

THE UNIVERSITY OF NOTRE DAME DU LAC
Trustee Conflict of Interest Policy

Purpose

The purpose of the *University of Notre Dame du Lac (University) Trustee Conflict of Interest Policy (Policy)* is to protect the *University's* interests when it is contemplating entering into a transaction or arrangement that has the potential to benefit the private interests of, or result in potential excess benefits to, a Trustee of the *University*. The *Policy* is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest for non-profit charitable organizations or any other conflict of interest policies presently in effect for members of committees and sub-committees of the *University's* Board of Trustees.

Categories of Potential Conflicts of Interest

Activities that may involve potential conflicts of interest fall into three general categories. The categories differentiate relationships according to an increasing possibility for adverse impact as follows:

Category I: Activities that are routinely acceptable without disclosure. These activities (e.g., Trustee receipt of complimentary football tickets) do not compromise, have the potential to compromise, or give the appearance of compromising the *University's* mission.

Category II: Activities that may be acceptable with advance disclosure and review by the appropriate governing board (i.e., Audit Committee). When warranted, the adoption of a plan for management of potential conflicts of interest may be required. For example, a commercial relationship with the *University* is acceptable with the appropriate disclosure and business safeguards.

Category III: Activities that are presumed to be unacceptable and inappropriate.

Disclosure of Potential Conflicts of Interest

Duty to Disclose

In connection with any actual or potential conflict of interest, an individual must disclose the existence of a financial interest and all material facts pertinent to the potential conflict to the Audit Committee.

Annual Statements

At the direction of the President and Chairman of the Board of Trustees, Audit & Advisory Services shall annually (i.e., in August/September) distribute the *Conflict of Interest Policy Compliance Statement/Form 990 Questionnaire - Trustees (COI Statement)* to all Trustees and any member of a committee with governing board delegated powers. On behalf of the Chairman of the Board, Audit & Advisory Services shall act as the repository for all Trustee *COI Statements*.

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The executed *COI Statement* shall affirm that such person:

- a. Has received a copy of the *Policy*;
- b. Has read and understands the *Policy*;
- c. Has agreed to comply with the *Policy*;
- d. Has disclosed all potential conflicts of interest to the *University*;
- e. Understands the *University* is a charitable organization and, in order to maintain its federal tax exemption, must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Review Process

An individual must disclose all financial interests and material facts pertinent to the potential conflict on their *COI Statement*, or whenever potential conflicts arise, to the Audit Committee. After any discussion or presentation of the financial interests and material facts to the Audit Committee, the individual must recuse himself/herself during the discussion of, and voting on, the potential conflict.

The Audit Committee shall determine whether any reported transaction, arrangement, relationship, or other action constitutes a conflict of interest. The Audit Committee shall assess whether the potential conflict is reasonable and the result of arms-length negotiation conforming to the *University's* written policies, as well as if the action furthers the *University's* charitable purposes and is in the best interests of the *University*. The Chairman of the Audit Committee shall, if appropriate, appoint a disinterested person or Committee to investigate alternatives to the proposed transaction or arrangement.

Should the Audit Committee have reason to believe a member has failed to disclose all financial interests and material facts pertinent to a potential conflict of interest, it shall inform the individual of such, and afford the individual the opportunity to further explain all interests and facts pertinent to the potential conflict. If it is determined that an individual has not disclosed all financial interests and material facts pertinent to an actual or potential conflict of interest, corrective action shall be taken as deemed appropriate.

Documentation Process

The minutes of any meeting of the *University's* Board of Trustees or other governing board of the *University* considering a conflict of interest, including committees and sub-committees of such boards, shall include the names of those present for discussion and voting, as well as those recused from the discussion and voting, on any transaction, arrangement, relationship, or other action involving a potential conflict of interest.

Confidentiality

Except as required immediately and to satisfy any legal requirements, disclosures by Trustees shall be held in confidence unless the Chairman of the *University's* Board of Trustees or the President of the *University* determines it to be in the best interests of the *University* to disclose the information.

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Definitions

Trustee: Any member (or emeritus member) of the *University's* Board of Trustees or any other governing board of the *University*, including any committee or subcommittee thereof.

University: University of Notre Dame du Lac, together with its subsidiaries and affiliated entities.

Family or Family Member: Spouse, ancestors, children, grandchildren, great-grandchildren, siblings (whether by whole or half-blood), and the spouses of children, grandchildren, great-grandchildren, and siblings.

Compensation: Direct and indirect remuneration, gifts or favors that are not insubstantial.

Financial Interest: Any one of the following affiliations with an entity, including both direct and indirect associations derived from business, investments, or family relationship (as previously defined):

1. An ownership or investment interest in any entity with which the *University* has a transaction or arrangement;
2. A compensation arrangement with the *University* or any entity or individual with which the *University* has a transaction or arrangement;
3. A potential ownership or investment interest in, a potential compensation arrangement with, or an outstanding loan to or from any entity or individual with which the *University* is negotiating a transaction or arrangement.

The existence of a financial interest in an entity does not necessarily create a conflict of interest. However, the Audit Committee shall review any disclosures of financial interests and determine whether a conflict of interest is deemed to exist.

Plan for Management of Potential Conflicts of Interest: A mutually agreed-upon process designed to protect the interests of the *University* when a potential conflict of interest exists.

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Questions pertaining to this policy or its intent should be directed to the Office of the President of the University, Chairman of the Board of Trustees, or Chairman of the Audit Committee.