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NewU Inc.

Conflicts of Interest Policy¹

Article I

Purpose

The purpose of this conflicts of interest policy (the “Policy”) is to protect the interests of NewU Inc. (the “Organization”), a tax-exempt organization, when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excesses benefit transaction. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

Tax-exempt status is important both for its continued financial stability and for public support. Consequently, there exists between the Organization and its board, officers and employees, and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The board, officers and employees have the responsibility of administering the affairs of the Organization honestly and prudently, and of exercising their best care, skill and judgment for the sole benefit of the Organization. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and shall not use their positions with the Organization or knowledge gained therefrom for their personal benefit. The interest of the Organization must be the first priority in all decisions and actions.

Article II

Scope

¹ Note: This Policy is modeled on a template developed by the Internal Revenue Service (“IRS”) for nonprofit organizations. The IRS template is available at <http://www.irs.gov/instructions/i1023/ar03.html>.

This statement is directed not only to directors and officers, but to all employees who can influence the actions of the Organization. For example, this would include all who make purchasing decisions, all persons who might be described as “management personnel,” and anyone who has priority information concerning the Organization. Each such officer, director, or management personnel employee will execute a Certificate in the form attached hereto acknowledging that he or she understands and intends to fully comply with this Policy.

Article III

Definitions

1. Interested Person. Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, or any person who makes purchasing decisions, or who might be described as “management personnel”, or anyone who has priority information concerning the Organization, with respect to transactions in which they are in a position to influence the Organization’s decision, is an interested person.

2. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement.
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A person will not be deemed to have a financial interest under paragraphs (a), (b), or (c) above if the only transaction, arrangement or relationship between the entity referred to therein and the Organization is that of donor and donee, respectively. A financial interest is not necessarily a conflict of interest. Under Article IV, Section 2 of this Policy, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decided that a conflict of interest exists.

Article IV

Areas in which Conflicts May Arise

This article provides some illustrations of circumstances when a conflict of interest might arise. The lists are instructive only and not exhaustive. As described above, in accordance with Article IV, Section 2 of this Policy, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee of the Organization decided, upon full disclosure, that a conflict of interest exists.

Conflicts of interest may arise in personal dealings of directors, officers or management employees of the Organization with any of the following third parties:

- Persons and firms supplying goods and services to the Organization;
- Persons and firms from whom the Organization leases property and equipment;
- Persons and firms with whom the Organization is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property;
- Competing or affinity organizations;
- Donors and others supporting the Organization;
- Agencies, organizations and associations which affect the operations of the Organization;
- Family members, friends, and other employees.

A conflict of interest may arise through but is not limited to:

- Owning stock or holding debt or other proprietary interests in any third party dealing with the Organization.
- Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with the Organization.
- Receiving remuneration for services with respect to individual transactions involving the Organization.
- Using the Organization's time, personnel, equipment, supplies, or goodwill for other than the Organization-approved activities, programs, and purposes.
- Receiving personal gifts or loans, from third parties dealing or competing with the Organization.

Article V

Disclosure Policy and Procedure

1. Duty to Disclose. In connection with any actual or potential conflict of interest, an Interested Person must disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists. After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person, he or she shall leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest.

a. An Interested Person may make a presentation at the governing board or committee meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the potential conflict of interest.

b. The chairperson of the governing board or committee may, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. If a conflict of interest exists, then after exercising due diligence, the governing board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

d. In a case described in paragraph c above, if a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy.

a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or potential conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or potential conflict of interest, it shall take appropriate disciplinary and corrective action.

Article VI
Records and Proceedings

The minutes of the governing board and all committees with board delegated powers shall contain:

a. The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's decision as to whether a conflict of interest in fact existed.

b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Article VII
Compensation

a. A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VIII
Annual Statements

All persons defined as Interested Persons shall annually sign a statement which affirms such person:

- a. Has received a copy of this Policy,
- b. Has read and understands this Policy,
- c. Has agreed to comply with this Policy, and
- d. Understands that the Organization is a charitable organization, and in order to maintain its federal tax exemption it must be operated exclusively for charitable purposes.

Article IX

Periodic Reviews

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article X

Use of Outside Experts

When conducting the period reviews as provided for in Article VIII of this Policy, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

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Certification

I hereby certify as follows:

I have received a copy of the foregoing Conflict of Interest Policy of NewU Inc. I have read it carefully, I understand it, and I agree to comply with the Policy. I understand that

NewU Inc., is designated as a 501(c)(3) charitable organization, and that in order to maintain its federal tax exemption, NewU Inc., must be operated exclusively for its tax-exempt purposes.

To the best of my knowledge, except as hereinafter stated, (1) I do not have any financial interest as described in Article III, Section 2 of the Policy (excepting, in the case of an employee of NewU Inc., a compensation arrangement with NewU Inc. that has been approved by the Board of Directors); and (2) I have no interest that conflicts with the interests of NewU Inc., nor do I have any relationship or interest that may appear to present a conflict.

THE EXCEPTIONS ARE:

If any situation should arise in the future which I believe may cause me to have a conflict of interest with NewU Inc., I will promptly and fully disclose the circumstances to the President or the Chairman of the Board.

(Name and Title)

(Signature)

(Date)