



NCInnovation, Inc.
Conflicts of Interest and Gifts Policy

Adopted by the Board of Directors of NCInnovation, Inc.
on
November 8, 2023

I. Purpose, Scope and Definitions

This NCInnovation, Inc. Conflicts of Interest and Gift Policy (this “**Policy**”) implements the requirements of Section 143-728(d)(7)–(8) of the North Carolina General Statutes. This Policy applies to all current NCInnovation, Inc. (“**NCI**”) employees, officers, and directors, and any other individuals designated by the Board of Directors of NCI (the “**Board**”) from time to time as subject to this Policy (collectively, “**Subject Persons**”). This Policy provides NCI with procedures and standards to guide Subject Persons in the performance of their duties and to prevent Subject Persons from benefiting from or holding an equity position in any intellectual property, licensing, or business entity supported or funded by NCI.

In addition to the NCI-specific requirements under the above-referenced statute, the directors and officers¹ of NCI owe fiduciary duties to NCI under Chapter 55A of the North Carolina General Statutes, otherwise known as the North Carolina Nonprofit Corporation Act, to act in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner reasonably believed to be in the best interests of NCI. This Policy is intended to supplement and not supersede any applicable law, including (without limitation) the provisions of the North Carolina Nonprofit Corporation Act regarding director conflicts of interest. Nothing in this Policy authorizes NCI or any Subject Person to engage in any act of self-dealing, inurement or any other act prohibited by applicable law or regulation.

NCI is committed to maintaining a culture of accountability, good judgment, and integrity, and this Policy is adopted, implemented, and administered by the Board in accordance with and furtherance of that commitment.

As used in this Policy:

“**Immediate Family Member**” means, in respect of a Subject Person, any spouse, parent, sibling, or child;

“**Business Association**” means being an officer, director, trustee, employee, or partner of a business entity, or having more than ten percent (10%) voting power, ownership or beneficial interest (directly or with one or more Subject Persons, Immediate Family Members or other entities with which the Subject Person has a Business Association) in any business entity;

¹ For purposes of this Policy, “officers” include each officer designated in the Amended and Restated Bylaws of NCI, together with the Chief Operating Officer, Chief Financial Officer, and equivalent senior executives of NCI.

“Profit” means that the Subject Person, an Immediate Family Member of the Subject Person, a business with which the Subject Person or an Immediate Family Member of the Subject Person has a Business Association, or a client of the Subject Person or of an Immediate Family Member of the Subject Person with whom the Subject Person or the Immediate Family Member has an existing business relationship, receives monetary or economic gain or benefit, including (without limitation) an increase in value whether or not recognized by sale or trade; *provided, however,* that “Profit” shall not include any instance in which the gain or benefit from a proposed project lead would not be greater than that which would be realized by other persons living in the area where the project lead is located; and

“Official Action” means actions taken in connection with the Subject Person’s duties, including (without limitation) voting on matters before the Board, discussing investment matters with other Subject Persons in an effort to further the matter after the conflict of interest has been discovered, or taking actions in the course and scope of the Subject Person’s position as a Subject Person leading to or resulting in Profit.

II. Prohibitions:

A Subject Person shall not:

- A. Take any Official Action or otherwise use his or her official position to Profit;
- B. Attempt to Profit from a proposed project lead resulting from commercialization of, or business formation resulting from, research;
- C. In contemplation of Official Action by the Subject Person, or in reliance on information that was made known to the Subject Person in the Subject Person’s official capacity and that has not been made public, (i) acquire a pecuniary interest in any property, transaction, or enterprise or gain any pecuniary benefit that may be affected by such information or Official Action; or (ii) intentionally aid another to do any of the above prohibited acts;
- D. Knowingly accept a gift from any person whom the Subject Person knows or has reason to know (i) is seeking to do business of any kind in the State of North Carolina; or (ii) has financial interests that may be substantially and materially affected, in a manner distinguishable from the public generally, by the performance or nonperformance of the official duties of the Subject Person; *provided, however,* that it is not a violation of this Policy for a Subject Person to accept: (a) food, beverage, transportation, lodging, entertainment, or related expenses associated with responsibilities or duties the Subject Person is responsible for conducting on behalf of NCI, provided that the recipient did not solicit the gift and did not accept the gift in exchange for performance or nonperformance of corporate duties and the Subject Person reports such gift electronically to NCI within 30 days of its receipt with a description and value of the gift and a description of how the gift contributed to responsibilities or duties on behalf of NCI; or (b) gifts of personal property valued at less than one-hundred dollars (\$100) given to the Subject Person in the commission of corporate duties if the gift is given as a personal gift in another country as part

