
**E A S T • W E S T
M A N A G E M E N T
I N S T I T U T E**

CONFLICT OF INTEREST, DISCLOSURE AND GIFT POLICY

1. POLICY

The public purpose and tax-exempt status of charitable organizations imposes a special obligation to maintain the public trust. The affairs of the East West Management Institute, Inc. (“EWMI”) must be conducted in a manner that is consistent with that trust and that avoids impermissible private benefit, or the appearance of such private benefit. All Directors, Officers and employees are required to comply with this prohibition on private benefit and to avoid the appearance of private benefit.

Further, any individual who has authority to make decisions on behalf of EWMI, such as a director, officer, or key employee, is required to inform EWMI of any personal interest he or she might have in a transaction or contract between EWMI and a third party. This requirement includes the completion and filing of an annual questionnaire.

Members of the Board of Directors, Officers and key employees (Program Directors, Chief of Parties and employees so designated by the President) shall conduct EWMI’s affairs in the best interests of EWMI; avoid conflict, or the appearance of conflict, between their personal interests and those of EWMI; and ensure that they do not receive improper personal benefit from their positions. Accordingly, the Board has adopted the following procedures to govern EWMI’s decision-making processes. Moreover, Directors, Officers, and EWMI staff of any level are subject to the gift policy set forth below.

2. CONFLICT OF INTEREST

2.1 Board of Directors, Officers and Key Employees

A conflict of interest will arise whenever EWMI considers entering into a contract or transaction, including a compensation arrangement, (any

interest with respect to such a contract, transaction or arrangement, an “Interest”) with any individual or entity that has substantial influence over EWMI’s affairs, responsibilities or duties or has authority to make decisions on EWMI’s behalf. Directors, Officers and key employees shall disclose to the Audit Committee of the Board their Interest or the Interest of any other “interested person” or the appearance of an Interest, with respect to a transaction, activity or alliance, including any compensation arrangement (each a transaction).

For purposes of this policy, “interested persons” shall include, but not be limited to, the following:

- (i) Directors and Officers of EWMI
- (ii) members of a committee of the Board or any expert advisory committee;
- (iii) key employees responsible for the day-to-day management and operation of EWMI;
- (iv) a founder of EWMI;
- (v) a substantial contributor to EWMI;
- (vi) a family member of any director, officer, committee member, key employee, founder, or substantial contributor of EWMI (including a parent, grandparent, spouse, domestic partner, sibling, child, grandchild, niece, or nephew);
- (vii) an entity of which any director, officer, committee member, key employee, or substantial contributor of EWMI or a family member of any such individual is a director, trustee, officer, committee member, or key employee; and
- (viii) an entity in which Directors, Officers, committee members, key employees, or substantial contributors of EWMI or family members of any such individuals have a material financial interest through either ownership or managerial control.

Transactions covered by this policy also include any other transaction or arrangement, whether direct or indirect, (1) in which the interests of an

“interested person” may be seen as competing with or rendering subordinate EWMI’s interests, (2) which could be perceived as creating the appearance of a conflict of interest, **or** (3) which might otherwise be detrimental to the reputation of EWMI or its ability to carry out its activities.

In addition, Directors, Officers, key employees, and members of expert or advisory boards and committees shall disclose close friendships with (a) any individual with whom EWMI is considering a transaction, and (b) any individual who has a significant position or interest in an entity with which EWMI is considering a transaction.

The disclosure of an Interest may be made orally or in writing. The disclosure must include all material facts relating to the Interest. Unless the Audit Committee requests their presence, Directors, Officers or key employees with Interests shall recuse themselves from the Committee’s consideration of the relevant transaction. In no event shall Directors, Officers or key employees vote on transactions in which they have an interest. The nature of the Interest and the individual’s recusal, or the Audit Committee’s determination not to require recusal, shall be recorded in the appropriate minutes.

2.2 Procedures for addressing the conflict of interest by “Interested Persons”

The Audit Committee is responsible for determining whether or not a conflict of interest, or the appearance of a conflict exists, and shall take action to prevent EWMI from entering into the transaction giving rise to the conflict if such exists. The individual whose relationship gives rise to the conflict should recuse himself or herself from the Audit Committee discussion and vote, as well as any Board discussion and vote, on the transaction (except for any request by the Committee or Board to provide information) and should not attempt in any way to influence improperly the deliberations or voting on the matter. In determining whether the transaction or arrangement is in EWMI’s best interests, the Committee must consider all factors, including but not limited to economic cost, reputation, and availability of alternatives to the proposed transaction, in determining

whether or not to waive the conflict. In considering alternative transactions (to the extent available), the Committee shall review available information regarding the cost or benefit of comparable transactions or arrangements, if any, and may investigate whether EWMI should and is able to obtain with reasonable efforts a more advantageous transaction or arrangement that would not give rise to a conflict of interest. For a conflict of interest transaction to be approved, a majority of the members of the Audit Committee (or Board) present at the meeting must vote in favor of undertaking the transaction. The Committee must record its decision in its minutes and report its decision to the Board of Directors.

