Conflict of Interest Policy

For Snowpity, Inc.

# Article I: Purpose of Policy

The purpose of this policy is to protect the interest of Snowpity, Inc. (hereinafter referred to as the Organization) 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 Director, Officer, or member of a committee with powers delegated by the Board of Directors, 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:

1. an ownership or investment interest in any entity with which the Organization has a transaction or arrangement;
2. a compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement; or
3. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization 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 Board of Directors or appropriate 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 powers delegated by the Board of Directors 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 shall not participate in discussion of the matter except to disclose further material facts and to respond to questions. Such person shall not attempt to exert personal influence with respect to the matter, either at or outside the meeting. The remaining Board or committee members shall decide of a conflict of interest exists.

## 3. Procedures for Addressing the Conflict of Interest

1. An interested person may make a presentation at a Board of Directors or committee meeting, but after the presentation, he shall not participate in further discussion of the matter and shall not participate in the vote on the transaction or arrangement involving the possible conflict of interest.
2. The Chairpony of the Board of Directors or chairman of the committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
3. After exercising due diligence, the Board of Directors or committee shall determine whether the Organization 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.
4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested Directors 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 Conflict of Interest Policy

1. If the Board of Directors 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.
2. If, after hearing the member’s response and after making further investigation as warranted by the circumstances, the Board of Directors 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 Directors and all committees with powers delegated by the Board of Directors shall contain:

1. 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 decision of the Board of Directors or committee as to whether a conflict of interest in fact existed.
2. 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

1. A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member’s compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member’s compensation.
3. No voting member of the Board of Directors 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 Director, Officer, and member of a committee with powers delegated by the Board of Directors shall annually sign a statement which affirms such person:

1. has received a copy of this conflict of interest policy,
2. has read and understands the policy,
3. has agreed to comply with the policy, and
4. understands the Organization 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 the Organization 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:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm’s length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization’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 an excess benefit transaction.

# Article VIII: Use of Outside Experts

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

This Conflict of Interest Policy is designed to help directors, officers, employees, and volunteers of Snowpity, Inc., to identify situations that present potential conflicts of interest and to provide Snowpity, Inc., with a procedure that, if observed, will allow a transaction to be treated as valid and binding even though a director, officer, employee, or volunteer has or may have a conflict of interest with respect to the transaction. In the event there is an inconsistency between the requirements and procedures prescribed herein and those in federal or state law, the law shall control. All italicized terms are defined in the [Definitions](#_Definitions) section of this policy.

# Conflict of Interest Defined

For purposes of this policy, the following circumstances shall be deemed to create *Conflicts of Interest*:

## Outside Interests

1. An *Agreement or Transaction* between Snowpity, Inc., and a *Responsible Person* or *Family Member*
2. An *Agreement or Transaction* between Snowpity, Inc., and an entity in which a *Responsible Person* or *Family Member* has a *Material Financial Interest* or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative

## Outside Activities

1. A *Responsible Person* competing with Snowpity, Inc., in the rendering of services or in any other *Agreement or Transaction* with a third party
2. A *Responsible Person* having a *Material Financial Interest* in an entity or individual that competes with Snowpity, Inc., in the provision of services or in any other *Agreement or Transaction* with a third party
3. A *Responsible Person* serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator, or other legal representative of or a consultant to an entity or individual that competes with Snowpity, Inc., in the provision of services or in any other *Agreement or Transaction* with a third party

## Gifts, Gratuities, and Entertainment

A *Responsible Person* accepting gifts, entertainment, or other favors from any individual or entity that:

1. does or is seeking to do business with, or is a competitor of Snowpity, Inc.;
2. has received, is receiving, or is seeking to receive a loan or grant, or to secure other financial commitments from Snowpity, Inc.;
3. is a charitable organization; or
4. under circumstances where it might be inferred that such action was intended to influence or possible would influence the *Responsible Person* in the performance of his duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value that are not related to any particular transaction or activity of Snowpity, Inc.

# Definitions

## Conflict of Interest

Any circumstance described in the [Conflict of Interest Defined](#_Conflict_of_Interest) section of this policy.

## Responsible Person

Any person serving as an officer, employee, volunteer, or member of the Board of Directors of Snowpity, Inc.

## Family Member

A spouse, domestic partner, parent, child, or spouse of a child, brother, sister, or spouse of a brother or sister, of a *Responsible Person*.

## Material Financial Interest

A financial interest of any kind in an entity that, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a *Responsible Person’s* or *Family Member’s* judgement with respect to transactions to which the entity is a party. This includes all forms of compensation.

## Agreement or Transaction

Any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind; the providing or receipt of a loan or grant; or the establishment of any other type of pecuniary relationship by Snowpity, Inc. The making of a gift to Snowpity, Inc., is not an *Agreement or Transaction* within the meaning of this document.

# Procedures

1. Before Board or committee action on any *Agreement or Transaction* involving a *Conflict of Interest*, a Director or committee member having a *Conflict of Interest* and who is in attendance at the meeting shall disclose all facts material to the *Conflict of Interest*. Such disclosure shall be reflected in the minutes of the meeting
2. A Director or committee member who plans not to attend a meeting at which he has reason to believe that the Board or committee will act on a matter in which the person has a *Conflict of Interest* shall disclose to the chairman of the meeting all facts material to the *Conflict of Interest*. The chairman shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting
3. A person who has a *Conflict of Interest* shall not participate in discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert personal influence with respect to the matter, either at or outside the meeting
4. A person who has a *Conflict of Interest* with respect to an *Agreement or Transaction* that will be voted on at a meeting may not vote on the *Agreement or Transaction*. Such person’s ineligibility to vote shall be reflected in the minutes of the meeting
5. *Responsible Persons* who are not members of the Board of Directors of Snowpity, Inc., or who have a *Conflict of Interest* with respect to an *Agreement or Transaction* that is not the subject of Board or committee action, shall disclose to the Chairpony or the Chairpony’s designee any *Conflict of Interest* that such *Responsible Person* has with respect to an *Agreement or Transaction*. Such disclosure shall be made as soon as the *Conflict of Interest* is known to the *Responsible Person*. The *Responsible Person*shall refrain from any action that may affect the participation of Snowpity, Inc., in such *Agreement or Transaction*
6. In the event it is not entirely clear that a *Conflict of Interest* exists, the individual with the potential conflict shall disclose the circumstances to the Chairpony or the Chairpony’s designee, who shall determine whether there exists a *Conflict of Interest* that is subject to this policy

# Confidentiality

Each *Responsible Person* shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might adversely affect the interests of Snowpity, Inc. Furthermore, a *Responsible Person* shall not disclose or use information relating to the business of Snowpity, Inc., for the personal profit or advantage of the *Responsible Person* or a *Family Member* or the *Responsible Person’s* company.

# Review of Policy

1. Each new *Responsible Person* shall be required to review a copy of this policy and to acknowledge that he has done so; such acknowledgement may be made through electronic means per Florida law
2. This policy shall be reviewed annually by each member of the Board of Directors. Any changes to the policy shall be communicated immediately to all *Responsible Persons*