

CONFLICT OF INTEREST POLICY- BOARD OF DIRECTORS

The effectiveness of the Oregon Nanoscience and Microtechnologies Institute, an Oregon nonprofit corporation (“ONAMI”), depends upon its credibility and reputation for objectivity and fairness. The purpose of this conflict of interest policy is to protect the interests of ONAMI when it enters into a transaction or arrangement that might benefit the private interest of a member of the Board of Directors (“Director”) of ONAMI. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest that are applicable to nonprofit organizations.

I. Definitions

A. Interested Person. An “Interested Person” is a Director of ONAMI with a Financial Interest, as defined below. An “Interested Person” shall also include a person with a Financial Interest, who is a spouse, sibling, parent or child of an Director.

B. Financial Interest. An Interested Person has a financial interest if the Interested Person has, directly or indirectly, through business, investment or family: (i) an ownership or investment interest in any entity with which ONAMI has a transaction, investment, ownership interest, or arrangement; (ii) a compensation arrangement with any entity or individual with which ONAMI has a transaction, investment, ownership interest, or arrangement; or (iii) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which ONAMI is negotiating a transaction or arrangement, or expectation of future financial interest. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

C. Conflict of Interest. A conflict of interest arises when an Interested Person is in a position, or perceived to be in a position, to have a direct or indirect financial interest in a transaction by virtue of his or her relationship with ONAMI, and the Board of Directors (“Board”) or Operations Council decides a conflict of interest exists pursuant to Section II, paragraph B.

D. Contractual Conflict of Interest. In accordance with the terms of the Grant Agreements between ONAMI and the State of Oregon, acting by and through its Business Development Department, ONAMI is prohibited from contracting with any company or organization that employs (as an employee or under contract) a Director or with which a Director or a member of his/her immediate family is affiliated if that agreement is funded in whole or in part from the proceeds of the Grant Agreement.

This restriction does not apply to an appointed Director in the performance of his/her duties on the Board as a representative of the State of Oregon, Oregon’s research universities, Oregon Health and Science University (OHSU), or Pacific Northwest National Laboratory (PNNL) or to a member of his/her immediate family. However, this restriction may apply to an appointed Director if that Director has a financial interest in a company or organization outside his/her role with the State, Oregon's research universities, OHSU, or PNNL.

II. Procedures

A. Duty to Disclose. Prior to Board, Operations Council, or Committee discussion on a policy, contract or transaction involving an actual or possible conflict of interest, an Interested Person shall disclose to the ONAMI President or Vice President of Operations (each being an “ONAMI Officer”), the Board, Operations Council, or Committee the actual or possible conflict of interest and all material facts. A record shall be made of any conflict of interest disclosure. If an individual believes an Interested Person has an actual or possible conflict of interest and the Interested Person has not disclosed the actual or possible conflict, the individual perceiving the actual or possible conflict shall disclose to an ONAMI Officer, the Board or Committee the actual or possible conflict of interest as well as all material facts.

B. Determining Whether a Conflict of Interest Exists. In the event it is not clear that a conflict of interest exists, an

individual or the Interested Person shall disclose the circumstances in accordance with the procedures above. The Interested Person shall then be excused from the Board, Operations Council, or Committee meeting and the remaining Board, Operations Council, or Committee members shall decide if a conflict of interest exists.

C. Absence. A Director, Operations Council, or Committee member who plans not to attend a meeting at which he or she has reason to believe that the Board, Operations Council, or Committee will act on a matter in which the Director, Operations Council, or Committee member is an Interested Person shall disclose to the chair of the meeting all facts material to the conflict of interest. The chair shall report the disclosure at the meeting.

D. Addressing the Conflict. An Interested Person may make a presentation at a Board, Operations Council, or Committee meeting regarding a proposed policy, contract or transaction, but shall then leave the meeting and shall not participate in or be permitted to hear the Board, Operations Council, or Committee discussion and vote regarding the matter except to respond to questions. The Interested Person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.

E. Analysis of Transaction.

1. The Board, Operations Council, or Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

2. After exercising due diligence, the Board, Operations Council, or Committee shall determine whether ONAMI 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 or if there are other mitigation efforts or actions that are appropriate and/or necessary under the circumstances.

F. Quorum. An Interested Person shall not be counted in determining the presence of a quorum for purposes of a vote on a conflict of interest transaction.

G. Later Approval. In the event that a conflict of interest with respect to a transaction is disclosed after that transaction has been approved, the Board, Operations Council, or Committee shall review the disclosed conflict of interest at the next meeting to determine, following the procedures outlined above, if a conflict of interest did exist and shall establish procedures to remedy the conflict, if possible.

H. Violations of Conflict of Interest Policy. If an individual has reasonable cause to believe an Interested Person has failed to disclose an actual or possible conflict of interest, the individual must inform an ONAMI Officer, the Board, Operations Council, or Committee in writing of the actual or possible conflict of interest as well as all material facts. The Board, Operations Council, or Committee shall afford the Interested Individual an opportunity to explain the alleged failure to disclose. If, after hearing the Interested Person's response, and after making further investigation as warranted by the circumstances, the Board, Operations Council, or Committee determines the Interested Person has failed to disclose an actual or possible conflict of interest, it must take appropriate disciplinary and corrective action.

I. Notification to the Board. The full Board must be informed promptly of any conflict of interest issues brought to the attention of or acted upon in any way by an ONAMI Officer, the Operations Council, a Committee, or a Board member.

III. Records of Proceedings

The minutes of the Board, Operations Council, or a Committee meeting addressing conflict issues shall contain:

A. The names of the Interested Persons who disclosed or otherwise were found to have an actual or possible conflict of interest, the nature of the interest, any action taken to determine whether a conflict of interest was present, and the Board, Operations Council, or Committee 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 proposed conflict of interest transaction, the content of the discussion, including any mitigation or other actions or alternatives to the proposed transaction, and a record of any votes taken in connection with the proceedings.

IV. Periodic Review of Policy

A. Each Director of ONAMI shall annually review a copy of this policy sign a statement which affirms that such individual: (i) has received a copy of the conflicts of interest policy; (ii) has read and understands the policy; and (iii) has agreed to abide by the policy.

B. To ensure ONAMI does not engage in activities that could jeopardize its tax-exempt status, periodic reviews must be conducted. The periodic reviews must, at a minimum, include the following subjects:

1. Whether partnerships, joint ventures, and arrangements with management organizations conform to ONAMI'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.

C. When conducting reviews of this policy, the Board may, but shall not be required to, use outside advisors. If outside advisors are used, the use shall not relieve the Directors of the responsibility for ensuring periodic reviews of the policy.

This Conflict of Interest Policy was revised and adopted by the Board of Directors of Oregon Nanoscience and Microtechnologies Institute on June 2, 2016.

Cindy L. Dahl, Secretary

CONFLICT OF INTEREST POLICY ACKNOWLEDGEMENT FORM

I certify that I have received a copy of the Oregon Nanoscience and Microtechnologies Institute Conflict of Interest Policy - Board of Directors, dated June 2, 2016 (the "Policy"). I have read and understand the Policy, and agree to abide by the Policy.

(SIGNATURE)

(PRINT NAME)

(DATE)