

Winthrop University Foundation Conflict of Interest Policy

Members of the Winthrop University Foundation Board of Directors are expected:

- (1) to avoid conflicts between their personal interests or other significant business interests and the interests of the Foundation;
- (2) to disclose any personal interest or other significant business interest that may conflict with the interests of the Foundation;
- (3) to refrain from voting or otherwise influencing a decision of the Foundation on any matter in which such a conflict exists;
- (4) to avoid the misuse of nonpublic information, acquired as a director, for personal gain or for the benefit of any entity or person; and
- (5) to refrain from soliciting or accepting for personal use or the benefit of any entity or person any gift, loan, reward, promise of future employment or anything else having a value of \$100 or more.

1. **Scope.** The following statement of policy applies to each member of the board and to all staff of the Winthrop University Foundation, Inc. (Foundation or Board), whom together shall be referred herein as “Member” or “Members.” It is intended to serve as guidance for all persons volunteering or employed by the Foundation in positions of significant responsibility including directors and Ex officio Directors.
2. **Fiduciary Responsibilities.** Members of the board, officers and employees of the Foundation serve the public trust and have a clear obligation to fulfill their fiduciary duty of loyalty in a manner consistent with this fact. This fiduciary duty and all decisions of the Board and officers are to be made solely on the basis of a desire to promote the best interests of the Foundation and the public good. The Foundation’s integrity must be protected and advanced at all times.

The Foundation recognizes, however, that Members may have personal, family, financial or business relationships with other organizations or individuals and that from time to time those other organizations and individuals may do business with or become involved in transactions with the Foundation, or aspire to do so. In those situations, there may exist an actual or potential conflict of interest between a Member’s obligations to the Foundation and his or her relationship to or interest in the other organization or with the other individual. Although most such potential conflicts that arise will be deemed to be inconsequential, it is everyone’s responsibility to ensure that the Board is made aware of situations that involve personal, familial, or business relationships that could be troublesome for the Foundation. The Board requires each director and staff officer annually (1) to review the policy; (2) to disclose any possible personal, familial, or business relationships that reasonably could give rise to a conflict involving the Foundation; and (3) to acknowledge by his or her signature that he or she is in compliance with the letter and spirit of this policy.

- a. *Disclosure.* Annually, each Member shall, on the attached disclosure form, disclose interests or affiliations of such Member which give rise to, or may give rise to, a conflict of interest or an appearance of a conflict of interest in the context of a Member’s service on the [Investment] Committee on behalf of the Foundation. Such interests or affiliations shall include, but not be limited to, outside employment, officerships, directorships, trusteeships, advisory board memberships, committee or commission memberships, partnerships, or

service arrangements which might in fact or in appearance conflict with such Member's responsibilities to the [Investment] Committee and the Foundation. If there are material changes in those interests and affiliations during the year, the Members shall promptly amend his or her disclosure for the purpose of disclosing those material changes.

- b. *Prohibition on Gifts or Other Benefits.* Members shall not accept benefits, favors, gifts, or other items of value which might affect the exercise of such Member's judgment on behalf of the [Investment] Committee and the Foundation, might tend to impair confidence in the [Investment] Committee, or might create an appearance of impropriety. Notwithstanding the foregoing members may accept *de minimus* benefits having a value of less than \$100. Moreover, expenses associated with the attendance at investment conferences by Members which are absorbed or reimbursed by the entity putting on or otherwise sponsoring the conference shall not be considered a prohibited benefit under this section.
- c. *No Financial Relationship with Foundation Unless Disclosed and Approved.* No Member shall have any relationship as director, officer, partner, employee, advisory board member or consultant with or to, or have any substantial financial interest in, any investment entity in which, or with which, the Foundation has an investment without prior approval of a majority of those voting and recusal of the member with the relationship. No Member shall have any financial interest in any transaction between the Foundation and a third party (i.e., commission, finder's fee, annual fee, etc.) unless disclosed in advance to, and approved unanimously by, the [Investment] Committee. This prohibition covers any substantive and material financial interest. This prohibition does not apply to interests in publicly traded securities. If the Foundation has an investment relationship with an entity in which a Member has an interest at the time the Member joins the Committee [or Board?], the Foundation may maintain that investment relationship, *provided, however*, that in deliberations relating to that investment relationship, the Member having an interest shall absent himself or herself from the room and shall not otherwise participate in decisions relating to that investment relationship.
- d. *No Use of Foundation Information.* No Member shall, for personal gain or for the gain of other organizations or individuals, with which he or she is associated, use any information not available to the public-at-large which was obtained as a result of service to the Foundation.
- e. *Financial Interest in Proposed Foundation Transaction.* When a Member has a direct or indirect financial interest in a brokerage firm, an investment manager, a limited partnership or hedge fund entity, or other investment arrangement that is being considered by the [Investment] Committee for the Foundation, and that member discloses such interest to the [Investment] Committee, the Member shall withdraw from the [Investment] Committee's deliberations on such investment or transaction (an "Affected Transaction"). When evaluating an Affected Transaction, the [Investment] Committee shall carefully review the circumstances of the actual or apparent conflict and evaluate alternative transactions where such an actual or apparent conflict does not exist. If the [Investment] Committee nevertheless decides to proceed with the Affected Transaction, the [Investment] Committee must affirmatively determine that the Affected Transaction is fair and reasonable and that it is in the Foundation's best interests to enter into the Affected Transaction.

