

THE UNIVERSITY OF MISSISSIPPI ALUMNI ASSOCIATION

CONFLICT AND DISCLOSURE OF INTEREST POLICY

THIS CONFLICT AND DISCLOSURE OF INTEREST POLICY (this "Policy") is intended for the benefit of the Alumni Association of The University of Mississippi (the "Alumni Association") and its directors and officers. The purpose of this Policy is to protect the Alumni Association's interest when it is contemplating a transaction that might benefit the private interest of an officer or director of the Alumni Association. This Policy is intended to be consistent with the provisions of Mississippi law, particularly Miss. Code Ann. §79-11-269 (as the same may be amended from time to time) as attached hereto as Exhibit "A". This Policy is further intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations. Capitalized terms used in this Policy shall have the meanings ascribed to such terms in the Definitions attached hereto as Exhibit "B".

1) **Procedures to Determine Whether a Conflicting Interest Exists.** In the event any Covered Person believes that he or she may have a Conflicting Interest, such Covered Person must:

- a) Make the Required Disclosure;
- b) Play no part, directly or indirectly, in the deliberation or vote of the Board of Directors of the Alumni Association (the "Board") with respect to the determination of whether a Conflicting Interest exists; and
- c) Must remove himself or herself from the meeting or portion of the meeting at which the potential Conflicting Interest is discussed.

The minutes of the meeting of the Board at which the potential Conflicting Interest is discussed shall include the names of the persons who disclosed a potential Conflicting Interest, the nature of the potential Conflicting Interest and whether the Board or committee determined there was a Conflicting Interest.

2) **Procedures When a Conflicting Interest Has Been Determined to Exist.** In the event any Covered Person has a Conflicting Interest, such Covered Person must:

- a) Make the Required Disclosure;
- b) Play no part, directly or indirectly, in the deliberation or vote of the Board with respect to such transaction; and
- c) Must remove himself or herself from the meeting or portion of the meeting at which the potential Conflicting Interest is discussed.

In order for the Board to proceed with a Conflicting Interest Transaction, it must be determined, by a majority vote of the non-interested members present, that the transaction is in the Alumni Association's best interests, is for its own benefit, and is fair and reasonable to the Alumni Association. The minutes of the meeting of the Board at which the transaction is discussed shall include the names of the person who disclosed a Conflicting Interest and the nature of the Conflicting Interest.

- 3) **Annual Disclosure of Interests.** This Policy shall be distributed annually to each Covered Person, and each Covered Person shall complete and submit annually to the Executive Director of the Alumni Association the Disclosure of Interest and Confidentiality Statement attached hereto.

- 4) **Violation of Conflict of Interest Procedures.** Upon learning that a Covered Person may have willfully violated the provisions of this Policy, the Board shall form a special committee to investigate such violation. Upon receipt of such committee's report, the Board (excluding the person whose actions are being investigated) shall take such corrective or remedial action as it deems appropriate, including exoneration, censure or request for resignation.

EXHIBIT "A"

Miss. Code Ann. § 79-11-269 (2005)

§ 79-11-269. Conflict of interest transaction

(1) A conflict of interest transaction is a transaction with the corporation in which a director of the corporation has a direct or indirect interest. A conflict of interest transaction is not voidable by the corporation solely because of the director's interest in the transaction if anyone (1) of the following is true:

(a) The material facts of the transaction and the director's interest were disclosed or known to the board of directors or a committee of the board of directors and the board of directors or committee authorized, approved or ratified the transaction;

(b) The material facts of the transaction and the director's interest were disclosed or known to the members entitled to vote and they authorized, approved or ratified the transaction; or

(c) The transaction was fair to the corporation.

(2) For purposes of this section, a director of the corporation has an indirect interest in a transaction if (a) another entity in which he has a material financial interest or in which he is a general partner is a party to the transaction; or (b) another entity of which he is a director, officer or trustee is a party to the transaction and the transaction is or should be considered by the board of directors of the corporation.

