GRAND BOULÉ OF SIGMIA PI PHI FRATERNITY

CONFLICT OF INTEREST POLICY

Section 1. <u>Preamble</u>

"Persons Occupying Leadership Positions" within the Grand Boulé of Sigma Pi Fraternity (the "Fraternity") are hereby defined to include (a) members of the parent body described in Article III Section 1 of the revised Constitution of Sigma Pi Phi Fraternity; (b) members of the Grand Board and Officers of the Grand Boulé; and (c) members of the standing and ad-hoc committees of the Grand Boulé.

It is hereby acknowledged that Persons Occupying Leadership Positions commonly have a range of professional and personal associations with and interests in other entities. To assure the Fraternity's many constituencies of the integrity of its endeavors, Persons Occupying Leadership Positions should avoid situations in which associations or interests could compromise or reasonably appear to compromise important values of the Fraternity or the Fraternity's business decisions. Accordingly, it is the Fraternity's policy that Persons Occupying Leadership Positions shall act in a manner consistent with their responsibilities to the Fraternity and avoid circumstances in which their financial or other ties to outside entities could present an actual or apparent conflict of interest or impair the Fraternity's reputation without compliance with this Policy.

No policy statement can address specifically situations that might entail a conflict of interest. As a general principle, Persons Occupying Leadership Positions should avoid any actions or situations that might result in or create the appearance of using their association with the Fraternity for private gain, according unwarranted preferential treatment to any outside individual or organization, losing independence or impartiality, or adversely affecting the Fraternity's reputation or public confidence in its integrity.

Section 2. <u>Presumed conflicts of interest</u>

For the purposes of this policy, a conflict of interest is presumed to arise when the Fraternity has or is considering a transaction or other business relationship with a Person Occupying a Leadership Position or with that Person's family member (defined to include a spouse, significant other, child, dependent or household member) or with an outside entity in which the Person Occupying a Leadership Position or family member has a material financial interest. A financial interest is presumed to be material if it entails:

- Any ownership or investment interest (including stock, options, a partnership interest or any other ownership or investment interest) valued at more than $10,000, except equity in a publicly traded company amounting to either (a) a 5% or greater ownership interest in the company or (b) an interest having a value of $50,000 or more;

- Receipt of non-dividend compensation (including salary, consulting fees, royalty payments or other remuneration) of more than $10,000 in any 12-month period in the past three years, or the expectation of such compensation in the future;
- Real property, personal property, intellectual property or any other interest valued at $10,000 or more; or
- A position of real or apparent authority in any outside entity, such as director, officer, trustee or partner.

A Person Occupying a Leadership Position is not deemed to have a material financial interest in a publicly traded entity by reason of an investment in that entity by another publicly traded entity, such as through a mutual fund, of which the Person Occupying a Leadership Position does not control investment decisions.

A conflict of interest may also arise when a Person Occupying a Leadership Position or a family member has or is considering an investment in any entity, such as a fund or partnership, that is not publicly held and in which the Fraternity has or, to the knowledge of the Person Occupying a Leadership Position, is considering an investment. Because such parallel investments may create at least an appearance that the Person Occupying a Leadership Position is benefiting from the Fraternity's participation in the entity, Persons Occupying Leadership Positions should promptly disclose any material financial interest in such entity in which the Person Occupying a Leadership Position otherwise the Fraternity is considering an investment. Persons Occupying the Leadership Positions should make such disclosure to the Grand Board of the Grand Boulé. Ordinarily, the Person Occupying a Leadership Position should not participate in any decision of the Grand Boulé, the Grand Board or any Fraternity committee regarding such investment by the Fraternity; such participation by a Person Occupying a Leadership Position may, however, be permitted upon a finding, by vote of a majority of the disinterested members present at a duly constituted Grand Board meeting, that the Fraternity's interests fully warrant such participation.

