

CHRISTENDOM COLLEGE

Conflicts of Interest Policy

[Adopted September 2007]

1. Purpose

The purpose of the Conflicts of Interest policy is to ensure that the deliberations and decisions of the Christendom Educational Corporation dba Christendom College (“the College”) are made in the interests of the College as a whole, and to protect the interests of the College when it is contemplating entering into a transaction, contract, or arrangement that might benefit the private interest of an Interested Director, Officer or Person (as defined below). An Interested Director, Officer or Person must always strive to act in the best interests of the College and may not use his or her position with respect to the College, or confidential information obtained by him or her relating to the College, in order to achieve a financial benefit for himself or herself or for a third person, including another nonprofit or charitable organization. This policy is intended to supplement but not replace any applicable laws governing conflicts of interest in nonprofit and charitable Colleges.

2. Definitions

2.1 Compensation. “Compensation” includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

2.2 Family. The “family” of any individual shall include only his or her spouse; his or her siblings and their spouses; his or her ancestors; and his or her descendants and their spouses.

2.3 Financial Interest. A person has a “financial interest” if the person has, directly or indirectly, through business, investment or family:

(a) An existing or potential ownership or investment interest in any entity with which the College has a transaction, contract, or other arrangement, or

(b) A compensation arrangement with the College or with any entity or individual with which the College has a transaction, contract, or other arrangement, or

(c) An existing or potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the College is negotiating a transaction, contract, or other arrangement, or

(d) An existing or potential ownership or investment interest in, or compensation arrangement with, any entity whose business or operation has been or will be directly affected by a decision or action of the College.

2.4 Interested Director. “Interested Director” shall mean any Director of the College who has a material financial interest, as defined above, or who serves as a Director or Officer of any entity with which the College has a transaction, contract, or other arrangement.

2.5 Interested Officer. “Interested Officer” shall mean any Officer who has a material financial interest, as defined above, or who serves as a Director or Officer of any entity with which the College has a transaction, contract, or other arrangement. For purposes of this policy, the President of the College shall be treated as an Officer.

2.6 Interested Person. “Interested Person” shall mean either:

(a) Any person currently being compensated by the College for services rendered to it within the previous 12 months, whether as a full-or part-time employee, independent contractor, or otherwise, or

(b) Any person whose family member, as defined in Section 2.2, is currently being compensated by the College for services rendered to it within the previous 12 months, whether as a full-or part-time employee, independent contractor, or otherwise.

3. Role of the Governance Committee

3.1 The Governance Committee shall administer and monitor compliance with this Policy, and shall report facts and make recommendations to the Board.

3.2 The Governance Committee shall require a statement from each Director and Officer not less frequently than once a year setting forth all business and other affiliations which relate in any way to the business and other activities of the College.

4. Duty to Abstain

4.1 No Director shall vote on any matter in which he or she has a material and direct financial interest that will be affected by the outcome of the vote.

4.2 In the event of such an abstention, the abstaining Director shall state the reason for the abstention, which shall be noted in the minutes of the Board of Directors.

5. Disclosure by Directors and Officers

5.1 When requested by the Governance Committee (not less frequently than once a year), each Director and Officer shall submit a statement to the Committee affirming compliance with this Policy as detailed in paragraph 9, infra.

5.2 With respect to any particular matter then pending before the College, each Director and Officer shall disclose to the Governance Committee and the Board Chairman any matter that could reasonably be considered to make the Director or Officer an “Interested Director” or “Interested Officer,” as defined above.

5.3 With respect to any particular matter then pending before the College, each Director and Officer shall disclose to the Governance Committee and the Board Chairman any relationship or other factor that could reasonably be considered to cause the Director or Officer to be considered to be an “Interested Person,” as defined above.

5.4 Even in the absence of an actual conflict of interest, disclosure should be made in circumstances which reasonably suggest a possible conflict or an appearance of a conflict of interest. In assessing circumstances giving rise to a possible conflict of interest or the appearance thereof, a Director, Officer or Person should err on the side of disclosure.

6. Procedures in Connection with Proposed Transactions and Arrangements

6.1 Scope. This section applies to any proposed transaction, contract, or arrangement in which a Director, Officer, or Interested Person has a material financial interest.

