



Conflict of Interest Statement Loan Committee 2023-2024

Southern Oregon Regional Economic Development, Inc. (SOREDI) is non-profit corporation whose board members, loan committee members and professional staff are chosen to provide economic benefit. These persons have a duty to conduct the affairs of SOREDI in a manner consistent with the mission of SOREDI and not to advance their personal interests. This conflict of interest policy is intended to permit SOREDI and its board members, loan committee members and professional staff to identify, evaluate and address any real, potential or apparent conflict of interest that might, in fact or in appearance, call into question their duty to put the interests of SOREDI ahead of their personal interests.

1. Covered Persons

This policy applies to the SOREDI's board members, loan committee members and staff. Each Covered Person shall be required to acknowledge that they have read and are in compliance with this policy.

2. Covered Transactions

This policy applies to transactions between SOREDI and a Covered Person, or between SOREDI and another party with which a Covered Person has a significant relationship. A Covered Person is considered to have a significant relationship with another party if:

- a) The other party is a family member, including a spouse, parent, sibling, child, stepchild, grandparent, grandchild, great-grandchild, in-law or domestic partner,
- b) The other party is an entity in which the Covered Person has a material financial interest, or
- c) The Covered Person is an officer, director, trustee, partner, consultant or employee of the other party.

A Covered Transaction also includes any other transaction in which there may be an actual or perceived conflict of interest, including any transaction in which the interests of a Covered Person may be seen as competing or at odds with the interests of SOREDI.

3. Disclosure, Refrain from Influence, and Recusal

When a Covered Person becomes aware of a Covered Transaction, the individual has a duty to take the following actions:

- a) Immediately disclose the existence and circumstances of such Covered Transaction to SOREDI's President or Executive Director in writing,
- b) Refrain from using their personal influence to encourage SOREDI to enter into the Covered Transaction, and
- c) Physically excuse themselves from any discussions regarding the Covered Transaction except to answer questions, including board discussions and decisions on the subject.

In order to assist SOREDI in identifying potential Covered Transactions, each Covered Person shall complete a Conflict-of-Interest Questionnaire provided by SOREDI and shall update such Questionnaire as necessary to reflect changes as they occur. Completed Questionnaires shall be available for inspection by any board member and may be reviewed by SOREDI's legal counsel.

4. Standard for Approval of Covered Transactions

SOREDI may enter into a Covered Transaction where a) such Transaction does not constitute an act of self-dealing and b) the board determines, acting without the participation or influence of the Covered Person and based on comparable market data, that such transaction is fair and reasonable to SOREDI. The board shall document the basis for this determination in the minutes of the meeting at which the Covered Transaction is considered, and shall consult with SOREDI's legal advisor as necessary to ensure that the Transaction does not constitute an act of self-dealing.

5. Lending Activities

The following conflict of interest policies shall apply specifically to SOREDI's direct loan programs.

- a) SOREDI shall not make loan funds available to a business entity if the owner of such entity or any owner or an interest in such entity is related by blood, marriage, law or business arrangement to any officer or employee of SOREDI or any member of SOREDI's board of directors, or a member of the loan committee which advises, approves, recommends, or otherwise participates in decisions concerning loans.
- b) No officer, employee, or member of SOREDI's board of directors, or loan committee member, or person related to the officer, employee, or member of the board or committee by blood, marriage, law or business arrangement shall receive any benefits resulting from the use of loan funds, unless the officer, employee, or board or committee member affected first discloses to SOREDI on the public record the proposed or potential benefit and receives SOREDI's written determination that the benefit involved is not so substantial as to affect the integrity of SOREDI's decision process.
- c) An officer, employee, or board member of SOREDI shall not solicit or accept, directly or indirectly, any gift, gratuity, favor, entertainment, or any other thing of monetary value, for himself or for another person, from any person or organization seeking to obtain a loan.
- d) Former board members, committee members or staff members are ineligible to apply for or receive loan funds for a period of one year from the date of termination of their services.

I acknowledge that I have read and understood this document in its entirety and agree to abide by the above policy and procedure. I understand that if I have any questions or concerns about this policy, it is my responsibility to discuss this with SOREDI.



Initials