Section 3. **Disclosure of financial interests**

A Person Occupying a Leadership Position who has a known material financial interest in a pending or proposed transaction or business arrangement involving the Fraternity shall promptly disclose to the Grand Grammateus the existence of the interest and other material information that the Person Occupying a Leadership Position may have regarding the transaction or arrangement.

In addition, each Person Occupying a Leadership Position shall annually sign and submit to the Fraternity's Grand Grammateus a statement disclosing all material financial interests, known to the Person Occupying a Leadership Position or a family member, in any outside entity with which the Person Occupying a Leadership Position knows the Fraternity has or is considering a transaction or other business relationship, or affirming that the Person Occupying a Leadership Position knows of no such interests. The disclosure statement of the Grand Grammateus shall be submitted to the Grand Sire Archon. The Grand Sire Archon's disclosure statement shall be submitted to the Grand Sire Archon-Elect. Notwithstanding the foregoing, in any circumstance in which the delay resulting from the foregoing policy may adversely affect the Person Occupying a Leadership Position or the Fraternity, the Person Occupying a Leadership Position may proceed with the pending or proposed transaction, provided that the existence thereof shall be disclosed as promptly thereafter as the circumstances permit. All information obtained by the recipient of such disclosure or any employee of the Fraternity shall be deemed confidential and shall not be disclosed for any purpose other than the implementation of this Policy.

Section 4. Determination whether conflict of interest exists

The person or body to whom disclosure is made pursuant to this policy shall review all disclosures, including without limitation the annual disclosure statements, to determine whether a material financial interest has been disclosed. If a material financial interest has been disclosed, the person or body to whom disclosure is made shall promptly submit such disclosure forms together with any additional information about the current or proposed transaction or business relationship that may give rise to a conflict of interest that the recipient of the disclosure believes may be informative. In the case of disclosures by Persons described in Section 1(a), 1(b) or 1(c), the forms shall be submitted to the Grand Sire Archon, or if the interests involve the Grand Sire Archon, they shall be submitted to the Grand Sire Archon-Elect.

The Grand Sire Archon or Grand Sire Archon-Elect, as the case may be, shall review the matter, pose to the potentially interested Person Occupying a Leadership Position any questions that he may deem pertinent and determine whether there is a conflict of interest. If requested, the interested Person Occupying a Leadership Position shall have an opportunity to discuss the matter with the Grand Sire Archon or Grand Sire Archon-Elect.

If the Grand Sire Archon or Grand Sire Archon-Elect determines that, in his opinion, a conflict of interest might exist, he shall refer the matter to the Grand Board. The Grand Board may pose questions to the potentially interested Person Occupying a Leadership Position and potentially the interested person shall have an opportunity to discuss the matter with the Grand Board. The potentially interested person shall leave the Grand Board meeting while the disinterested members of the Grand Board determine, by a majority vote of the disinterested Grand Board members present at the meeting, whether the financial interest gives rise to a conflict of interest. If it is determined that no conflict of interest exists, the potentially interested Person Occupying a Leadership Position may, as appropriate, rejoin the meeting and participate fully in the discussion of and, if appropriate, vote on the proposed transaction or arrangement.

Section 5. Consideration of matters involving conflict of interest

If the Grand Board determines that a potentially interested Person Occupying a Leadership Position has a conflict of interest in a matter before the Grand Board or a Grand Boulé Committee, the Grand Board may permit the potentially interested person to make a presentation regarding the matter, but the potentially interested Person Occupying a Leadership Position shall be required to leave the meeting prior to the discussion of, and vote on, the proposed transaction or arrangement. The Grand Board shall approve the transaction or arrangement only upon a finding, by a majority vote of the disinterested Grand Board members present at the meeting, that the transaction or arrangement is in the Fraternity's best interest, is for the Fraternity's benefit, and is fair and reasonable to the Fraternity. The Grand Board may engage such consultants as it deems necessary or useful to assist its determination of these issues.

