



Conflict of Interest Policy

Adopted: December 4, 2020

1. PURPOSE

The purpose of this Conflict of Interest Policy (the “*Policy*”) is to protect the interests of Circlewood in connection with any transaction or arrangement that might benefit the private interests of any Covered Person, as defined below. This Policy provides (i) a systematic mechanism for disclosing and evaluating potential and actual conflicts; and (ii) procedures for the Board of Directors in considering any transaction or arrangement where a conflict may exist.

2. PERSONS COVERED BY THE POLICY

This policy applies to “Covered Persons,” defined as any Corporation director, officer, or member of any committee of the Corporation’s Board of Directors that has authority to act on behalf of the Board of Directors.

3. DUTIES OF COVERED PERSONS

- a. Duty of Care. Every Covered Person shall perform his or her duties for the Corporation in good faith and with the degree of care that an ordinarily prudent person would exercise under similar circumstances.
- b. Duty of Loyalty. Every Covered Person must act with loyalty to the Corporation, meaning that no Covered Person may use his or her position with the Corporation to make personal profit or gain other personal advantage. No Covered Person may personally take advantage of a business opportunity that is offered to the Corporation unless the Board of Directors determines (after full disclosure and a disinterested and informed evaluation) not to pursue that opportunity.
- c. Conflicts of Interest. No Covered Person may engage in any transaction or arrangement or undertake positions with other organizations that involve a conflict of interest, except in compliance with this Policy. Covered Persons should avoid both actual conflicts and the appearance of conflicts of interest. Every Covered Person shall:
 - i. Disclose all actual and potential conflicts as set out below in Section 5; and

- ii. Recuse himself/herself from voting on any transaction or arrangement in which he/she has a potential or actual conflict of interest and shall not be present when any such vote is taken.

4. CONFLICT OF INTEREST

- a. Potential Conflict. A Covered Person may have a conflict of interest with respect to a transaction or arrangement whenever he or she, or any of his or her family members:
 - i. Receives compensation or other funding directly or indirectly from the Corporation and the transaction or arrangement involves such compensation or funding (other than a Covered Person's receipt of regular salary or Board of Directors fees from the Corporation);
 - ii. Has or anticipates having a compensation arrangement with any entity or individual that either: (a) sells goods or services to, or purchases services from, the Corporation; (b) has any other transaction or arrangement with the Corporation; or (c) competes with the Corporation;
 - iii. Has or anticipates having any ownership or investment interest in, or serves or anticipates serving as a director or officer of, any entity that either: (a) sells goods or services to, or purchases services from, the Corporation; (b) has any other transaction or arrangement with the Corporation; or (c) competes with the Corporation; or
 - iv. Has accepted any gift, entertainment, or other favor or item of value where such acceptance might create the appearance of influence on the Covered Person (other than gifts of nominal value, which are clearly tokens of respect and friendship unrelated to any particular transaction).
- b. No Conflict. A Covered Person does not have a conflict of interest if the Covered Person owns securities of a publicly traded company with which the Corporation has a transaction or arrangement if:
 - i. Such securities are less than 5% of the outstanding securities of the publicly traded company; and
 - ii. Their fair market value is less than 5% of the Covered Person's annual gross income.
- c. Irreconcilable Conflict. Covered Persons shall not engage in any of the following actions:
 - i. Represent clients or vendors before the Board of Directors for compensation;

- ii. Represent any claimant requesting compensation or damages from the Corporation; or
- iii. Accept employment, or engage in any business, or be involved in any activity which one might reasonably expect would require disclosure of privileged information gained by virtue of their official duties at the Corporation.

5. DISCLOSURE AND EVALUATION OF CONFLICTS

- a. Disclosure. Each Covered Person shall promptly and fully disclose all material facts of every actual or potential conflict of interest:
 - i. Existing at the time when he/she becomes a Covered Person;
 - ii. That arises while he/she is a Covered Person, at the time such actual or potential conflict arises; and
 - iii. Annually in conjunction with his/her delivery of his/her acknowledgement of this Policy.

All disclosures involving a transaction or arrangement being considered at a meeting of the Board of Directors or a committee shall be made to all members present at such meeting. All other disclosures shall be made to the President (who shall disclose his or her conflicts to the Board of Directors).

- b. Evaluation. The President shall disclose to the Board of Directors all conflicts of interest reported to him or her under this Policy. The Board of Directors will evaluate the disclosures to determine whether they involve actual conflicts of interest and may attempt to develop alternatives to remove the conflict from the situation.

