DePaul Corporate Compliance
Conflict of Interest Policy

Purpose:

All employees, key persons, and Board members of DePaul (sometimes referred to as "Organization" or "the Organization") have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. This policy is established to ensure that services and business activities are conducted in an objective manner and are not motivated by a desire for personal or financial gain. The Board of Directors or designated committee of the Board is responsible for the implementation of, and compliance with, the Conflict of Interest Policy.

Policy:

It is the Policy of DePaul to ensure that decisions about DePaul's operations are made to benefit the organization when contemplating a transaction or arrangement that could benefit an officer, director, or employee or key person.

1. Employees, key persons, officers, and Board members are required to disclose any actual or potential conflict of interest and seek guidance on how to handle the situation.
    - *Conflict of Interest*: Any situation in which financial or other personal considerations may compromise or appear to compromise (1) an employee's or Board member's business judgment; (2) delivery of services; or (3) ability for an employee to do his or her job. An actual or potential conflict of interest occurs when an employee, key person, or Board member is in a position to influence a decision that may result in a personal gain for that employee, key person, Board member, or for an immediate family member as a result of business dealings. For the purpose of this Policy, an immediate family member is any person who is related by blood or marriage, or whose relationship with the employee or Board member is similar to that of persons who are related by blood or marriage. An immediate family member of a person includes:
        - The person's spouse or domestic partner;
        - Natural or adoptive parent, child, or sibling;
        - Stepparent, stepchild, stepbrother, or stepsister;
        - Father-in-law, mother-in-law; son-in-law; daughter-in-law; brother-in-law; or sister-in-law;
        - Grandparent or grandchild; and
        - Spouse or domestic partner of a grandparent or grandchild.

2. Business dealings with vendors should not result in unusual gain for a DePaul employee, Board member or key person. Unusual gain refers to gifts, bribes, product bonuses, special fringe benefits, individual price breaks, and other windfalls designed to ultimately benefit the employee, or that would reasonably be determined to influence the employee, Board member or key person.

3. The materials, products, designs, plans, ideas, and data, including resident data, are the property of DePaul and should never be given to an outside firm or individual without appropriate prior authorization. Any improper transfer of material or disclosure of information, even though it is not apparent that an employee has personally gained by such action, is prohibited.

4. DePaul will not enter a related party transaction unless the Board affirmatively determines that the transaction is fair, reasonable, and in the best interest of the Organization. A related party transaction means any transaction, agreement, or arrangement in which a related party has a financial interest and which DePaul is a participant. A related party is defined as: (i) any director, officer, or key person (e.g., members of senior leadership) of DePaul or its related entities; (ii) any relative of any director, officer, or key person of DePaul or its related entities; or (iii) an entity in which any individual described in (i) or (ii) has a 35% or greater ownership or beneficial interest, or in the case of a partnership or professional corporation, a direct ownership interest in excess of 5%. Except that a transaction shall not be a related party transaction if: (i) the transaction or the related party's financial interest in the transaction is de minimis, (ii) the transaction would not customarily be reviewed by the board or boards of similar organizations in the ordinary course of business and is available to others on the same or similar terms, or (iii) the transaction constitutes a benefit provided to a related party solely as a member of a class of the beneficiaries that the corporation intends to benefit as part of the accomplishment of its mission which benefit is available to all similarly situated members of the same class on the same terms.

Key persons, officers, and Board members who have a direct or indirect interest in a related party transaction must disclose, in good faith, such interest to the Board or Committee considering the transaction and the material facts concerning such interest.

Regulatory References:

Not-For-Profit Corporation Law § 715

Procedures:

1. Each employee will be provided with DePaul's Conflict of Interest Policy as part of the new hire orientation process. Each employee shall sign a statement that affirms that the employee:
    - Has received a copy of the Conflict of Interest Policy,
    - Has read and understands the Policy, and
    - Has agreed to comply with the Policy.

2. Each Board member, officer, key person, and member of a committee with Governing Board-delegated powers will be provided with DePaul's Conflict of Interest Policy and shall sign a statement at the time of hire, assignment, and/or Board approval that affirms that such person:
    - Has received a copy of the Conflict of Interest Policy,
    - Has read and understands the Policy, and
    - Has agreed to comply with the Policy.

3. Employees must disclose any potential conflicts of interest upon hire and when a potential conflict arises. If an actual conflict exists, the Employee completes the Conflict of Interest Disclosure Statement form (attached to this Policy) to record the conflict of interest upon hire or completes a disclosure statement if and when a potential conflict arises. Completed forms are to be forwarded to and retained by the Compliance Officer.

4. Key persons (e.g., members of senior leadership), the President, officers, and Board members must complete a Conflict of Interest Disclosure Statement upon hire or prior to being seated (voted on for approval) and annually thereafter in order to report any actual or potential conflict of interest. Such annual statement shall not exempt any key person, officer, President, or Board member from his or her ongoing obligation to disclose a potential conflict of interest pursuant to Procedure #11 below. The Compliance Officer shall provide copies of all completed Conflict of Interest Disclosure Statements to the President of the Board and Chair of the Audit Committee.