(3) For purposes of subsection (1)(a) of this section, a conflict of interest transaction is authorized, approved or ratified if it receives the affirmative vote of a majority of the directors on the board of directors (or on the committee) who have no direct or indirect interest in the transaction, but a transaction may not be authorized, approved or ratified under this section by a single director. If a majority of the directors who have no direct or indirect interest in the transaction vote to authorize, approve or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under subsection (1)(a) of this section if the transaction is otherwise authorized, approved or ratified as provided in that subsection.

(4) For purposes of subsection (1)(b) of this section, a conflict of interest transaction is authorized, approved or ratified if it receives the vote of a majority of the members whose votes are entitled to be counted under this subsection. The vote of a member who is a director who has a direct or indirect interest in the transaction, and the vote of a member who is under the control of an entity described in subsection (2)(a) of this section, may not be counted in a vote of members to determine whether to authorize, approve or ratify a conflict of interest transaction under subsection (1)(b) of this section. The vote of those members, however, shall be counted

in determining whether the transaction is approved under other sections of Sections 79-11-101 et seq. A majority of the members, whether or not present, whose votes are entitled to be counted in a vote on the transaction under this subsection constitutes a quorum for the purpose of taking action under this section.

EXHIBIT "B"

DEFINITIONS

- a) "Covered Persons" means each Director of the Alumni Association and each officer of the Alumni Association.
- b) "Conflicting Interest" means the interest a Covered Person, whether individually or through business, investment or family relationships, has respecting a transaction effected or proposed to be effected by the Alumni Association (or by a subsidiary of the Alumni Association or any other entity in which the Alumni Association has a controlling interest) in which a Covered Person has a direct or indirect interest.
- c) "Covered Person's Conflicting Interest Transaction" means a transaction effected or proposed to be effected by the Alumni Association (or by a subsidiary of the Alumni Association or any other entity in which the Alumni Association has a controlling interest) respecting which a Covered Person has a Conflicting Interest.
- d) "Required Disclosure" means disclosure in writing by the Covered Person who has a Conflicting Interest of (1) the existence and nature of the Covered Person's Conflicting Interest, and (2) all facts known to the Covered Person respecting the subject matter of the transaction that an ordinary prudent person reasonably would believe to be material to a judgment as to whether or not to proceed with the transaction. The Covered Person may make a presentation at the Board or committee meeting.

DISCLOSURE OF INTEREST AND CONFIDENTIALITY STATEMENT

1. Name:
Address:
Profession, Business or Occupation:
Principal Employer or Firm:
Title or Position:

2. Identify any business relationships, transactions or contracts between the Alumni Association and yourself individually or through business, investment or family relationships, in which you have a direct or indirect interest.

3. Identify and list any other activities in which you are engaged that may constitute a Covered Person's Conflicting Interest Transaction as to the Alumni Association.

4. Identify the monetary value to you resulting from the relationships, transactions, contracts, or activities listed in response to paragraphs 2 and 3 above.

By the execution of this Disclosure and Interest and Confidentiality Statement, I hereby certify that I have received and read a copy of the Conflict and Disclosure of Interest Policy (the "Policy") of the Alumni Association of The University of Mississippi (the "Alumni Association") and that I will abide by its terms; to the best of my knowledge, the foregoing information is complete and accurate; and I will promptly report to the Executive Director of the Alumni Association any circumstance in the future that may cause the information provided herein to be incomplete or inaccurate. All capitalized terms not defined herein shall have the meaning ascribed thereto in the Policy.

CONFIDENTIALITY STATEMENT

I hereby acknowledge that, as a Member or Board of Directors of the Alumni Association, I have access to non-public information of the Alumni Association, including, but not limited to, information relating to the Alumni Association's finances, business plans, policies, and other proprietary information (collectively, "Confidential Information"). I further acknowledge that the Alumni Association at all times is and will remain the owner of the Confidential Information, and I hereby agree, consistent with the manner in which the Alumni Association protects its Confidential Information, to preserve the confidentiality of all such Confidential Information. I hereby certify that I have not used the Confidential Information for my own benefit and that I have not disclosed Confidential Information to any third party without the written consent of the Alumni Association. Further, I hereby agree that I will not use the Confidential Information for my own benefit and that I will not disclose Confidential Information to any third party without the prior written consent of the Alumni Association.

