SAINT JOSEPH’S UNIVERSITY
BUSINESS CODE OF CONDUCT AND CONFLICT OF INTEREST POLICY

I. SCOPE OF POLICY

This Business Code of Conduct and Conflict of Interest Policy (“Policy”) applies to the Trustees, Officers, and Employees, including Key Employees and Faculty, of the University (together, “Covered Persons”).

II. PURPOSE

Saint Joseph’s University (“University”) is committed to operating in an ethical manner with integrity and fairness and to complying with all applicable legal and regulatory requirements. To ensure the integrity of the activities of the University, Covered Persons are expected to conduct their relationships with each other, the University, and outside organizations with objectivity, transparency and honesty. Covered Persons must fulfill their responsibilities to the University with care and loyalty. All determinations and actions of the Board of Trustees and the University administration must be made for the sole purpose of advancing the best interests of the University excluding any considerations of personal advantage or gain.

The University recognizes that Covered Persons often maintain personal and professional relationships and associations with each other, and interests in outside organizations and that situations may arise where an individual’s private interests conflict or appear to conflict with his or her obligations to the University. Thus, it is the general policy of the University that Covered Persons avoid and disclose situations in which their financial or other interests could present actual, potential, or apparent conflicts of interest or adversely impact the reputation of the University.

The University has created this Policy to assist Covered Persons in identifying and addressing Conflicts of Interest (defined below in Section III) and to provide guidance with respect to the manner in which Covered Persons conduct the business of the University. The Policy is designed to promote the following objectives:

1. To provide guidance to Covered Persons in identifying Conflicts of Interest as well as situations that may give rise to Conflicts of Interest.
2. To provide a process for disclosing and eliminating or appropriately managing Conflicts of Interest.
3. To provide guidance to Covered Persons regarding the manner in which they conduct the business of the University.
4. To seek to ensure that external sources of funding for the University promote values and practices consistent with the University’s mission.
5. To seek to ensure that Covered Persons perform their responsibilities with objectivity and integrity and do not inappropriately benefit or appear to benefit personally, directly or indirectly, from an outside organization or individual conducting or seeking to conduct business with the University.
III. DEFINITIONS

“Audit & Risk Committee” is a Standing Committee of the Board, empowered to act on behalf of the Board in certain instances under the authority of the Bylaws.

“Confidential Information” includes, but is not limited to, medical, personnel, security, academic, background check, conflict of interest, identifiable biometric records and other non-public information about individuals; business records; contracts and business terms; business and donor relationships; computer system passwords and security codes; proprietary and competitively sensitive information, including non-public information about anticipated material requirements, price actions, programs, and selection of contractors and subcontractors in advance of official announcements; unpublished grant proposals, non-public research data, manuscripts and correspondence; non-public financial, procurement, health-safety, audit, insurance and claims information; and non-public information relating to internal investigations, pre-litigation and litigation and administrative agency charges, audits and inquiries; and other information the confidentiality of which is protected by law or University policies.

“Conflict of Interest”, as further described in this Policy, means any circumstance in which the direct or indirect personal, professional, financial, or other interests of a Covered Person may potentially, actually or apparently diverge from, be inconsistent with, or interfere with the best interests of the University, or may be reasonably perceived as such.

“Covered Person” means the Trustees, Officers, and Employees, including Key Employees and Faculty, of the University.

“Employee” means any one to whom or on behalf of whom an IRS W-2 is issued by the University.

“Faculty” means all full-time, part-time, visiting and adjunct faculty members. Although the term does not include volunteer faculty members, a department chairperson may, under appropriate circumstances and with notice to the person affected, designate a volunteer faculty member in his or her department as "Faculty" for the purposes of the Policy. The University President may at his or her discretion in writing exempt as a class part-time and/or visiting faculty from this definition and from all or a portion of the Policy.

“Goods” include products of any nature provided to or for the University in any capacity, as an Employee, full-time or part-time, an independent contractor, consultant, for which an individual or a third party (e.g., Jesuit Community) receives payment or compensation, in cash or in kind, from the University.

“Key Employee” is an Employee of the University who is not an Officer, Trustee or Faculty who (1) is expected to receive or received during the previous calendar year Total Compensation from the University in an amount exceeding $100,000 and (2) is expected to have or share or had or shared during the previous calendar year organization-wide control or influence similar to that of an Officer or Trustee, or managed or exercised during the previous calendar year authority or control over at least 10 percent of the University’s activities.

“Officer” means those persons described as officers in the governing documents of the University.

