

Policy Number: GO002EN

Issue Date: 23 May 2016

1. PURPOSE

The Board of Trustees of The American University of Paris (AUP), the institution's governing board, is the University's legal owner and final authority. The Board holds in trust for future generations the institution's operations, as well as its financial, physical and human resource assets. It decides who should benefit from those assets, how, why and when.

Individual Trustees have no legal authority nor are we entitled to special privileges. Rather, our authority and fiduciary responsibilities arise exclusively from our participation with others when we are convened officially as the AUP governing board.

2. WHO IS AFFECTED BY THIS POLICY

Members of the Board of Trustees.

3. POLICY STATEMENT

As AUP Trustees, we are expected:

- 1) To avoid conflicts between our personal interests or other significant business interests and the interests of AUP;
- 2) To disclose any personal interest or other significant business interest that may conflict, or appear to conflict, with the interests of AUP;
- 3) To refrain from voting or otherwise influencing a decision of AUP on any matter in which such a conflict exists;
- 4) To avoid the misuse of nonpublic or confidential information 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 applied to this 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 applied to aid this entity or person any gift, loan, reward, promise of future employment or anything else having a value of US\$1000.

Financial Interest

A Trustee has a material financial interest if the individual has, directly or indirectly, through business, investment or through an immediate family member:

- a. A material ownership or investment interest in any entity with which AUP has a transaction or arrangement, or
- b. A material compensation arrangement with AUP or with any entity or individual with which AUP has a transaction or arrangement, or
- c. A material ownership or investment interest in, or material compensation arrangement with, any entity or individual with which AUP is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are material in nature. The determination of materiality shall be made in accordance with an annual disclosure form to be completed and filed by individuals subject to this policy. For purposes of this Conflict of Interest Policy and the Trustee Disclosure Statement, an "immediate family member" shall include the parent, child, sibling, half-sibling, or spouse of the Trustee.

A financial interest is not necessarily a conflict of interest. An individual who has a financial interest may have a conflict of interest only if the Board or appropriate Committee determines that a conflict of interest exists.

Duality of Interest

A Trustee has a duality of interest if the individual, directly or indirectly or through a family member, serves in a substantial leadership or management role with another organization whose interests may be averse to, in conflict with, or in competition with those of AUP.

A duality of interest is not necessarily a conflict of interest. In some cases, it may be to the advantage of AUP for a Trustee to have a substantial leadership role with another organization. An individual who has a dual interest may have a conflict of interest only if the Board or appropriate Committee of the Board determines that a conflict of interest exists.

PROCEDURES

The Secretary, annually at the May meeting, and at other times on request from any member of the Board, shall distribute to the members of the Board copies of this Policy and Disclosure Statement. These forms shall be completed by Trustees, collected by the Secretary and given to the Chair of the Trustee Matters Committee. The Trustee Matters Committee is responsible for reviewing completed forms and assuring that every Trustee, including those not in attendance, has signed a Trustee Disclosure Statement annually. 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.

Duty to Disclose

In connection with any actual or possible financial conflict of interest or dual interest, the Trustee must disclose the existence of his or her financial interest or dual interest and all material facts to the Board or members of committees considering the proposed transaction or arrangement or interest. The disclosure must be made in writing and shall be submitted no less frequently than annually. Disclosure forms shall be updated by the concerned individual whenever there has been a material change in the underlying facts and circumstances.

Determining Whether a Conflict of Interest Exists

Any Board member or AUP executive staff member may request a determination from the Board as to the existence of a conflict of interest. When the potential for, or appearance of, a conflict or duality of interest arises, the potential conflict shall be reviewed by the Board, which may delegate the review to an appropriate Board committee.

Addressing a Conflict of Interest

After disclosure of a financial interest or duality of interest and all material facts, the Board will discuss the conflict with the concerned individual and exercise any due diligence that may be necessary or appropriate.

The concerned individual may make a presentation at the Board or committee meeting but not remain during Board or committee review and discussion.

The Board or committee shall consider the conflict and its effect on AUP. It may, if deemed appropriate, appoint one or more disinterested directors to investigate alternatives to the proposed transaction or arrangement. The Board may determine a) whether the conflict is sufficiently insubstantial that it may be waived; or b) whether a conflict of interest has been found.

The Board's decision, by majority vote, shall bind the Trustee and the Board and be recorded in the minutes.

Violations of the Conflict of Interest and Confidentiality Policy

If the Board or committee has reasonable cause to believe that an individual subject to this policy has failed to disclose actual or possible conflicts or dualities of interest, or has failed to honor and protect nonpublic, confidential information, it shall inform the individual of the basis for such belief and afford the individual an opportunity to explain.

If, after hearing the response, the Board or committee determines that the individual has in fact failed to disclose an actual or possible conflict or duality of interest, or has failed to honor and protect nonpublic, confidential information, without good cause, it shall take appropriate disciplinary and corrective action.

4. APPROVALS & HISTORY

Approved by the Board of Trustees, May 2016.



TRUSTEE DISCLOSURE STATEMENT

I hereby certify that I have read and understand the Board Policy on Conflicts of Interest of The American University of Paris, and agree to comply with this Policy.

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