AIP Foundation Conflict of Interest Policy

Date of adoption: March 28, 2019

Article I

Purpose
The purpose of the conflict of interest policy is to protect the interests of AIP Foundation (AIPF) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization 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 and charitable organizations.

Article II

Definitions
1. Interested Person
Any trustee, officer, or member of a committee with powers delegated by the Board of Trustees, 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 AIPF has a transaction or arrangement,

   b. A compensation arrangement with AIPF or with any entity or individual with which AIPF has a transaction or arrangement, or

   c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which AIPF is negotiating a transaction or arrangement.

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

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 governing board 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 governing board delegated powers considering the
proposed transaction or arrangement.

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, he/she shall leave the Board of Trustees or committee meeting while the
determination of a conflict of interest is discussed and voted upon. The remaining trustees or
committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest
   a. An interested person may make a presentation at the Board of Trustees or committee
      meeting, but after the presentation, he/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 chair of Board of Trustees or committee shall, if appropriate, appoint a
      disinterested person or committee to investigate alternatives to the proposed transaction or
      arrangement.

   c. After exercising due diligence, the governing board or committee shall determine
      whether AIPF 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 Trustees or committee shall
      determine by a majority vote of the disinterested Trustees whether the transaction or arrangement
      is in the Organization’s best interest, for its own benefit, and whether it is fair and reasonable. In
      conformity with the above determination, it shall make its decision as to whether to enter into the
      transaction or arrangement.

4. Violations of the Conflicts of Interest Policy
   a. If the Board of Trustees or committee has reasonable cause to believe a member has
      failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis
      for such belief and afford the member an opportunity to explain the alleged failure to disclose.

   b. If, after hearing the member’s response and after making further investigation as
      warranted by the circumstances, the Board of Trustees or committee determines the member 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 Trustees 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 Trustees’ or committee’s 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 V

Compensation

a. A voting member of the Board of Trustees who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member’s compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from AIPF for services is precluded from voting on matters pertaining to that member’s compensation.

c. No voting member of the Board of Trustees or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI

Annual Statements

Each Trustee, principal officer and member of a committee with Board of Trustees delegated powers shall annually sign a statement which affirms such person:

a. Has received a copy of the conflicts of interest policy,

b. Has read and understands the policy,

c. Has agreed to comply with the policy, and

d. Understands AIPF is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax- exempt purposes.
Article VII

Periodic Reviews
To ensure AIPF 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 organizations conform to AIPF’s written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VIII

Use of Outside Experts
When conducting the periodic reviews as provided for in Article VII, AIPF may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Trustees of its responsibility for ensuring periodic reviews are conducted.