



# BOSTON UNIVERSITY

## CONFLICT OF INTEREST POLICY

### 1. Scope

This policy applies to all trustees and officers and to selected employees of Boston University.

### 2. Fiduciary Responsibilities

Trustees, officers, and employees of Boston University serve the public trust and are required to fulfill their responsibilities with care and loyalty. All decisions and actions of the board and the administration are to be made for the sole purpose of advancing the best interests of the institution and the public good. The integrity of Boston University must be protected at all times, and the fiduciary relationship of trustees, officers, and employees to Boston University must be respected in both actuality and appearance.

A conflict of interest exists when a University representative's direct or indirect personal interests are inconsistent with or interfere in any way with the best interests of the University.

Through this policy, the Board of Trustees intends to implement the highest possible ethical standards and to establish that the University will not tolerate conflicts of interest. The Board, through its Audit Committee, will administer this policy strictly, with complete transparency, and in accordance with the following principles:

- In general, it is the policy of the University that it will not engage in business or financial relationships with trustees or officers.
- No business or financial relationship between the University and any trustee or officer, or a member of his or her immediate family, or any entity with which a trustee or officer or a member of his or her immediate family is affiliated, will be permitted unless it has been thoroughly reviewed and considered by the Audit Committee and has been found to be of clear benefit to the University.
- No trustee or officer, or a member of his or her immediate family, may knowingly invest directly in any non-publicly traded entity in which the University has an investment, or in any publicly traded entity in which the University owns more than 1% of the outstanding security in question. The University will not knowingly invest directly in any non-publicly traded entity in which a trustee or officer, or a member of his or her immediate family, has an investment, or in any publicly traded entity in which a trustee or officer, or a member of his or her immediate family, owns more than 1% of the outstanding security in question.
- Any proposed business or financial relationship between the University and an honorary trustee or overseer, or a member of his or her immediate family, or any entity with which the honorary trustee or overseer or a member of his or her immediate family is affiliated, is subject to the prior review and approval of the President.
- Any proposed business or financial relationship between the University and a covered employee, or a member of his or her immediate family, or any entity with which the covered employee or a member of his or her immediate family is affiliated, is subject to the prior review and approval of a Compliance Committee consisting of the Executive Vice President, Provost, Vice President and General Counsel, Associate Vice President for Internal Audit, and such other members as may be appointed by the President. The Compliance Committee shall report to and be subject to the oversight of the Audit Committee.
- Any offer of full-time employment to a member of the immediate family of a trustee, officer or covered employee is subject to the prior review and approval of the President.
- Any trustee, officer or covered employee who serves at the University's request as a director, officer, employee, or other agent of another organization shall turn over to the University any compensation received from such other organization for such service.

### 3. Procedures

Effective implementation of this policy requires, first, the full disclosure of individual interests that might conflict with the best interests of the University. Second, the interested trustee, officer, or employee must refrain from participating in University decision making with respect to any transaction or relationship in

which he or she is interested. Finally, an independent determination must be made that the transaction or relationship meets the applicable standard and should be entered into or continued.

### **(a) Disclosure**

All trustees, officers, and selected employees are required to disclose on the Conflict of Interest Disclosure Form any business or financial relationship they or members of their immediate families have or propose to have with the University, either directly or through another entity in which they have a significant interest. The disclosure form is to be filed annually; an amended form must be filed promptly in the event of a material change in circumstances. A trustee or officer shall provide advance written disclosure of any proposed business or financial relationship covered by this policy to the Chairman of the Audit Committee, and a covered employee shall provide advance written disclosure of any such relationship to the Compliance Committee.

The following guidelines are provided to help trustees, officers, and employees determine whether a relationship should be disclosed:

- A business or financial relationship includes the sale or acquisition of goods, property, or services; the commitment of resources to a common venture; or, in the case of a member of one's immediate family, an employment relationship.
- A member of one's immediate family means (1) a spouse; (2) a child, grandchild, parent, grandparent, sibling, uncle, aunt, nephew, or niece, or the spouse of any such person; (3) a person having a step-relationship described in (2) above; or any other person if the latter resides in the same household as the trustee, officer, or employee.
- A significant interest in another entity includes service as a trustee, director, partner, or management-level employee; the actual or beneficial ownership of more than 5 percent of the entity; or a compensation arrangement that is dependent upon a business or financial relationship with the University.

The foregoing guidelines are not intended to be exclusive; other relationships or interests that might conflict with the best interests of the University should also be disclosed. If a trustee, officer, or employee is uncertain whether to disclose a particular business or financial relationship, the Chairman of the Audit Committee or the University's Vice President and General Counsel should be consulted.

Disclosure forms will be filed with PricewaterhouseCoopers, LLP, the University's external auditors. Copies of the forms as filed will be provided to the Chairman of the Board, the Chairman of the Audit Committee, the President, and the Vice President and General Counsel.

### **(b) Restraint on Participation**

Trustees, officers, and employees who have disclosed a potential conflict of interest shall refrain from participating in the University's consideration of any proposed business or financial relationship in which he or she is interested, except to respond to questions or to provide further information. If a transaction or relationship requires a vote, the interested party should not be present at the time of the vote.

### **(c) Approval of Business or Financial Relationship**

The Audit Committee will determine whether a business or financial relationship involving a trustee or officer should be entered into or continued. In the case of any such relationship involving a trustee, such a determination shall be set forth in a written report of the Audit Committee signed by the Chairman and a majority of the Committee, and provided to the Board of Trustees. The Compliance Committee will determine whether a business or financial relationship involving a covered employee should be entered into or continued. The Compliance Committee shall provide such reports as may be requested by the Audit Committee and may request advice or direction from the Audit Committee.

The Audit Committee will conduct an annual conflict of interest review of all Board members and educate trustees on the process, definitions and interpretations that apply to them. The Audit Committee will periodically review and update conflict of interest standards and processes, taking into consideration legislative and regulatory developments and evolving "best practices" for non-profit, tax-exempt organizations.



**BOSTON UNIVERSITY**  
**CONFLICT OF INTEREST DISCLOSURE FORM**

Please list below any proposed or current business or financial relationships that you or a member of your immediate family has with Boston University, either directly or through another entity in which you or the family member has a significant interest. In each case, indicate the name of the person involved (either yourself or the family member and his or her relationship to you), the name of the entity, its relationship to the University, the nature of your or the family member's interest in the entity (e.g., employment, board seat, other ownership interest), and the approximate monetary value of that interest.

Please list below any organizations as to which you serve as a director, officer, employee or other agent at the University's request or as the University's designated representative. In each case, please indicate any compensation (in whatever form, including, e.g., director's fees, salary, and stock options) that you receive in connection with this service.

I certify that I have read and understand the University's conflict of interest policy and that the foregoing information is true and complete to the best of my knowledge. I agree that if there is a material change in any statement or information provided above, I will immediately notify the Vice President and General Counsel and complete an amended disclosure form. I further agree that I will refrain from participating in the University's consideration of any proposed business or financial relationship in which I or a member of my immediate family may be interested, except to respond to questions or to provide further information.

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Name (please print)

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Signature

Date

*(Please return the completed form in the preaddressed envelope provided.)*