the outstanding
balance exceeded \$250 in the past 12 months? If so, please describe? _____ Yes No

Do you have an interest in any intellectual property rights
belonging to the Entity? If so, please describe? _____ Yes No

Certification:

- I agree to update this disclosure either on an annual basis, or as new reportable significant financial interests are obtained.
- I agree to cooperate in the development of a plan to address any actual or potential conflict of interest identified via this Disclosure Form.
- I agree to comply with any conditions or restrictions imposed by the Company to manage, reduce, or eliminate actual or potential conflicts of interest or forfeit the award. I further understand and agree that my violation of the Conflict of Interest Policy of the Company is grounds for disciplinary and corrective action.
- I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Signed: _____ Date: _____