“Proprietary Information” includes, but is not limited to, intellectual property such as patents, trademarks, and copyrights, as well as business plans, databases, records, employment information, and any unpublished financial data and reports.
“Related Party” means (a) a Covered Person, (b) a Relative or (c) any entity in which any Covered Person or Relative has Significant Financial Interest.

“Related-Party Transaction” means any transaction, agreement, or other arrangement in which the University has or is considering entering into with a Related Party.

“Relative” means a Covered Person’s (i) spouse, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses of brothers, sisters, children, grandchildren, and great-grandchildren; or (ii) domestic partner.

“Services” include work of any nature performed for the University in any capacity, as an Employee, full-time or part-time, an independent contractor, consultant, for which an individual or a third party (e.g., Jesuit Community) receives payment or compensation, in cash or in kind, from the University.

“Significant Financial Interest” means (1) any ownership or investment interest in an organization (including stock, stock options, a partnership interest or any other ownership or investment interest) valued at more than $10,000, except equity in a publicly traded company amounting to less than a 5% interest in the company, (2) receipt of non-dividend compensation (including salary, consulting fees, royalty payments, honorarium, or other membership) from an organization of more than $10,000 in a 12-month period; (3) a loan from, or other indebtedness to, an organization, regardless of the amount; or (4) a position of real or apparent management or fiduciary authority in an organization, such as director, officer, trustee, or partner. This definition does not include an interest owned solely by reason of investment in an organization by a mutual fund, pension fund, or other institutional investment fund over which the Covered Person or Relative exercises no control.

“Total Compensation” means all benefits received by an Employee, Key Employee or Faculty or on behalf of another Related Party providing Goods or Services to the University including, but not limited to, base salary, bonuses, health insurance, life insurance, short- and long-term disability insurance, and paid time off.

“Trustee” means a voting member of the governing body of the University.

IV. BUSINESS CODE OF CONDUCT

All University operations and endeavors must be conducted and pursued with the highest standards of integrity in compliance with applicable University policies, laws and regulations. For the protection of the University, it is essential that all activities be conducted in the best interests of the University. The University has upheld and will continue to uphold the highest levels of ethics and integrity in conducting its affairs. This Policy serves to set forth basic standards of ethical and legal behavior, to provide reporting mechanisms for known or suspected Conflicts of Interest and/or ethical or legal violations, and to help prevent and detect wrongdoing. Given the range and complexity of issues that may arise in the course of carrying out the University’s business, this Policy does not identify all of the potential issues but serves only as a general guide.

A. Protection and Proper Use of University Assets.

Covered Persons must protect the University’s assets and ensure their proper and efficient use. University assets include, but are not limited to, funds, facilities, property, services, and Proprietary Information.
Covered Persons who have access to University funds are responsible for their use and may not authorize the funds to be spent for the benefit of Related Parties or to provide others with gifts, favors, or payments, other than for authorized Services rendered to the University or in accordance with the University’s Business Expense Policy. Covered Persons shall not use or cause others to use University funds to make a contribution to any political party, committee, candidate or office holder of any local, state or national government. A Covered Person may not direct anyone to obtain a gift or favor for any Related Party. If a Covered Person believes that another Covered Person’s conduct or direction is unethical or improper, he or she must report it as follows: If the concern involves the conduct of a Covered Person who is an Employee or Faculty, the concern must be reported to the Vice President or Dean overseeing his/her department or school; if the concern involves the conduct of a Covered Person who is an Officer who is not the President (i.e., a Vice President, Corporate Secretary, or Treasurer), the concern must be reported to the President; if the concern involves the conduct of a Covered Person who is the President or a Trustee, the concern must be reported to the Chair of the Audit & Risk Committee. Alternatively, in each of these situations, if the Covered Person obligated to make such a report prefers, the report can be made anonymously to the University Director of Internal Audit or to the hotline by calling: 1-877-307-1208, and such report shall be relayed to the Office of the General Counsel and the Chairperson of the Audit & Risk Committee, or to the Executive Committee of the Board and the Office of the General Counsel if the concern involves the Chairperson of the Audit & Risk Committee or any member of the Audit & Risk Committee. The hotline shall also serve as a help line, to address questions related to this Policy. More information is available on the University’s website at: http://www.sju.edu/int/resources/humanresources/whistleblower.html.

Anyone reporting a concern must act in good faith, without malice to the University or any individual within the University, and must have reasonable grounds for believing that the information shared in the report is accurate and substantiates the concern. Anyone who believes he/she is being retaliated against for reporting concerns must contact the Director of Internal Audit immediately.