Signature: _____

Date: _____

ALUMNI ASSOCIATION OF THE UNIVERSITY OF MISSISSIPPI

CODE OF BUSINESS CONDUCT AND ETHICS

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Introduction

Application. This Code of Business Conduct and Ethics (the "Code") covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all employees, members, board of governors, and officers of the Alumni Association of The University of Mississippi (the "Alumni Association"). All of our employees, members, board of governors and officers must conduct themselves accordingly and seek to avoid even the appearance of wrongdoing or improper behavior. The Code should also be provided to and followed by the Alumni Association's agents and representatives.

Other Policies and Questions. This Code does not supercede, change or alter existing Alumni Association policies and procedures already in place, including the Conflict and Disclosure of Interest Policy each employee, member, and board of governor is asked to sign annually. If employees have questions regarding any of the goals or standards discussed or policies referred to in this Code or are in doubt about the best course of action to take in a particular situation, the employee should contact the Chairman or Secretary of the Alumni Association or follow the procedures set forth in Section 12 of this Code.

Not Employment Commitment. Nothing in this Code, in any Alumni Association policies and procedures, or in other related communications (verbal or written) creates or implies an employment contract or term of employment.

Amendments; Status. We are committed to continuously reviewing and updating our policies and procedures. Therefore, this Code is subject to modification. This Code supersedes all other such codes, policies, procedures, instructions, practices, rules or written or verbal representations to the extent they are inconsistent.

Violations. Those who violate the standards in this Code will be subject to disciplinary action which may include suspension or dismissal and/or reporting of violative conduct to appropriate regulatory and criminal authorities. If you are in a situation which you believe may violate or lead to a violation of this Code, follow the guidelines described in Section 12 of this Code.

Acknowledgement. Please sign the acknowledgment form at the end of this Code and return the form to the Executive Director indicating that you have received, read, understand and agree to comply with the Code. The signed acknowledgment form will be placed in your personnel file. Each year officers and other appropriate personnel will be asked to sign an acknowledgment indicating their continued understanding of and compliance with the Code. In addition, periodically, you may be asked to participate in seminars, training meetings and similar activities related to reinforcing your understanding of this Code and its applicability to the Alumni Association's business.

1. **Compliance with Laws, Rules and Regulations**

Obeying the law, both in letter and in spirit, is the foundation on which this Alumni Association's ethical standards are built. All employees, members, board of governors and officers must respect and obey the laws of the cities, states and country in which we operate and the rules and regulations applicable to the Alumni Association's business. Although not all employees are expected to know the details of these laws, rules and regulations, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel.

Compliance with law does not obviate the need to act with the highest ethical standards, which may require more than just "legal" behavior.

2. **Conflicts of Interest**

Each of us has a responsibility to the Alumni Association, our members and each other. Although this duty does not prevent us from engaging in personal transactions and investments, it does demand that we avoid situations where a conflict of interest might occur or appear to occur. The Alumni Association is subject to scrutiny from many different individuals and organizations. We should always strive to avoid even the appearance of impropriety.

The Alumni Association's conflict of interest policy is specifically delineated in the "Conflict and Disclosure of Interest Policy" attached hereto and incorporated herein.

3. **Public Disclosure**

The Alumni Association is committed to providing full, fair, accurate, timely and understandable disclosure in its annual report and the reports incorporated within the University of Mississippi's annual financial reports and in other public communications, such as press releases or industry conferences, made by, on behalf of or by a representative of, the Alumni Association. In meeting such standards for disclosure, the Alumni Association's officers shall at all times strive to comply with the Alumni Association's disclosure obligations and, as necessary, appropriately consider and balance the need or desirability for confidentiality with respect to non-public negotiations or other business developments. No employee, officer, member or board of governor should interfere with, hinder or obstruct the Alumni Association's efforts to meet the standards for public disclosure set forth above.