of an overseas trade mission and the giving and receiving of such personal gifts is considered a customary protocol in the other country.

III. Conflicts of Interest; Duties

A conflict of interest may arise when a person has an existing or potential, direct or indirect financial or other material interest that impairs, or might appear to impair, his or her independence or objectivity in the discharge of responsibilities and duties to NCI (a “**Conflict of Interest**”). In addition to prohibiting certain acts and transactions set out above, this Policy is intended to ensure that the circumstances that might give rise to a Conflict of Interest in connection with any contract, transaction or arrangement are fully disclosed and that NCI and any affected Subject Person act appropriately in accordance with applicable law.

As referenced above, under the North Carolina Nonprofit Corporation Act, directors and officers must discharge their duties in good faith, with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and in a manner such person reasonably believes to be in the best interests of NCI. This requires using common sense, being diligent and attentive to NCI’s needs, and making thoughtful decisions in the best interest of NCI.

Each Subject Person must protect the confidential information of NCI and must not use confidential information of NCI for his or her personal benefit, or use such confidential information or his or her position as a Subject Person to the detriment of NCI.

When a Subject Person becomes aware of a possible Official Action or transaction that under this Policy would be prohibited or that gives rise to a Conflict of Interest (a “**Covered Transaction**”), he or she shall have a duty to take the following actions:

- A. Immediately and thoroughly disclose, in writing, the existence and all material facts of the possible Covered Transaction to the Chair of the Board (the “**Chair**”) and the President and Chief Executive Officer, including (without limitation) how the Subject Person’s position may impact the Subject Person’s personal interests (if the Subject Person is the Chair, such disclosure will be to the Board);
- B. Refrain and recuse oneself from taking any prohibited Official Action in relation to the Covered Transaction; *provided, however*, that, for the avoidance of doubt, such disclosure or the provision of any additional information requested by the Board in connection with such disclosure shall not be deemed to be Official Action, nor shall the Subject Person’s presence at deliberations in connection with the Covered Transaction be deemed to be Official Action.

Other than as provided in this Policy, once a Covered Transaction is apparent, the Subject Person shall not discuss a Covered Transaction with any other Subject Person except to state that a Conflict of Interest exists. The Board should ordinarily note in its minutes the Subject Person’s abstention from the deliberations and decision-making regarding the Covered Transaction.

In order to assist NCI in identifying actual and potential Covered Transactions, each Subject Person annually shall complete and sign a Conflict of Interest Disclosure and IRS Form 990 Questionnaire (other than as to employees who are not “key employees,” as defined in the same) and a Conflict of Interest Declaration (collectively, the “**Declaration**”) provided by NCI and shall update such Declaration as necessary to reflect changes during the course of the year. Completed Declarations shall be available for inspection by the Board and the officers of NCI and by such other persons as the Chair may deem appropriate. This Policy is best served by adopting a “when in doubt, disclose” approach. If a Subject Person is uncertain whether to identify a particular relationship, fact, or circumstance on the Declaration for such Subject Person, such Subject Person should consult with the President and Chief Executive Officer.

If, in its discretion, the Board deems that it has reasonable cause to believe that a Subject Person failed to disclose an existing or potential, direct or indirect financial or other material interest subject to this Policy, or a Subject Person aided another in engaging in an transaction prohibited by this Policy, the Board shall ordinarily discuss such belief with the Subject Person and allow the Subject Person to submit an explanation. If after such discussion and further investigation as may be warranted in the circumstances, the Board determines that the Subject Person has failed to disclose a financial or other material interest subject to this Policy, it shall take such disciplinary and corrective action as it deems appropriate, in its discretion. As part of overseeing the administration of this Policy, the Board may take any other corrective actions as it deems appropriate, in its discretion, in connection with violations of this Policy.