The minutes of a meeting of the Audit Committee (or Board) at which a conflict of interest transaction is considered must reflect that the interested person made adequate disclosures, withdrew from consideration of the transaction and abstained from voting. For a conflict of interest transaction to be approved, a majority of the members of the Audit Committee (or Board) present at the meeting must vote in favor of undertaking the transaction. The minutes must detail the terms of the transaction, the date the transaction was approved, the Audit Committee (or Board) members present during the debate and who voted on the transaction, any data the Audit Committee (or the Board) relied upon in determining that the transaction is fair, reasonable and in the best interests of EWMI, how such comparability data was obtained, the disclosures made by the interested person, and whether the interested person otherwise participated in any discussions or proceedings (*i.e.*, to answer questions). The review and, if applicable, the decision of the Board should be recorded in the minutes of the Board.

2.3 Advisory Boards

Members of expert or advisory boards and committees shall disclose to the President (or President’s designee), orally or in writing, any Interest held by her- or himself, or by an interested person, as defined above in 1.1, and shall, unless the President (or President’s designee) determines otherwise, recuse her- or himself from the decision-making process.

Reporting also is required if a transaction would give rise to the appearance of an Interest. The Procedures set forth in the preceding sentence also shall apply to any Director with an Interest in a transaction being considered by EWMI below the level of the Audit Committee or Board. The nature of the Interest and the individual's recusal from the consideration of the transaction, except if asked to provide information, shall be memorialized in writing.

2.4 Annual Disclosure Questionnaire

Each member of the Board of Directors prior to his or her election and annually thereafter, and each officer, key employee and committee members, if any, who are selected by the Audit Committee or President, annually must (1) sign a statement that he or she has received and read this policy, is acting in accordance with this policy and is currently, and shall continue to be, in compliance with this policy, and (2) shall complete, sign and submit to EWMI a disclosure questionnaire disclosing any Interest that could give rise to a conflict of interest or the appearance of such a conflict.

Violations of this policy shall be addressed by the President in the case of Officers and employees, and by the Audit Committee in the case of a Director, and may be cause for cancellation of the transaction giving rise to the conflict of interest and resignation of the individual responsible for the conflict of interest from his or her position with EWMI.

3. EWMI OPPORTUNITIES

EWMI staff must not engage in outside employment or activities that interfere or conflict with their duties to EWMI. If, on account of his or her work for EWMI, a staff member is offered or becomes aware of an opportunity that would be of interest to EWMI, the staff member must disclose the opportunity to the President or the Executive Vice President. Only if EWMI chooses to forego the opportunity for itself, and the President or the Executive Vice President approves, the staff member may pursue the opportunity individually.

4. ACCEPTING GIFTS

No Director, Officer, employee, expert or advisory board or committee member, or staff member shall accept, directly or indirectly, payments for expenses associated with EWMI-related travel, meals, or other professional activity from actual or potential grantees or suppliers of EWMI in a monetary value of greater than \$75. No person listed in the previous sentence shall accept, directly or indirectly, a gratuity, gift, favor, entertainment, loan, certificate, coupon, or anything of monetary value of greater than \$75 from actual or potential grantees or suppliers of EWMI, except (a) gifts presented to EWMI where the recipient is representing EWMI and thereafter presents the gift to EWMI, or (b) gifts that are motivated solely by a family or personal relationship, but are in no way connected with the recipient's official EWMI duties. In general, a recipient should make every effort to decline to accept gifts on behalf of EWMI, but, in cases where it would be considered ungracious to do so, should make clear that the gift is being accepted on behalf of, and will be given to, EWMI.

5. GIFT-GIVING

EWMI will only reimburse the costs for gifts under the following circumstances: (i) purchase of souvenirs to present to hosts during study tour, provided approval is granted by a EWMI Vice President or Chief of Party, and (ii) purchase of flowers upon death of an immediate family member.

Prior written authorization from two EWMI Officers is required in order to be reimbursed for any other gift purchases.