4. **Corporate Opportunities**

Employees, members, and board of governors are prohibited from taking for themselves personally opportunities that are discovered by such employee, officer, member or board of governor through the use of Alumni Association property, information or position without the consent of the Board of Governors. No employee, officer, member or board of governor may use Alumni Association property, information, or position for improper personal gain.

5. **Competition and Fair Dealing**

Each employee, member, board of governor, and officer should endeavor to respect the rights of and deal fairly with the Alumni Association's donors, suppliers, and employees. No employee, member, board of governor or officer should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to give an unfair advantage to suppliers. No gift or entertainment should be accepted by any Alumni Association employee, officer, member, board of governor, agent or family member of any of the foregoing unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or rules or regulations. Please discuss with your supervisor any gifts or proposed gifts which you are not certain are appropriate.

6. **Discrimination and Harassment**

The diversity of the Alumni Association's employees is a tremendous asset. We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind. Examples include derogatory comments or written communications based on racial, ethnic or sexual characteristics, unwelcome sexual suggestions or advances, or retaliatory actions related to any employee's proper exercise of rights.

All of our employees deserve a work environment where they will be respected, and we are committed to providing an environment that supports honesty, integrity, respect, trust and responsibility. All of our employees should contribute to the creation and maintenance of such an environment and our executive officers and management and supervisory personnel should take a leadership role in achieving a work environment that meets our diversity standards and is free from the fear of retribution.

7. **Health and Safety**

The Alumni Association strives to provide each employee with a safe and healthful work environment. Each employee has a responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior are not permitted. Employees should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs in the workplace will not be tolerated.

8. **Record-Keeping**

The Alumni Association requires honest and accurate recording and reporting of information in order to make responsible business decisions.

Many employees, officers, members, and board of governors regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, ask your supervisor.

All of the Alumni Association's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect the Alumni Association's transactions and must conform both to applicable legal requirements and to the Alumni Association's system of internal controls and generally accepted accounting practices and principles. No one should rationalize or even consider misrepresenting facts or falsifying records. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation and expressly and clearly approved through the appropriate channels.

Records should always be retained or destroyed according to the Alumni Association's record retention policies. In accordance with those policies, in the event of litigation or governmental investigation please consult the Legal Department before any action is taken to destroy or discard records.

9. **Protecting the Alumni Association's Confidential Information**

(i) The Alumni Association's confidential information is a valuable asset. The Alumni Association's confidential information includes names and lists of donors and financial information. All confidential information must be used for Alumni Association business purposes only and every employee and agent or contractor must safeguard it. The policy is detailed in the aforementioned Conflict and Disclosure of Interest Policy attached hereto.

(ii) **Requests by Regulatory Authorities.** The Alumni Association and its employees, agents and contractors must cooperate with appropriate government inquiries and investigations. In this context, however, it is important to protect the legal rights of the Alumni Association with respect to its confidential information. All government requests for information, documents or investigative interviews must be referred to the Alumni Association's Legal Department.

10. **Protection and Proper Use of Alumni Association Assets**

(i) **General.** Protecting the Alumni Association's assets is a key fiduciary responsibility of every employee, agent and contractor. Care should be taken to ensure that assets are not misappropriated, loaned to others, or sold or donated, without appropriate authorization. All Alumni Association employees, agents and contractors are responsible for the proper use of Alumni Association assets, and must safeguard such assets against loss, damage, misuse or theft. Alumni Association equipment and assets are to be used for Alumni Association business purposes.

(ii) **Physical Access Control.** The Alumni Association will continue to develop procedures covering physical access control to ensure privacy of communications, maintenance of the security of the Alumni Association communication equipment, and safeguard Alumni Association assets from theft, misuse and destruction. You are also responsible for complying with the level of access control that has been implemented in the facility where you work on a permanent or temporary basis.