IV. Review and Approval of Covered Transactions

NCI may enter into a Covered Transaction if the Board approves the same without the influence or vote of any conflicted Subject Person, in accordance with the exercise of its fiduciary duties and business judgment, and if the Covered Transaction is permissible under applicable law. The Chair and the President and Chief Executive Officer shall ensure that the Board receives the disclosure and provided by the Subject Person in connection with the Covered Transaction and has an opportunity to request and receive additional information in connection with such disclosure.

The following factors may be taken into account when considering entering into a permissible Covered Transaction with a person or entity:

- A. The nature of the relationship between the Subject Person, Immediate Family Member of the Subject Person, or Business Association or client of the Subject Person or Immediately Family Member of the Subject Person, on the one hand, and the person or entity, on the other hand, and the nature and materiality of the interest giving rise to the actual or potential Conflict of Interest;
- B. Whether NCI supported or contracted with the entity prior to the time the Subject Person joined NCI;
- C. The existence and viability of alternatives to the Covered Transaction under consideration, such as through another entity that would not give rise to a Conflict of Interest; and

D. Other relevant facts and circumstances.

In considering entering into a Covered Transaction, the Board may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed Covered Transaction or to otherwise assist the Board in carrying out this Policy. The Board should ordinarily document its determination with respect to a Covered Transaction in the minutes of the meeting at which the Covered Transaction is considered, as well as a record of the vote pertaining to the Covered Transaction.

V. Administration of Policy; Related Matters

This Policy shall be implemented and administered by the Board, in its discretion, under the leadership of the Chair and with assistance from the President and Chief Executive Officer. The Board, directly and through delegation of authority to the Nominating and Corporate Governance Committee of the Board, shall be responsible for the following:

- A. Overseeing the adoption, implementation, and administration of this Policy, including (without limitation) annual review of this Policy for potential changes and consideration of changes recommended by the Nominating and Corporate Governance Committee of the Board;
- B. Reviewing the Declarations annually and receiving disclosure of and information regarding actual and potential Covered Transactions from time to time;
- C. Reviewing actual and potential Covered Transactions in accordance with this Policy;
- D. Determining whether to enter into Covered Transactions, to the extent permitted by applicable law;
- E. Maintaining minutes and such documentation as may be necessary or appropriate to document its review of Covered Transactions and compliance with this Policy; and
- F. Any other actions that it deems necessary or appropriate in connection with this Policy.

The Board, Chair, Nominating and Corporate Governance Committee Chair, or Chief Executive Officer, individually or collectively, may seek advice from outside advisors in connection with the review of any proposed Covered Transactions or otherwise in connection this Policy. NCI acknowledges that no policy can encompass every situation that presents risks to impartial decision-making and that, ultimately, a culture of accountability, good judgment, and integrity are critical for NCI. The Board may consider and adopt changes to this Policy as it deems appropriate from time to time, in its discretion. The President and Chief Executive Officer shall provide or cause to be provided a copy of this Policy (as amended from time to time) to all Subject Persons, including (without limitation) persons that become Subject Persons after the date hereof. NCI encourages individuals to reach out to their supervisor or to the President and Chief Executive Officer if they have questions or concerns in connection with this Policy.

NC Innovation, Inc.
Annual Conflict of Interest Disclosure and
IRS Form 990 Questionnaire

NCInnovation, Inc. (“**NCI**”) requires each key employee,² officer, and director of NCI annually to (1) review the NCI Conflicts of Interest and Gifts Policy (the “**Policy**”); (2) disclose any material personal, familial, or business relationship that reasonably could give rise to a conflict of interest or the appearance of a conflict of interest; and (3) acknowledge that he or she is acting in accordance with the letter and spirit of the Policy. This Questionnaire is also for internal purposes to enable NCI to complete and file the IRS Form 990 in accordance with Internal Revenue Service requirements.

