

**SUMMERVILLE REDEVELOPMENT COMMISSION
CONFLICT OF INTEREST AND COMPENSATION POLICY**

Section 1. Purpose. The purpose of Summerville Redevelopment Commission Conflict of Interest and Compensation Policy is to protect the interests of Summerville Redevelopment Commission (the "Commission") when the Commission is contemplating entering into a transaction or arrangement that might benefit the private interest of a director or officer of the Commission 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 conflicts of interest applicable to organizations such as the Commission.

Section 2. Definitions.

(a) Interested Person. Any director, officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

(b) Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

(i) An ownership or investment interest in any entity with which the Commission has a transaction or arrangement,

(ii) A compensation arrangement with the Commission or with any entity or individual with which the Commission has a transaction or arrangement, or

(iii) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Commission 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 Section 3, a person who has a financial interest may have a conflict of interest only if the Board or committee decides that a conflict of interest exists.

Section 3. Procedures.

(a) 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 considering the proposed transaction or arrangement.

(b) 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 will leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining directors will decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

(i) An interested person may make a presentation at the Board meeting, but after the presentation, he/she will leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest; provided, however, that if the matter involves an actual or proposed grant in which a person is interested (because for example, that person is a director of the proposed grantee), the interested person will not be required to leave the meeting but will not be permitted to vote on the matter.

(ii) The chairperson of the Board will, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(iii) After exercising due diligence, the Board will determine whether the Commission 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.

(iv) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board will determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Commission's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it will make its decision as to whether to enter into the transaction or arrangement. The transaction is authorized if it receives the affirmative vote of a majority of the disinterested directors, but a transaction may not be authorized by a single director (please see Section 33-31-831(b) of the Code of Laws of South Carolina 1976, as amended). If a majority of the disinterested directors vote to authorize the transaction, a quorum is present for the purpose of taking action under this section.

(d) Violations of the Conflicts of Interest and Compensation Policy.

(i) If the Board has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it will inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

(ii) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board determines the member has failed to disclose an actual or possible conflict of interest, it will take appropriate disciplinary and corrective action.

Section 4. Records of Proceedings. The minutes of the Board will 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 governing board's 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.

Section 5. Compensation.

(a) Definitions. Unless otherwise defined, the terms below have the following meanings:

(i) "Highest Compensated Employee" - Any employee of the Commission whose total compensation would require the employee to be listed in Part I of Schedule A of IRS Form 990, or in response to an equivalent question on any successor exempt organization annual return.

(ii) "Highest Compensated Independent Contractor" - Any independent contractor engaged by the Commission whose total compensation would require the contractor to be listed in Part II of Schedule A of IRS Form 990, or in response to an equivalent question on any successor exempt organization annual return.

(iii) "Key Employee" - Any person having responsibilities, powers or influence similar to those of officers or directors, within the meaning of Part V-A of IRS Form 990.

(b) No director, officer, Key Employee, Highest Compensated Employee or Highest Compensated Independent Contractor may receive compensation, directly or indirectly, from the Commission unless such compensation is first determined by the disinterested directors, or an authorized committee thereof, to be just and reasonable to the Commission. The names of the persons who were present for discussions and votes relating to the compensation arrangement, the content of the discussion, including the information used to determine the reasonableness of the compensation, the date and terms of the compensation arrangement, and a record of any votes taken in connection with the proceedings shall be maintained in the minutes of the Commission. The determination of reasonableness shall be based upon information about compensation paid by similarly situated organizations for similar services, current compensation surveys compiled by independent firms, actual written offers from similarly situated organizations or other similar information deemed reliable by the disinterested directors (or the committee). Similarly situated organizations may include both taxable and tax-exempt organizations. No director, principal officer, Key Employee, Highest Compensated Employee or Highest Compensated Independent Contractor, shall participate in the discussion and approval of his or her compensation, except that such persons may provide information to the disinterested directors as described above in this policy.

(c) Compensation Review. The Board shall review the fairness of compensation, including benefits, upon the occurrence of the following events:

(i) Extension or renewal of the term of employment; or

(ii) Modification of the compensation, unless such modification occurs pursuant to a general modification of compensation that extends to all employees.

Section 6. Annual Statements. Each director and staff member will annually sign a statement that affirms that such person:

(a) Has received a copy of the Conflicts of Interest and Compensation Policy,

(b) Has read and understands the policy,

(c) Has agreed to comply with the policy, and

(d) Understands the Commission is exempt from federal income taxation under Internal Revenue Code Section 501(c)(4) and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Section 7. Periodic Reviews. To ensure the Commission operates in a manner consistent with exempt purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews will be conducted. The periodic reviews will, 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 the Commission's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further exempt purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section 8. Use of Outside Experts. When conducting the periodic reviews as provided for in Section 7, the Commission may, but need not, use outside advisors. If outside experts are used, their use will not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

I certify that I am the duly elected, qualified and acting Secretary of Summerville Redevelopment Commission, a South Carolina redevelopment commission organized under the provisions of Chapter 10 of Title 31 of the Code of Laws of South Carolina 1976, as amended (the "Commission"), and that the foregoing Summerville Redevelopment Commission Conflict of Interest and Compensation Policy was duly adopted by the directors of the Commission at a meeting of the Board of Directors of the Commission held on _____, 2016.

_____, Secretary

EXHIBIT A

SUMMERVILLE REDEVELOPMENT COMMISSION STATEMENT OF DISCLOSURE

Summerville Redevelopment Commission (the "Commission") seeks to avoid any conflict of interest in its operations and, where possible, to avoid even the appearance of a conflict. All individuals covered by this policy agree that they will not participate in any Commission board decision that materially benefits them, a member of their immediate family, or any organization with which the individual has a formal relationship.

Board members must annually disclose the name of each business or nonprofit organization that has or reasonably expects to have any material interest in any proposed or existing contract, transaction or arrangement with the Commission and in which he/she, his/her spouse or any member of their immediate family is a member, director, officer, employer or partner.

Based on terms of Summerville Redevelopment Commission Conflict of Interest and Compensation Policy, please initial the statement that is applicable to you:

_____ I am not aware of any direct or indirect financial or other material interest that is required to be disclosed under the Conflict of Interest Policy.

_____ I have described in the space below or attached letter every direct or indirect financial or other material interest that is required to be disclosed under the Conflict of Interest Policy.

Signature

Print Name

Date: _____