

# TAU KAPPA EPSILON FRATERNITY CONFLICT OF INTEREST POLICY

## ARTICLE I

### PURPOSE:

Tau Kappa Epsilon International Fraternity ("TKE") has developed this Conflict of Interest Policy to ensure that all its directors, officers and key employees continue to act in compliance with applicable laws and to deal with all persons doing business with TKE in the best interest of TKE. This Conflict of Interest Policy is a guideline to protect TKE's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director or key employee of the Corporation. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit corporations. This policy shall apply only to volunteers above the local chapter or colony level - namely Grand Council members, international committee members, Grand Province Advisors, and Province Advisors.

## ARTICLE II

### DEFINITIONS:

1. Interested Person. Any director, officer, member of a committee with Board-delegated powers, or key employee, who has direct or indirect financial interest, as described below, is an "interested person".
2. Board. Any elected board, including, but not limited to is interchangeable for Grand Council, Alumni Association, Board of Advisors
3. Director. The term "Director" is the same as "Grand Officer".
4. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment or family –
  - a. An ownership or substantial investment interest in any entity with which TKE has a transaction or arrangement, or
  - b. A compensation arrangement with TKE or with any entity or individual with which TKE has a more than a cursory transaction or arrangement, or
  - c. A potential ownership or substantial investment interest in, or compensation arrangement with, any entity or individual with which TKE is negotiating a transaction or arrangement.
  - d. Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

## ARTICLE III

### PROCEDURES

1. Duty to Disclose. In connection with any actual or possible conflicts of interest, an interested person must disclose the existence and nature of his or her financial interest to the directors and members of committees with Board-delegated powers considering the proposed transaction or arrangement.
2. Determining whether a Conflict to Interest Exists. After disclosure of the financial interest, the interested person shall leave the Board or committee meeting while the financial interest is discussed and voted upon. Board or committee members shall decide if a conflict of interest exists.
3. Procedures for Addressing the Conflict of Interest.
  - a. No board member shall be eligible for work that could be performed by non-board vendors (including, but not limited to, executive search, outplacement, architectural, fund-raising and consultation services).
  - b. Where the Chairperson of the Board or a committee chair see a conflict, a disinterested person or committee shall investigate.
4. Violations of the Conflicts of Interest Policy
  - a. If the Board or committee chair has reasonable cause to believe that a board member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such a belief and afford the member an opportunity to explain the alleged failure to disclose.
  - b. If, after hearing the response of the member and making such further investigation as may be warranted, the Board or committee chair determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, including but not limited to removal from the Board or committee.

ARTICLE IV

RECORDS OF PROCEEDINGS

The minutes of the 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 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 therewith.

ARTICLE V

COMPENSATION COMMITTEES

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

ARTICLE VI

ANNUAL STATEMENTS

Annually, each director, officer, member of a committee, and key employee with Board delegated powers shall sign a statement which affirms that such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy, and
- c. Has agreed to comply with the policy.

ARTICLE VII

PERIODIC REVIEWS

Periodic reviews shall be conducted by the Board to ensure that TKE operates in a manner consistent with its organizational purposes and that it does not engage in activities that could jeopardize its status.

ARTICLE VIII

USE OF OUTSIDE EXPERTS

In conducting the periodic reviews provided in Article VII, TKE may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

I have read and understood the above Conflict of Interest Policy.

Name:

Signature:

Date:

Please return to: Tau Kappa Epsilon, Chief Executive Officer, 7439 Woodland Drive, Indianapolis, IN 46278, fax: 317-875-8353, or sbabine@tke.org