5. An employee or Board member with questions or concerns about a potential conflict of interest will promptly address the issue with appropriate Management staff and/or the Compliance Officer. Management staff will consult with the Compliance Officer before responding to a concern or question about a potential conflict of interest.

6. Board Members, Officers, the President, and Management personnel are expected to avoid actions that could be perceived or interpreted as being in conflict with the best interest of DePaul.

7. Actual or potential conflicts of interest must be disclosed to appropriate management personnel and the Compliance Officer. Employees who may be involved in any DePaul business transaction in which there is an actual or potential conflict of interest will promptly notify their immediate supervisor and Compliance Officer; the Compliance Officer will promptly notify the Chief Legal Officer, President and the President of the Board to determine the appropriate action.

8. The completed Conflict of Interest Disclosure Statements are reviewed by the Compliance Officer and potential conflicts are presented to the Chief Legal Officer, and President and, if necessary, appropriate clarifications and adjustments are made to avoid possible conflicts of interest or to determine whether a conflict of interest actually exists. The Compliance Officer will report significant concerns regarding the Conflict of Interest Disclosure Statements to the Compliance Committee, Chair of the Audit Committee, and the President of the Board.

9. The Compliance Officer will maintain a written record of any report of potential conflict of interest and of any adjustments made to avoid potential conflicts of interest.

10. The President of the Board and Chair of the Audit Committee (as applicable), after receiving information about a potential conflict of interest, will decide and document in meeting minutes if the transaction or arrangement constitutes a conflict of interest or a related party transaction. If so, then the Board of Directors must also determine if the key person, officer or Board member has a substantial financial interest. A related party transaction or conflict of interest is subject to the following:

a. If the transaction or arrangement is a related party transaction in which the related party has a substantial financial interest, then consideration of alternatives is mandatory. For disclosed conflicts of interest, consideration of alternatives is within the discretion of the Board.
b. After disclosure and discussions with the interested person, the Board of Directors may appoint a Director or a committee to investigate alternatives to the proposed transaction or agreement. The consideration of alternatives (including the rationale for not examining alternatives) must be presented to the Board of Directors and must be documented in the minutes of the meeting at which the determination is made.
c. If alternatives are investigated and presented to the Board, then after exercising due diligence and giving due consideration, the Board of Directors shall determine whether the Corporation can obtain a more advantageous transaction or arrangement that does not constitute a related party transaction or conflict of interest.
d. If alternatives are considered, whether mandatory or discretionary, and if the Board of Directors determines a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a related party transaction or conflict of interest, the Board of Directors shall determine by a majority vote whether the transaction or arrangement is in the Corporation's best interest, for the Corporation's own benefit, and whether it is fair and reasonable to enter into the transaction or arrangement.

11. In connection with all actual or possible conflicts of interest or related party transactions, the Board of Directors shall document in the minutes of the meetings:
    a. The names of the persons who disclosed or were otherwise found to have a conflict of interest or related party transaction, the nature of such disclosure, the action taken to determine if a conflict of interest or related party transaction was present, and the Board's decision as to whether the conflict of interest or related party transaction in fact existed.
    b. The names of the persons who were present for the discussion relating to the disclosure, the content of the discussions at the meeting to include the alternatives to the proposed transaction or arrangement considered, if any.
    c. The determination as to whether the transaction or arrangement is fair and reasonable and in the Corporation's best interest.
    d. The determination as to whether to enter into the transaction or arrangement which gave rise to the conflict of interest or third party transaction. If the Board of Directors approves a related party transaction in which the related party has a substantial financial interest, then the minutes must also include the basis for the approval.

12. Key persons, officers, and Board members who have a direct or indirect interest in a related party transaction may not be present or otherwise participate in any Board or Committee deliberations or voting concerning the transaction; however, such individuals may present information concerning a related party transaction prior to the commencement of deliberations or voting.

13. Board members with conflicts will absent themselves from the discussion/deliberation and vote on the item/circumstance that the Board member has identified as a conflict. The meeting minutes shall indicate when the member left the room, that the discussion and vote, if any, occurred, and then that the member was invited to return to the meeting. If any member with a conflict does not excuse

themselves from the meeting, the President of the Board shall ask the member to leave the room. The existence and resolution of the conflict, if any, must be documented.

14. The key person, officer, or Board member with a conflict is strictly prohibited from any attempt to influence the discussion, deliberations, or vote on any subject that relates to the member's conflict.

15. Employees must seek guidance and approval from appropriate Management personnel prior to pursuing any business or personal activity that may constitute a conflict of interest.

16. Outside employment may not interfere with the employee's ability to perform their job with DePaul. In addition, DePaul employees may not compete against DePaul, work for its competitors, or have any ownership interest in a competitor.

17. The Compliance Officer shall document the existence and resolution of any conflict in the Organization's records, including putting in the minutes of any meeting at which a conflict was discussed and voted upon.

