



UMBF, Inc. CONFLICT OF INTEREST POLICY FOR TRUSTEES AND OFFICERS

- I. **Scope** – The following statement of policy applies to each Trustee and to all executive officers (the "Officers") of the University of Maryland Baltimore Foundation, Inc. (the "Foundation"). It is intended to serve as guidance for those working on behalf of the Foundation in positions of significant responsibility including the president, vice presidents, the treasurer and the Trustees. This policy is designed to serve the interests of both the Foundation and the University of Maryland Baltimore ("UMB").
- II. **Fiduciary Responsibilities** – All decisions of the Board of Trustees and Officers of the Foundation are to be made solely on the basis of the best interests of the Foundation and UMB recognizing that the Foundation's integrity and the donors' interests must be protected and advanced at all times.

It is the responsibility of all involved to ensure that the Board of Trustees is aware of actual or potential conflicts of interest, including those involving Business Relationships (as defined below) or Substantial Benefits (as defined below) that could be troublesome for the Foundation. Thus, the Board requires each Trustee and Officer upon appointment or election and annually thereafter: (1) to review this policy; (2) to disclose in the manner provided below any Business Relationships (as defined below), Substantial Benefits (as defined below) or other circumstance that could reasonably be expected to give rise to a conflict of interest involving the Foundation; and (3) to acknowledge by his or her signature that he or she is and will remain in compliance with the letter and spirit of this policy. In addition, if a matter arises during the course of the year that would have been required to be disclosed, the Trustee or Officer will be required to promptly disclose such matter in the manner provided below.

- III. **Disclosure** – The manner of disclosure shall be as set forth in this paragraph. Each Trustee and Officer is required to list, using the attached Disclosure Form, any Business Relationship (as defined below), Substantial Benefit (as

defined below) or other circumstance that gives rise to an actual or potential conflict of interest. In the event there is uncertainty as to whether a Business Relationship, Substantial Benefit or other circumstance should be disclosed on the attached form, the Chair of the Board or the President of the Foundation should be consulted. Such information, including information provided on this form, shall be confidential unless the Chair of the Board, after consultation with the affected Trustee or Officer and, if the Chairman deems necessary, legal counsel, determines that disclosure is required. The completed Disclosure Form, as well as any updates during the course of the year, should be returned to the President of the Foundation.

IV. **Restraint on Participation** – A Trustee or Officer who has an actual or potential conflict of interest, whether or not specifically disclosed, shall not vote or otherwise take any action on any matter with respect to which such person may be conflicted. A Trustee or Officer may participate in discussion of such matter in meetings of the Board or its committees provided he or she discloses such conflict and abstains from voting thereon.

V. **Definitions:**

1. **Business Relationship:** One in which a Trustee, Officer, or a member of his or her immediate family serves as an officer, director, employee, partner, trustee or more than five percent stockholder of an organization that does or is seeking to do substantial business with the Foundation or UMB.
2. **Substantial Benefit:** When a Business Relationship exists with respect to a Trustee or Officer and as a result of such Business Relationship such Trustee or Officer or a member of such Trustee's or Officer's immediate family benefits or is likely to benefit directly, indirectly or potentially from cash or property receipts totaling \$10,000 or more annually.

In appropriate circumstances, depending upon the nature of the relationship, it will be proper to consider family members outside of the Trustee's or Officer's immediate family for purposes of determining whether or not a Business Relationship and/or a Substantial Benefit exists. Each Trustee and Officer should provide relevant information with respect to the activities of family members outside of the Trustee's or Officer's immediate family if, in the judgment of the Trustee or Officer, the relationship with such family member is such that it could reasonably be deemed to create a potential conflict.

In addition, the Trustees and Officers should note that the definitions above are provided only for guidance, and should not be considered the only situations in which a conflict could possibly exist. For example, the service of a Trustee on the Board of another organization could present a potential conflict if the interests of such organization are or are potentially in conflict

with the interests of the Foundation or UMB. The Trustees and Officers should exercise their reasonable judgement in determining whether any circumstances exist, in addition to the existence of a Business Relationship or Substantial Benefit, that could present a potential conflict and that should therefore be disclosed.

(Adopted by Board of Trustees on 10/17/2001)

UMBF, Inc. Policy on Nepotism (Employment of Members of the Same Family for Exempt and Classified Personnel)

Scope: The following statement of policy permits members of the same family to be employed by or paid by the Foundation and applies to employees of The University of Maryland Baltimore, Foundation, Inc. (the Foundation) and any individuals paid by the Foundation for services rendered.

General: Members of the same family are eligible for employment by the Foundation and/or for payment by the Foundation for services rendered. In no circumstances shall a supervisory or subordinate relationship exist between family members. A member of a family may not assume the role of advocate or judge for the other with regard to conditions of employment or promotion or remuneration.

Definition of a family member:

For this policy, “family member” means spouse, children, parent of employee or spouse, brother or sister of employee or spouse, aunts and uncles of employee or spouse, nephews and nieces of employee or spouse, brother-in-law and sister-in-law of employee or spouse, sons-in-law and daughters-in-law of employee or spouse.

Family members working for the same supervisor:

If a member of the same family is recommended to work for the same supervisor, the President of the Foundation or his/her designee shall approve the employment in advance. Under no circumstances, shall an appointment of a family member be made without such prior approval.

Development of a supervisory/subordinate relationship after employment:

Should a supervisory or subordinate relationship develop between family members during employment or in a payment for services rendered arrangement, family members must notify the payroll administrator immediately. The Foundation, upon notification, must take action to ensure that the supervisor or subordinate relationship does not continue to exist. Such action may include reassignment, transfer or removal of one or more family members from the Foundation payroll.

NOTE: This policy does not apply to appointments and promotions made, or to family relationships, which existed prior to the effective date of this policy.

DISCLOSURE FORM FOR UMBF, INC. TRUSTEES AND OFFICERS

Please complete the following and return one copy of this form (and any updates thereto) to the President of the Foundation. You should retain a copy for your records:

Are you aware of any relationships with the Foundation between yourself or a member of your immediate family that may represent a conflict of interest as described in the Conflict of Interest Policy to which this Disclosure Form is attached?

Yes _____ No _____

If yes, please identify such relationship(s).

I certify that I have reviewed and agreed to be bound by the provisions of the Conflict of Interest Policy to which this Disclosure Form is attached, and that the foregoing information is true and complete to the best of my knowledge.

Name: _____

Address: _____

Signature: _____

Date: _____