CONFLICTS OF INTEREST POLICY
OF KIPP CHARLOTTE

I. Introduction

The purpose of this policy is to protect KIPP Charlotte’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Director of KIPP Charlotte (hereinafter “Corporation”). This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

II. Definitions

1. **Interested Person**: Any director, principal, officer, or member of a committee with Board-delegated powers, who has a direct or indirect Financial Interest.

2. **Financial Interest**: A person has a Financial Interest if the person has a direct or indirect connection to the transaction or arrangement through either business, investment or family, to include but not limited to:
   a. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement; or
   b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation 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 Corporation is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.
   d. Additionally, no voting member of the Board of Directors shall be an employee of a for-profit company that provides substantial services to the Corporation for a fee.

3. **Conflict of Interest**: A conflict of interest transaction is a transaction with the Corporation in which an Interested Person has a Financial Interest. A conflict of interest transaction is not voidable by the Corporation solely because of the Interested Person’s interest in the transaction if any one of the following is true:
   a. The material facts of the transaction and the Interested Person’s interest were disclosed or known to the Board of Directors or a committee of the board and the board or committee authorized, approved, or ratified the transaction; or
   b. The transaction is fair and in the best interest to the Corporation.

III. Procedure

1. For the purposes of (II)(3) of this policy, a Conflict of Interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the Board of Directors (or designated committee with Board delegated powers) who have no direct or indirect interest (whether financial or otherwise) in the transaction; however, no single director shall authorize, approve, or ratify a transaction under this section. If a majority of the directors who have no Financial Interest in the transaction vote to authorize, approve,
or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a director with a Financial Interest in the transaction does not affect the validity of any action taken under this Policy if the transaction is otherwise authorized, approved, or ratified.

2. To the extent that applicable law or the Corporation’s Charter imposes additional or different requirements with respect to conflict of interests by Interested Persons that cannot be modified by Policy, then applicable law and the Charter (as applicable) shall govern.

IV. Requirements

In accordance with state law, as amended from time to time, before any member of the Board of Directors or any Corporation employee with supervisory authority shall be employed or engaged as an employee, independent contractor, or otherwise by the Board of Directors or the Corporation in any capacity, such proposed employment or engagement shall be (i) disclosed to the Board of Directors and (ii) approved by the Board of Directors in a duly called open-session meeting. The burden of disclosure of such a conflict of interest shall be on the applicable director or employee with supervisory authority. If the requirements of this subsection are complied with or that of section (II)(3) of this Policy, the Corporation may employ said immediate family member or proceed with the contemplated transaction.

A person shall not be disqualified from serving as a member of the Corporation’s Board of Directors because of the existence of a conflict of interest, so long as the person's actions comply with this Policy.

V. Violations

If the Board of Directors have reasonable cause to believe that an Interested Person has failed to disclose actual or possible Conflict of Interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the Interested Person and making such further investigation as may be warranted in the circumstances, the Board of Directors determines that the Interested Person has in fact failed to disclose an actual or possible Conflict of Interest, it shall take appropriate disciplinary and corrective action.

Formal records of meetings will be kept.

VI. Record Keeping. The minutes of the Board of Directors and all committees with Board-delegated powers shall contain the names of persons with a Financial Interest, the names of persons present during discussions, and annual statements of acknowledgement.
a. Names of Persons with Financial Interest: 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. Names of Persons Present: 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 therewith.

c. Annual Statements: Each Director, principal officer and member of a committee with Board-delegated powers shall annually sign a statement which affirms that such person --
   (a) Receipt - Has received a copy of the Conflicts of Interest Policy.
   (b) Read and Understands - Has read and understands the Policy.
   (c) Agrees to Comply - Has agreed to comply with the Policy.
   (d) Tax Exemption - Understands that the Corporation is a charitable organization and that, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

VII. Periodic Reviews

To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, the Corporation may conduct periodic reviews performed by the designated committee of the Board of Directors.

VIII. Effective Date

This Policy was originally effective August 1, 2009 and revised effective October 26, 2018.