In the event you are uncertain as to the appropriateness of listing a particular relationship, the President of the Board of Directors and/or the Executive Director should be consulted. They, in turn, may elect to consult with legal counsel, the Executive Committee, or the Board of Directors. Such information including information provided on this form, shall be held in confidence except when,

after consultation with you, the institution's best interests would be served by disclosure. The following definitions are provided to help you decide whether a relationship should be listed on this form:

Business Relationship: One in which a Director, Officer, or a Member of his or her family serves as an Officer, Director, employee, partner, Trustee, or controlling stockholder of an organization that does substantial business with the Foundation.

Substantial Benefits: When you or a member of your family are (1) the actual or beneficial owner of more than 5 percent of the voting stock or controlling interest of an organization that does substantial business with the Foundation or (2) have other direct or indirect dealings with such an organization from which you or a member of your family benefits directly, indirectly or potentially from cash or property receipts totally \$10,000 or more annually.

3. **Application of Principles.** In applying this Policy, the substance and not the form of the transaction shall be the paramount consideration. Interests of a Member shall include direct and indirect interests. That is, the Policy shall apply to activities performed by a Member of the [Investment] Committee [or Foundation Board] either directly or through another person. For this purpose, the term "person" includes natural person as well as partnerships, corporations, companies, associations, limited liability entities and other organizations.
4. **Restraint on Participation:** Directors or Officers who have declared or been found to have a conflict of interest shall not participate in discussion of and vote with respect to issues related to the conflict of interest. When any such interest becomes relevant to any subject requiring action of the Board of Directors, the Director having a conflict shall call it to the attention of the President and the Board Chair, and, if the matter is being considered by a Committee of the Board, also to the attention of the Chair of such Committee.

The Director having such conflict shall not participate or use any personal influence in the discussion of the subject or make any recommendations regarding the subject. However, the Director will briefly state the nature of the conflict and will be expected to answer pertinent questions from the other Directors when the Director's knowledge of the subject will assist the Board. The minutes of any meeting at which the subject involving the conflict is discussed shall reflect that a disclosure was made and that the conflicted Director refrained from discussion, except to the extent provided above, and did not vote on the subject. The Secretary annually, and at other times on request from any member of the Board, shall make available to the members of the Board copies of this Policy and forms for disclosing conflicts. Any Board member may request a determination from the Board as to the existence of a conflict of interest. The Board's decision, by majority vote, shall bind the Board member and the Board.

All proposed nominees for Board membership shall be advised of this policy and must state their willingness to abide by it as a condition of being nominated.

5. **Confidentiality.** The individual disclosure statements shall be held by the Foundation's Executive Director as confidential to the extent permitted by law, but shall be available for review by any Foundation Officer or Director.

Winthrop University Foundation, Inc.
Disclosure Form for Directors and Officers

1. Are you, or a member of your family, a director, officer, employee, partner, trustee, or controlling stockholder of an organization that does substantial business with the Foundation or with Winthrop University?

YES _____

NO _____

If YES, please describe in detail.

2. Are you, or a member of your family, (1) the actual or beneficial owner of more than 5 percent of the voting stock or controlling interest of an organization that does substantial business with the Foundation or with Winthrop University (2) do you, or a member of your family, have other direct or indirect dealings with such an organization from which you or a member of your family benefits directly, indirectly, or potentially from cash or property receipts totaling \$10,000 or more annually?

YES _____

NO _____

If YES, please describe in detail.

I certify that the foregoing information is true and correct to the best of my knowledge, and that I have read and agree to abide by the terms of the Conflict of Interest Policy adopted by the Board of Directors of the Winthrop University Foundation, Inc..

Name: _____

Address: _____

Signature

Date