In addition to the terms defined in the Policy, the terms used in this Disclosure shall have the following meanings:

- a. “Your Affiliated Entity” is an entity for which you are an officer, director, trustee, or employee, or have more than a 10% voting, ownership or beneficial interest (directly or with one or more Subject Persons, Immediate Family Members, or Business Associations).
- b. “Other Subject Person Affiliated Entity” means any organization for which another Subject Person served as trustee, director, manager, officer, or key employee at any time during the most-recent tax year, or in which another Subject Person was a Substantial Owner at any time during the most-recent tax year.
- c. “Substantial Owner” is a person who has a more than 10% voting, ownership or beneficial interest of an entity at any time during the most-recent tax year.

Please respond to the following questions to the best of your knowledge, using an additional page if necessary.

- 1. Did any of your Immediate Family Members qualify as Subject Persons of NCI during the most-recent tax year?

_____ YES _____ NO

If yes, please identify the Immediate Family Member and the Immediate Family Member’s position with NCI:

² For purposes of the Policy, “key employees” are any of the twenty (20) highest compensated employees who also:

- 1. receive reportable compensation from NCI and all related organizations in excess of \$150,000 for the calendar year ending with or within NCI’s tax year; and
- 2. (a) have responsibilities, powers or influence over NCI as a whole that is similar to those of officers, directors or trustees; (b) manage a discrete segment or activity of NCI that represents 10% or more of the activities, assets, income, or expenses of NCI, as compared to NCI as a whole; or (c) have or share authority to control or determine 10% or more of NCI’s capital expenditures, operating budget, or compensation for employees.

2. Please answer the following questions to the best of your knowledge to determine if you have a business relationship with another Subject Person:
- a. Did you or Your Affiliated Entity employ a Subject Person at any time during the most-recent tax year? YES NO
 - b. Were you employed by another Subject Person or Other Subject Person Affiliated Entity at any time during the most-recent tax year? YES NO
 - c. Did you or Your Affiliated Entity transact business with any other Subject Person or Other Subject Person Affiliated Entity involving a cumulative amount greater than \$10,000 (in cash and/or property) during the most-recent tax year? This includes sales, purchases, loans, leases, licenses, performances of services, or any other business transaction, but does NOT include transactions occurring in the ordinary course of either party's business on the same terms as are generally offered to the public. YES NO
 - d. Were both you and another Subject Person either a director, trustee, manager, officer, key employee or owner of more than 10% of the same business or investment entity, at the same time at any time during the last year? YES NO
 - e. If you answered "Yes" to any of the above questions, was the business relationship consisting of an attorney/client, medical professional/patient, or religious nature?
 YES NO
 - f. If you answered "Yes" in (e) above, no further disclosure is necessary. If you answered "No" in (e) above, please identify the Subject Person with whom you or Your Affiliated Entity had a business relationship:
3. Are you aware of any current or proposed Covered Transactions (as defined in the Policy) or any other transactions between NCI and you, an Immediate Family Member of yours, or a Business Association of yours? If so, please describe.
4. Are you aware of any other relationships, arrangements, transactions or matters involving NCI that could create a conflict of interest or the appearance of a conflict of interest, whether as to you or any other Subject Person? If so, please describe.
5. Please list any of your Business Associations that are engaged in or by their nature or purposes reasonably may in the future be engaged in transactions with NCI.

6. Please list your associations with any other organizations that are engaged in or by their nature or purposes reasonably may in the future be engaged in transactions with NCI.

I hereby submit the above answers to the best of my actual knowledge as of the date set forth below:

Date

Signature

Printed Name

NCInnovation, Inc.
Conflicts of Interest and Gifts Policy Declaration

I have received, read, and understand the NCInnovation, Inc. Conflicts of Interest and Gifts Policy (the “**Policy**”). I am currently, and agree to remain, in compliance with the Policy.

Date

Signature

Printed Name