(iii) **Alumni Association Funds.** Every Alumni Association employee or agent is personally responsible for all Alumni Association funds over which he or she exercises control. Alumni Association funds must be used only for Alumni Association business purposes. Every Alumni Association employee, agent and contractor must take reasonable steps to ensure that the Alumni Association receives good value for funds spent, and must maintain accurate and timely records of each and every expenditure. Expense reports must be accurate and submitted in a timely manner. Alumni Association employees, agents and contractors must not use Alumni Association funds for any personal purpose.

(iv) **Computers and Other Equipment.** The Alumni Association strives to furnish employees with the equipment necessary to efficiently and effectively do their jobs. If you use Alumni Association equipment at your home or off site, take precautions to protect it from theft or damage, just as if it were your own.

Employees, agents and contractors should not maintain any expectation of privacy with respect to information transmitted over, received by, or stored in any electronic communications device owned, leased, or operated in whole or in part by or on behalf of the Alumni Association. To the extent permitted by applicable law, the Alumni Association retains the right to gain access to any information received by, transmitted by, or stored in any such electronic communications device, by and through its employees, agents, contractors, or representatives, at any time, either with or without an employee's or third party's knowledge, consent or approval.

(v) **Software.** All software used by employees to conduct Alumni Association business must be appropriately licensed. Never make or use illegal or unauthorized copies of any software, whether in the office, at home, or on the road, since doing so may constitute copyright infringement and may expose you and the Alumni Association to potential civil and criminal liability.

(vi) **Electronic Usage.** The purpose of this policy is to make certain that employees utilize electronic communication devices in a legal, ethical, and appropriate manner. This policy addresses concerns regarding the fair and proper use of all electronic communications devices within the organization, including computers, e-mail, connections to the Internet, intranet and extranet and any other public or private networks, voice mail, video conferencing, facsimiles, and telephones. It is not possible to identify every standard and rule applicable to the use of electronic communications devices. Employees are therefore encouraged to use sound judgment whenever using any feature of our communications systems.

11. **Reporting any Illegal or Unethical Behavior**

Employees, members, board of governors and officers are encouraged to talk to supervisors, managers or other appropriate personnel about observed or suspected illegal, improper or unethical behavior and when in doubt about the best course of action in a particular situation. Violations can be reported to the Chairman or to the Secretary. If you believe that, based on the nature of the suspected improprieties and the persons you believe to be involved, reporting violations to either the Chairman or the Secretary would be ineffective, you may report such violations to any other officer or member.

You should know that reprisal, threats, retribution or retaliation against any person who has in good faith reported a violation or a suspected violation of law, this Code or other Alumni Association policies, or against any person who is assisting in any investigation or process with respect to such a violation, is both a violation of Alumni Association policy and is prohibited by a variety of state and federal laws. Accordingly, the Alumni Association will not permit the making of any reprisal, threats, retribution or retaliation or similar actions against any person making a good faith report of a suspected violation of law, this Code or other Alumni Association policies.

12. **Compliance Procedures**

We must all work to ensure prompt and consistent action against violations of this Code. However, in some situations it is difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

(i) Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.

(ii) Ask yourself: What specifically am I being asked to do or ignore? Does it seem illegal, unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.

(iii) Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss your concerns.

(iv) Discuss the problem with your supervisor. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question or concern, and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems. Supervisors are obligated to report violations of this code to the Chairman or Secretary.

(v) If you prefer to write anonymously, address your concerns to the Chairman or Secretary.

(vi) You may report ethical violations in confidence and without fear of retaliation. If your situation requires that your identity be kept secret, your anonymity will be protected.

(vii) Always ask first, act later: If you are unsure of what to do in any situation, seek guidance before you act.

ACKNOWLEDGMENT OF RECEIPT OF CODE OF BUSINESS CONDUCT AND ETHICS

I have received and read the Alumni Association's Code of Business Conduct and Ethics. I understand the standards and policies contained in the Alumni Association Code of Business Conduct and Ethics and understand that there may be additional policies or laws specific to my job. I further agree to comply with the Alumni Association Code of Business Conduct and Ethics.

Name

Signature

Date

Please sign and return this form to the Executive Director of the Alumni Association.