

Telluride Foundation

Conflict Of Interest Policy

(Adopted December 28, 2000; revised December 28, 2005)

The Telluride Foundation recognizes that effective governance of the Foundation depends on deliberate, thoughtful, and disinterested decision making by its directors and officers, whether the decisions involve far-reaching matters of organizational policy, approval of a major transaction, or the wise investment of an organization's funds. The Foundation is entitled to the best judgment of directors, officers and staff, whatever the subject, and that judgment will certainly be affected if the directors and officers have a personal agenda that conflicts with the best interests of the organization. Moreover, the Foundation's work in the community depends on the community's continued trust and confidence in the integrity of the Foundation; likewise, the integrity of the Foundation is grounded in fair and responsible decision-making by its directors, officers and staff.

The Board of Directors and staff of the Foundation believes it is in the best interest of the Foundation to establish a clear and concise conflict of interest policy. Therefore, it has set forth the standards and guidelines of conduct for all Foundation directors and officers with respect to conflicts of interest.

The conflict of interest policy is intended to promote the avoidance of conflicts of interest and the appearance of impropriety by Foundation directors, officers and staff. It sets the rules for conduct, including disclosure by directors and officers of personal or financial interests which may affect the business of the Foundation; identifies actions incompatible with the Foundation's best interests; and, establishes a process for remedying any breach of these guidelines.

Definitions

Conflict of Interest: A situation in which a director, officer or staff (or anyone with whom the director, officer or staff has a close personal or business relationship) has a personal or financial interest in a matter which is the subject of official action by the Foundation. A director, officer or staff shall be deemed to have a conflict of interest if he or she (or anyone with whom the director, officer or staff has a close personal or business relationship) would be adversely affected or benefit from the action of the Foundation in a manner substantially different from the general public. A conflict of interest shall not arise as to any action or recommendation by the Foundation in which a director, officer or staff shares the same personal or financial interest as the entire membership of a common class of the general public.

Statement of Policy:

This policy shall apply to all directors, officers and staff (hereinafter referred to as "Foundation associate(s)"):

Foundation associates should attempt to minimize and avoid any conflict of interest and the appearance of any conflict of interest. To this end, Foundation associates should be fully

aware of the extent of his or her personal or financial interests, or the interests or any organizations on which he or she serves as a director, trustee or official.

No Foundation associate shall use his or her position, or the knowledge gained therefrom, in such a manner as to give rise to a conflict between the interest of the Foundation and his or her personal or financial interests.

Foundation associates have a duty to place the interest of the Foundation foremost in any dealings with the Foundation and have a continuing responsibility to comply with the requirements of this policy, until their association with the Foundation ceases.

Foundation associates may not obtain for themselves, their relatives, or their friends a material interest of any kind from their association or employment with the Foundation. No loans shall be made by the Foundation to its directors or officers. Any director or officer who assents to or participates in the making of any such loan shall be liable to the Foundation for the amount of such loan until the repayment thereof.

If a Foundation associate has a good faith belief that he or she has an interest in a proposed transaction or action by the Foundation, he or she must make full disclosure of the material facts of such interest at the earliest possible time to the board or committee considering the matter. By way of example, having "an interest in a proposed transaction with the Foundation" means, but is not limited to, having a significant personal financial interest in the transaction or in any organization involved in the transaction, or holds a position as a trustee, director, or officer in any such organization, which has an interest in a proposed transaction.

After full disclosure, the conflicted Foundation associate, may be present for discussion of the matter. At his or her discretion, an associate shall be allowed to vote on the matter if the conflict is of the same degree as if the associate were a trustee or member of the board of directors of a corporation which would be advantaged or disadvantaged by the outcome of Foundation action or inaction. An associate shall not vote on the matter if the associate's personal financial interests would be advantaged or disadvantaged by Foundation action or inaction.

Disclosure

To implement this policy, Foundation associates will, at the earliest possible time, disclose the material facts as to the associate's relationship or interest as to any conflict or potential conflict to the board or committee considering the relevant action.

In the event the conflict or potential conflict of a Foundation associate cannot be resolved by that person and the board or committee taking action, the disputed matter will reviewed by the Executive Committee, in a process to be determined by the Executive Committee. In the absence of resolution, the Executive Committee will refer the matter to the Board of Directors, and the Board of Directors will review and take final action on the matter, in a process to be determined by the Board of Directors.

Breach of Policy and Remedies

In the event there is a breach of this policy or allegation of a breach brought by a Foundation associate, the matter shall be reviewed and considered by the Executive Committee. In its review of the matter the Executive Committee shall decide what remedy, if any, is appropriate and which the Foundation shall impose. Any party to the matter may appeal the decision of the Executive Committee to the Board of Directors, for review, consideration and final decision by the board, in a process to be determined by board, and which decision by the board shall be final.