Section 6. <u>Record of proceedings</u>

Whenever the Grand Board holds a meeting at which a potentially interested person's financial interest in a matter is disclosed, a determination regarding the existence of a conflict of interest is made, or a transaction or arrangement with respect to which a Person Occupying a Leadership Position has a conflict of interest is considered, the Grand Board's consideration of these issues shall be reflected in the minutes of the meeting.

Section 7. <u>Gifts</u>

Persons Occupying Leadership Positions shall not encourage or accept gifts, favors or gratuities having a value in excess of $100.00 for themselves or family members, from any individual or entity that, to the knowledge of the Person Occupying a Position of Leadership, has, or seeks to have, a business relationship with the Fraternity.

Section 8. <u>Appropriation of Fraternity opportunities</u>

If a Person Occupying a Leadership Position becomes aware of a business, investment or other potentially valuable opportunity that belongs to the Fraternity, and not to the Person Occupying a Leadership Position or his family members individually or to another entity with which the Person Occupying a Leadership Position is affiliated, the Person Occupying the Leadership Position shall bring the opportunity to the attention of the Grand Board.

Section 9. <u>Confidentially</u>

Persons Occupying Leadership Positions may not use confidential information acquired as a result of any disclosure made by another Person Occupying a Leadership Position pursuant to this policy or as a result of the deliberations relating to a potential conflict of interest or otherwise obtained in connection with his service to the Fraternity for any purpose unrelated to Fraternity business, or provide such information to any third party, without the consent of the Grand Board. Wrongful use of such information includes, but is not limited to, use or disclosure of information for the purpose of engaging, investing or otherwise participating in any business, project, venture or transaction other than through the Fraternity.

Section 10. <u>Actions not void or voidable</u>

No transaction or action undertaken by the Fraternity shall be void or voidable, or may be challenged as such by an outside party, by reason of having been undertaken in violation of this policy or the principles set forth herein.

GRAND BOULÉ OF SIGMA PI PHI FRATERNITY
DISCLOSURE STATEMENT ON BEHALF OF A
PERSON OCCUPYING A POSITION OF LEADERSHIP

Please attach to this Statement any actual, apparent or potential conflict of interest you or a family member (defined to include a spouse, child or household member) may have, including but not limited to, any known material financial interest in any entity that you know to have a current or proposed transaction or business arrangement with the Fraternity. A financial interest is presumed to be material if it entails:

- Any ownership or investment interest (including stock, options, a partnership interest or any other ownership or investment interest) valued at more than $10,000, except equity in a publicly traded company amounting to either (a) a 5% or greater ownership interest in the company or (b) an interest having a value of $50,000 or more;
- Receipt of non-dividend compensation (including salary, consulting fees, royalty payments or other remuneration) of more than $10,000 in any 12-month period in the past three years, or the expectation of such compensation in the future;
- Real property, personal property, intellectual property or any other interest valued at $10,000 or more;
- A position of real or apparent authority in any outside entity, such as director, officer, trustee or partner.

A Person Occupying a Position of Leadership (as defined in the Fraternity's Conflict of Interest Policy) is not deemed to have a material financial interest in a publicly traded entity by reason of an investment in that entity by another publicly traded entity, such as through a mutual fund, of which the he does not control investment decisions.

Each Person Occupying a Position of Leadership has an ongoing obligation to notify the Grand Grammateus (or, in some cases, the Grand Sire Archon) promptly of any actual, apparent or potential conflict of interest as it arises.

I have received and read a copy of the Grand Boulé of Sigma Pi Phi Fraternity's Conflict of Interest Policy. I affirm that, other than the interests attached to this Statement, I am aware of no actual, apparent or potential conflict of interest (including known interests of family members) including known material financial interests within the meaning of the Conflict of Interest Policy in any entity that I know to have a current or potential transaction or business arrangement with the Fraternity.

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Person Occupying Position of Leadership (Print Name)

____ __________
Person Occupying Position of Leadership (Signature) Date