6.2 Duty to Disclose. In connection with any actual or possible conflicts of interest, an Interested Director or Interested Officer must disclose the existence and nature of his or her material financial interest to the Governance Committee and the Board Chairman prior to the consideration of the proposed transaction, contract, or arrangement by the Board or any Committee of the Board.

6.3 Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest, the disinterested members of the Governance Committee shall determine whether a conflict of interest exists. Neither the Board nor any Committee of the Board shall vote upon any proposed transaction, contract, or arrangement in connection with which an actual or possible conflict of interest has been disclosed by an Interested Director until such time as the Governance Committee has addressed the actual or possible conflict of interest. For matters pending before the full Board of Directors, a referral to the Governance Committee will not be required where the Interested Director fully discloses to the Board his or her financial interest and abstains from participation in the Board’s consideration of the proposed transaction, contract, or arrangement.

6.4 Procedures for Addressing a Conflict of Interest

6.4.1 Where a matter has been referred to the Governance Committee and the Committee has concluded that a conflict of interest exists, the chairman of the Board or Committee of the Board shall, if appropriate, appoint a disinterest person or committee to investigate alternatives to the proposed transaction, contract, or arrangement.

6.4.2 After exercising due diligence, the Board or Committee shall determine whether the College can obtain a more advantageous transaction, contract, or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

6.4.3 If a more advantageous transaction, contract, or other arrangement is not reasonable attainable under circumstances that would not give rise to a conflict of interest, the Board or Committee shall determine by a majority vote of the

disinterest Directors whether the transaction, contract, or arrangement is in the College's best interest and for its own benefit and whether it is fair and reasonable to the College, and shall make its decision as to whether to enter into the transaction, contract, or arrangement in conformity with such determination.

7. Violations of the Conflicts of Interest Policy

7.1 If the Governance Committee has reasonable cause to believe that a Director or Officer has failed to disclose an actual or possible conflict of interest, it shall inform the Director or Officer of the basis for such relief and afford the Director or Officer an opportunity to explain the alleged failure to disclose.

7.2 If, after hearing the response of the Director or Officer and making such further investigation as may be warranted in the circumstances, the Governance Committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall recommend to the Board of Directors appropriate disciplinary and corrective action.

7.3 The violation of this conflicts of interest policy is a serious matter and may constitute "cause" for removal or termination of a Director or Officer, or the termination of any contractual relationship the College may have with an Interested Person or other party.

8. Records of Proceedings

8.1 The Governance Committee shall make a record and report to the Board

(a) The names of Directors and Officers found to have a material 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 decision of the Governance Committee 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 actual or potential conflict of interest; the content of the discussion; and a record of any votes taken in connection therewith.

8.2 In connection with a conflict of interest, the minutes of the Board or other Committee of the Board shall contain 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 therewith.

9. Annual Statements

Each Director and Officer shall annually sign a statement which affirms that such person:

(a) Has received a copy of the conflicts of interest policy;

- (b) Has read and understands the policy;
- (c) Has agreed to comply with the policy;
- (d) Has provided a complete list of all business or other activities which might reasonably be viewed as creating a potential or actual conflict of interest; and
- (e) Understands that the College is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

10. Periodic Reviews

The Conflicts Committee shall periodically consider whether and how this Conflicts of Interest Policy should be revised or amended to better meet its objectives. In connection with any periodic review conducted by the College to ensure that it operates in a manner consistent with its charitable purposes, the Conflicts Committee shall report on the matters referred to it and their resolution.

ANNUAL CONFLICT OF INTEREST STATEMENT OF DIRECTORS, OFFICERS AND EMPLOYEES OF CHRISTENDOM EDUCATIONAL CORPORATION d/b/a CHRISTENDOM COLLEGE

I, _____, a Director, Officer or Employee of Christendom
[print name]

Educational Corporation dba Christendom College (“the College”), state as follows:

- a) I have received a copy of the Conflict of Interest policy;
- b) I have read and understand the policy;
- c) I agree to comply with the policy;
- d) I have properly disclosed any actual or potential conflicts of interest in the previous twelve (12) months;
- e) I have listed in the space below (or on attached addendum if necessary) all my business or other affiliations which relate in any way to the business and other activities of the College; and
- f) I understand that the College is a non-profit educational organization and that in order to maintain its federal tax exemption it must engage primarily in activities which further its tax-exempt purposes.

Date

Signature

Reportable Business and Other Activities:

- 1.
- 2.
- 3.

[Add additional sheet as necessary]