6. PROCEDURES FOR ACTING ON CONFLICT OF INTEREST TRANSACTIONS

- a. Formal Approval. The Corporation may enter into a transaction or arrangement in which a Covered Person has a conflict of interest if:
 - i. The Covered Person has disclosed the conflict of interest in accordance with this Policy;
 - ii. A majority of directors who have no interest in the transaction or arrangement approve the transaction or arrangement at a Board of Directors or committee meeting after determining, in good faith and after reasonable investigation, that the transaction or arrangement is fair and reasonable to the Corporation and is in the Corporation's best interest;

- iii. Any Covered Person who has an actual or potential conflict with respect to the transaction or arrangement does not participate in and is not present for the vote regarding any such transaction or arrangement (provided, however, that any such Covered Person may appear at a meeting to answer questions concerning the transaction or arrangement); and
 - iv. The Board of Directors relies upon appropriate comparability data, such as an independent appraisal or an independent compensation study, in reaching its determination as to the fairness and reasonableness of the transaction or arrangement to the Corporation.
- b. Transaction Fair to the Corporation. It shall not be a violation of this Policy if all the requirements for formal approval, outlined above, are not satisfied, so long as the transaction or arrangement is in fact fair to the Corporation.
- c. Irreconcilable Conflicts. Notwithstanding anything in this Policy to the contrary, no action or transaction identified in Section 4(c) that is taken or proposed to be taken by a Covered Person shall be approved by the Board of Directors and the taking of such action by a Covered Person shall be a violation of this Policy.

7. RECORDS OF PROCEEDINGS

The minutes of the Board of Directors or any committee of the Board of Directors for any meetings described above shall contain:

- a. The names of the persons who disclosed an actual or potential conflict of interest or otherwise were found to have a conflict of interest, and the nature of the conflict of interest; and
- 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 considered and the appropriate comparability data relied upon, and a record of any votes taken.

8. ENFORCEMENT

Each Covered Person shall sign a statement acknowledging that he or she has received a copy of this Policy, has read and understands it, and agrees to comply with it. If the Board of Directors has reasonable cause to believe that a Covered Person has failed to comply with this Policy, the Board of Directors may counsel the Covered Person regarding such failure and, if the issue is not resolved to the Board of Directors' satisfaction, may consider additional corrective action as appropriate.



Conflict of Interest Questionnaire

Adopted December 4, 2020

This questionnaire is to be completed annually by Circlewood officers, directors, and members of committees of the Board of Directors authorized to act on behalf of the Board.

NAME AND BACKGROUND INFORMATION

Name: _____

Address: _____

Email: _____

Position with Circlewood: _____

CONFLICT OF INTEREST STATEMENT

Investments. Identify any investments or ownership interests of 2% or more in any organization that you or a member of your family has or had during the last five (5) years if the organization has, does, or is likely to provide goods or services to Circlewood or purchase services from Circlewood:

None

Director or Other Services. Identify any services that you or a member of your family provides or provided within the last five (5) years as a director, partner, principal, manager, employee or consultant to any organization that does, has, or is likely to provide goods or services to Circlewood or purchase services from Circlewood:

None

Interests in Transactions. Identify any interest (not already identified above) that you or a member of your family, or any organization in which you or a member of your family has or had an interest of 2% or more (e.g., a corporation or partnership), has had in any transaction during the last five (5) years to which Circlewood or any related organization was a party (e.g., any loans, sales of goods or services, or guarantees):

None

Positions and Charitable Grantees. Positions with Charitable Grantees. Identify any management or board level position that you or a member of your family living in the same household has or had during the last five (5) years in any organization that has received or is likely to receive grants from Circlewood:

None

Other. Identify all other circumstances affecting you or members of your family that might appear to involve a conflict of interest, actual or potential, and any circumstances that could be viewed as use of information relating to Circlewood’s business for personal profit or advantage:

None

Acknowledgement. I acknowledge that:

- I have received a copy of the Conflict of Interest Policy of Circlewood, a copy of which is attached to this Questionnaire,
- I have read and understand the Policy, and
- I agree to comply with the Policy.

CERTIFICATION AND SIGNATURE

I, _____, certify under penalty of perjury under the laws of the State of Washington that the foregoing, to the best of my knowledge and belief, is true and correct.

Dated this _____ day of _____, 2020 at Redmond, Washington.

Signature _____