

ASSOCIATION OF GOVERNING BOARDS OF UNIVERSITIES AND COLLEGES

BOARD POLICY ON CONFLICTS OF INTEREST

Members of the Board of Directors of the Association of Governing Boards of Universities and Colleges (AGB) are expected:

- (1) to avoid conflicts between their personal interests or other significant business interests and the interests of AGB;
- (2) to disclose any personal interest or other significant business interest that may conflict with the interests of AGB;
- (3) to refrain from voting or otherwise influencing a decision of AGB 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 with respect to which or whom a conflict of interest would exist if this policy were otherwise applicable to said entity or person; and
- (5) to refrain from soliciting or accepting for personal use or the benefit of any entity or person with respect to which or whom a conflict of interest would exist if this policy were otherwise applicable to said entity or person any gift, loan, reward, promise of future employment or anything else having a value of \$1000 or more.

A conflict of interest shall exist when (A) any member of the AGB Board of Directors is an employee, officer, director, trustee, stockholder (more than 1% of the outstanding shares) or partner in, or an attorney for or other significant service provider or product supplier of, (i) a closely-held, non-publicly traded corporation or other such entity, or (ii) a publicly traded corporation or other such entity, and (B) such entity does, or proposes to do, any financial transaction with AGB involving the exchange of anything having a value of \$1,000 or more. A conflict of interest may exist under other circumstances as set forth in item (1) in the first sentence.

Any conflict of interest on the part of any member of the Board of Directors, or any member of the immediate family of a Board member (spouse and children, including adult children) or anyone occupying the same household

as the director, shall be disclosed by the Board member to the Board of Directors promptly, as soon as the conflicting relationship is established, and thereafter, at least annually, as long as it exists; such disclosure shall be made a matter of record with the Secretary. Further, 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.

Statement of Director

I hereby certify that I have read and understand AGB's Conflict of Interest Policy for members of the Board of Directors. To the best of my knowledge and belief, except as disclosed below, I do not have any interest that would constitute a conflict of interest hereunder, nor will I knowingly take any action that would constitute or appear to constitute a conflict of interest except upon matters that I have disclosed and for which I have received clearance from the Board to proceed.

Exceptions (if none, so state):

Date

Printed Name

Signature

Adopted by the AGB Board of Directors on August 17, 2007