University facilities, property, or services may not be taken, sold, disposed of, loaned or given away without proper prior authorization. A Covered Person may not use University equipment or facilities for non-incidental personal use without proper prior documented authorization. Covered Persons who suspect unauthorized or inappropriate use or distribution of University assets should report such suspicion, and Covered Persons who have actual knowledge of such use or distribution must immediately report such knowledge to the Vice President overseeing his/her department (if the Covered Person whose conduct at issue is not a Trustee or Officer) or to the Chairperson of the Audit and Risk Committee or the President (if the Covered Person whose conduct is at issue is a Trustee or Officer or if the situation is such that the conduct cannot be reported directly to the Vice President). If the Covered Person desiring or obligated to make such a report prefers, the report can be made anonymously to the University Director of Internal Audit or to the hotline by calling 1-877-307-1208, and such report shall be relayed to the foregoing. **Unauthorized or inappropriate use or distribution of University assets violates the Policy and may also result in criminal and/or civil liability.**

### B. Confidentiality.

Covered Persons must maintain the confidentiality of Confidential Information entrusted to them, except when disclosure is authorized in writing and in advance by an appropriate Officer of the University or required by law, in consultation with the Office of the General Counsel. Confidential Information shall not be used for the direct or indirect benefit of any Related Party. The obligation to preserve Confidential Information continues even after termination of employment with or service to the University.
C. Compliance with Laws, Rules, and Regulations.

In conducting the affairs of the University, Covered Persons must comply with applicable laws, rules, and regulations at all levels of government in the United States, the Commonwealth of Pennsylvania and any other jurisdiction in which the University conducts business. The University recognizes that it would be unduly burdensome to expect all Covered Persons to know the details of all laws and regulations applicable to the University. However, the University expects Covered Persons to use their best judgment and, in the event that they are unsure as to whether action or inaction violates a law or regulation, the University expects all Covered Persons to seek guidance from the Office of General Counsel. The Office of General Counsel shall report any substantiated concerns about such violations to the Audit & Risk Committee and to President, the Executive Committee or full Board as appropriate.

D. Conflicts of Interest.

Covered Persons are required to fulfill their responsibilities with care and loyalty. All decisions and actions of Covered Persons are to be made for the sole purpose of advancing the best interests of the University and the public good. As defined in Section III of this Policy, and discussed in more detail below, a Conflict of Interest exists when the direct or indirect personal, professional, financial, or other interests of a Covered Person may potentially, actually or apparently diverge from, be inconsistent with, or interfere with the best interests of the University, or may be reasonably perceived as such. This Policy sets forth in detail the standards and procedures to be followed when dealing with situations that may present a Conflict of Interest.

E. Records, Disclosures, and Communications.

University records shall be prepared completely, accurately, and honestly. Covered Persons involved in the preparation of reports and documents and related information to be filed with or submitted to federal, state, and local authorities by the University are required to disclose such information in a manner that is complete, fair, accurate, timely, and understandable. Such Covered Persons shall not knowingly conceal or falsify information, misrepresent or omit material facts. Covered Persons making authorized public communications on behalf of the University shall comply with the same standards. Concealing material facts or deliberately falsifying reports, data, or other documents violates University policy and may also result in criminal and/or civil liability.

V. CONFLICT OF INTEREST GUIDELINES

As defined in Section III of this Policy, a Conflict of Interest exists when the direct or indirect personal, professional, financial, or other interests of a Covered Person may potentially, actually or apparently diverge from, be inconsistent with, or interfere with the best interests of the University, or may be reasonably perceived as such. A Conflict of Interest includes, but is not limited to, indirect conflicts, such as benefits provided to a Relative of a Covered Person. Business or personal relationships, or the involvement in certain activities, may give rise to a Conflict of Interest by impairing the independent judgment of a Covered Person in the exercise of duties relating to the University and its operations. Any arrangements or circumstances, including political, family or other relationships, that might dissuade the Covered Person from acting in the best interests of the Organization could give rise to a Conflict of Interest.
While it is not possible to develop a detailed set of rules that cover all circumstances and factual scenarios, in most instances, Conflicts of Interest can be avoided simply by continuing to exercise good judgment, and the University relies on the sound judgment of its Covered Persons to prevent many such conflict situations. This Policy serves as a guide to the types of activity by Covered Persons that might constitute a Conflict of Interest.

A. Presumed Conflicts of Interest

Certain Conflicts of Interest, described in this Section as “Presumed Conflicts of Interest,” are prohibited by the University, unless otherwise permitted under Section D, below.

Each of the following situations, although not meant to constitute an exhaustive list, gives rise to a Presumed Conflict of Interest.