18. The Compliance Officer will investigate any violations of this Policy. If there is reasonable cause to believe that a board member, key person or officer has failed to disclose actual or potential conflicts of interest, or otherwise has violated this Policy, the compliance officer shall inform the individual of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the individual and proceeding with investigation as may be warranted in the circumstances, the Compliance Officer determines that the board member, key person or officer has violated this Policy, the compliance officer shall recommend appropriate disciplinary and/or corrective actions to be implemented, by the Board, Audit Committee and/or DePaul Human Resources Department, as applicable.

Sanction Statement:

Non-compliance with this policy may result in disciplinary action, up to and including termination.

Compliance Statement:

As part of its ongoing auditing and monitoring process in its Compliance Program, DePaul will review this policy based on changes in the law or regulations, as DePaul's practices change, and, at minimum, on an annual basis. Additionally, this policy will be tested for effectiveness on an annual basis or more frequently as identified in accordance with DePaul's Compliance Program. Testing will include but is not limited to ensuring that the policy is appropriately followed; the policy is effective; the policy has been disseminated to all Affected Individuals, who will also be notified of any updates or changes.

Tracking of the criteria above and results of this testing will be completed by the Compliance Officer, or designee. Additionally, results will be reported to the Compliance Committee and Governing Body on a regular basis.

Record Retention Statement:

DePaul will retain this policy and all subsequent revisions, and any related documentation will be retained for a period of, at minimum, six years.

Conflict of Interest Disclosure Statement

The Conflict of Interest Policy includes a provision that sets forth standards of conduct expected and requiring Board members, Management, and employees to disclose all interests that could result in an actual or potential conflict of interest.

In accordance with DePaul's (sometimes referred to as "Organization" or "the Organization") Conflict of Interest Policy, a conflict of interest is defined as any situation in which financial or other personal considerations may compromise or appear to compromise (1) an employee's or Board member's business judgment; (2) delivery of services; or (3) ability for an employee to do their job. An actual or potential conflict of interest occurs when an employee or Board member is in a position to influence a decision that may result in a personal gain for that employee, Board member, or for an immediate family member as a result of business dealings.

Please complete and return this Conflict of Interest Disclosure Statement. Please be assured that the disclosure requirements are intended to provide the Board and Management with a systematic and ongoing method of disclosing and ethically resolving potential conflicts of interest. Although it is impossible to list every circumstance giving rise to a possible conflict of interest, the following will serve as a guide to the types of activities that might cause conflicts and that should be fully reported:

A. Outside Interests

a. To hold, directly or indirectly, a position or a financial interest in any outside concern from which the individual has reason to believe DePaul secures goods or services (including the services of buying or selling stocks, bonds, or other securities), or that provides services that compete with DePaul.
b. To compete, directly or indirectly, with DePaul in the purchase or sale of property or property rights, interests, or services.

B. Outside Activities

To render directive, managerial, or consultative services to any outside concern that does business with DePaul, or competes with the services of DePaul, or to render other services in competition with DePaul.

C. Inside Information

To disclose or use information relating to DePaul's business for the personal profit or advantage of the individual or their immediate family.

D. Gifts, Gratuities, and Entertainment

To accept gifts, excessive entertainment, or other favors from any outside concern that does, or is seeking to do, business with, or is a competitor of, DePaul – under circumstances from which it might be inferred that such action was intended to influence or possibly would influence the individual in the performance of their duties.

- ✓ I have been provided with a copy of DePaul's Conflict of Interest Policy.
- ✓ I hereby state that I, or members of my immediate family, have the following affiliations or interests and have taken part in the following transactions that, when considered in conjunction with the position with or relation to DePaul, might possibly constitute a conflict of interest. (Check "None" where applicable)

1. **Outside Interests**
   Identify any interests, other than investments, of yourself or your immediate family, as described in paragraph A (Outside Interests) above.

   ( ) None

2. **Investments**
   List and describe, with respect to yourself or your immediate family, all investments that might be within the category of "financial interest", as described in paragraph A (Outside Interests) above.

   ( ) None

3. **Outside Activities**
   Identify any outside activities, of yourself or your immediate family, as described in paragraph B (Outside Activities) above.

   ( ) None

4. **Other**
   List any other activities in which you or your immediate family are engaged that may be regarded as constituting a conflict of interest, giving particular attention to paragraphs B (Outside Activities) and C (Inside Information) above.

   ( ) None

5. I hereby certify that neither I nor any member of my immediate family have accepted gifts, gratuities, or entertainment that might influence my judgment or actions concerning the business of DePaul, except as listed below:

   ( ) None

6. The following circumstances may possibly violate the Standards of Conduct:

   ( ) None

7. List any family members employed by DePaul or serving as a member of DePaul's Board of Directors.
   Name **Relationship**

By signing below, I affirm that:

1. I have received and read a copy of DePaul's Conflict of Interest Policy;
2. I agree to comply with the Policy;
3. I have no actual or potential conflicts as defined by the Policy or if I do, I have previously disclosed them as required by the Policy or am disclosing them on this form; and
4. I hereby agree to report to Management or the Compliance Officer any future situation that may result in a conflict of interest.

Name (Printed or typed)	Title
Signature	Date

Reviewed by:

Name (Printed or typed)	Title
Signature	Date