1. Related-Party Transactions.

2. Engaging, directly or indirectly, in activities that compete with the interests of the University or appropriating or diverting business opportunities of the University. This includes (a) holding, directly or indirectly, an ownership or other financial interest (other than a de minimis interest) or having an employment, management, or fiduciary role in an outside organization that is a competitor of the University, or (b) appropriating or diverting a business or financial opportunity that a Covered Person knows or should know the University is pursuing or is considering pursuing or reasonably might be interested in pursuing if the University were aware of the opportunity.

3. Accepting any gift or favor that is illegal under applicable law or regulation or otherwise prohibited under other applicable University policies.

4. Accepting any gift(s) or favor(s) having or totaling a fair market value of more than ONE HUNDRED DOLLARS ($100.00) (including entertainment) or a loan (other than an arm’s length loan made in the ordinary course of business from a banking or other financial institution), even where not illegal under applicable law or prohibited under other applicable University policies, from any person or outside organization seeking a benefit from the University (e.g., seeking to do business or continuing to do business with the University, or seeking to have a student admitted to the University) if the offer or acceptance of the gift, favor, or loan could reasonably be viewed as intended to influence the University to act favorably toward the person or outside organization. Where it is impracticable for a Covered Person (or his or her Related Party) to decline a gift that would otherwise constitute a Conflict of Interest under this Section, the Covered Person must contact the Chairperson of the Audit & Risk Committee (if the Covered Person is the President or Trustee) or the President (for all other Covered Persons) and follow the procedures set forth in Section B, C, and D, below. Covered Persons (or their Related Parties) may accept occasional unsolicited gifts or favors (e.g. tickets to local sporting events or golf outings, business dining, holiday baskets) provided such gift(s) or favor(s) do(es) not annually exceed a total fair market value of ONE HUNDRED DOLLAR ($100.00), is customary in the industry and will not influence or appear to influence the judgment or conduct of the Covered Person with respect to his or her University responsibilities. When in doubt regarding the fair market value of such gift, the Covered Person must consult with the Chairperson of the Audit & Risk Committee (if the Covered Person is the President or Trustee) or the President (for all other Covered Persons).

October 7, 2016 (As Approved by Board of Trustees)
(5) Use of University assets and resources, including the services of University Employees, for personal purposes by a Related Party.

(6) Obtaining, using, or disclosing Confidential Information or Proprietary Information for direct or indirect personal interest, profit, or advantage; obtaining or using Confidential Information or Proprietary Information for a purpose that may be detrimental to University; or disclosing Confidential Information or Proprietary Information to a person or entity that is not authorized by the University to receive it.

B. Disclosure of Conflicts of Interest

Covered Persons must disclose on an ongoing basis the material facts relating to any Conflict of Interest as soon as they become aware of the existence of a possible Conflict of Interest and annually as required by this Policy. In the event that a Covered Person becomes aware that he or she has not disclosed a Conflict of Interest in a timely manner, the Covered Person has a continuing duty to disclose it as promptly as possible thereafter. In other words, if a Covered Person becomes aware of or encounters a Conflict of Interest during the period of time between the submissions of annual disclosure statements, the Conflict of Interest must be disclosed at the time that he or she becomes aware of or encounters a Conflict of Interest.

Covered Persons must disclose the precise nature of the Covered Person’s interest and/or involvement in the conduct or relationship giving rise to the Conflict of Interest. In order to assure full disclosure, such disclosures must be made not only on behalf of the Covered Person completing the form, but also with respect to the Covered Person’s Related Parties.

Upon election, appointment, or initial employment, and annually thereafter, a Covered Person must complete and sign the University Conflict of Interest Disclosure Statement (“Disclosure Statement”). The Disclosure Statement of Trustees and the President shall be directed to the Chairperson of the Audit & Risk Committee and reviewed and maintained by the Office of General Counsel, which shall provide a summary of the disclosed Conflicts of Interest to the Audit & Risk Committee with General Counsel’s recommendations re the same; and such summary and recommendations, along with the Committee’s comments, shall be provided by the Chairperson of the Audit & Risk Committee, on behalf of the Committee, to the Chairperson of the Board for presentation to the Executive Committee of the Board, and the full Board as appropriate. The Disclosure Statement of all other Officers (Vice Presidents, Corporate Secretary and Treasurer), Faculty, Key Employees and Employees shall be directed to the President and reviewed and maintained by the General Counsel, with a summary of all disclosed Conflicts of Interest provided to the Chairperson of the Audit & Risk Committee, and to the Chairperson of the Board for presentation, as appropriate, to either the Executive Committee of the Board, or to the full Board. A copy of the Disclosure Statements of the Trustees shall be maintained by the Office of the General Counsel as part of the University’s corporate books and records. A copy of the Disclosure Statements of Officers, Faculty, Key Employees and Employees shall also be maintained in the Covered Person’s personnel file and made available for review and audit by General Counsel and the Audit & Risk Committee, as needed. Information disclosed by Covered Persons shall be held in confidence and only available to those Officers of the University with a business need to know such information, and when the best interest of the University would be served, and shall be disclosed to the Board of Trustees, when required or appropriate.
Any Covered Person who is uncertain whether he or she has a Conflict of Interest in any matter shall disclose the potential conflicting interest in accordance with the procedures above, and the Audit & Risk Committee shall determine, in consultation with the Office of General Counsel, whether there is a Conflict of Interest and shall make recommendations to the President, Executive Committee or full Board as appropriate. As explained below, any Covered Person involved in the matter shall recuse himself or herself from discussion and voting on the matter.

If a Covered Person, or any other individual believes a Covered Person has a Conflict of Interest and has not disclosed said Conflict of Interest, or material facts pertaining to a Conflict of Interest, the individual shall promptly report the matter to the Chairperson of the Audit & Risk Committee, who shall consult with the Committee and the Office of General Counsel, and shall involve the President, or the Executive Committee or the full Board as appropriate (for example, but not limited to, when Conflicts of Interest involve a Trustee or the President), to review or investigate the concerns. Reports can also be made anonymously to the hotline.

If the Board has reasonable cause to believe that the President or a Trustee has failed to disclose actual, potential or apparent Conflicts of Interest, the Chairperson of the Board or, if the Conflict of Interest involves the Chairperson of the Board, the Vice-Chairperson of the Board or another Board designee shall inform the President or Trustee of the basis for such belief and afford such Covered Person an opportunity to explain the alleged failure to disclose. If, after hearing the Covered Person’s response and after making any further investigation warranted by the circumstances, the Board determines the person has failed to disclose a Conflict of Interest, the Board shall take appropriate disciplinary and corrective action. These same procedures shall be followed by the President, with a report to the Executive Committee, when the matter involves any other Covered Person. Intentional violation of this Policy constitutes cause for termination of employment or removal from office.

C. Restraint on Participation

Covered Persons who have declared themselves or have been determined by the University in accordance with the procedures herein to have a Conflict of Interest shall refrain from participating in consideration of the Conflict of Interest, unless, for special reasons, the Board or President, or the Committee reviewing the matter, requests information or interpretation from the person or persons involved. The Covered Persons with a Conflict of Interest shall not vote on such matters and shall not be present at the time of vote.

With respect to a matter before the Board or a Committee of the Board, the minutes of the Board or Committee shall record the names of the Covered Persons who were found to have a Conflict of Interest the nature of the actual, potential, or apparent conflicting interest, and the Board’s decision as to how to resolve the Conflict of Interest. The minutes must also record both the names of the Covered Persons who abstained and of the individuals who were present for discussions regarding the transaction or relationship, any votes relating to the transaction or relationship, the content of the discussion, including any alternatives to the proposed transaction or relationship, if considered, and a record of any votes taken in connection with the determination.

D. Evaluation of Transaction or Relationship Involving Conflict of Interest

Depending on its nature and the potential benefits to the University, a Related-Party Transaction or other conduct giving rise to a Conflict of Interest may be subject to approval by the Board of Trustees or be subject to approval or recommendation by the Executive Committee of the Board of Trustees. In no event
may a Covered Person with a Conflict of Interest be present at or participate in the deliberation or vote by the Board of Trustees, or Committee thereof, on the matter giving rise to the Conflict of Interest, such as the Covered Person’s Total Compensation by the University, or attempt to influence improperly the deliberation or voting on the matter. A Covered Person may, where requested by the Board of Trustees or applicable Board Committee, be present at the meeting prior to the commencement of deliberations or vote on the matter in order to present information or answer questions concerning the Conflict of Interest. The Board of Trustees shall consider the following factors in determining whether or not to permit the Related-Party Transaction or other conduct giving rise to the Conflict of Interest: (1) the nature and extent of the Related Party’s involvement in the University business involved (in particular, whether the Related Party would be providing Services that are advisory or fiduciary in nature such that independence is an important factor weighing in favor of avoiding Conflicts of Interest, as in the case of auditing or legal Services); (2) whether the best interests of the University are served; (3) whether the proposed transaction is a “fair market value” transaction; (4) whether the University will be economically harmed by the Conflict of Interest; (5) whether compelling factors weigh in favor of retaining a Related Party (e.g. if the Goods or Services provided by the Related Party are provided by a Related Party); (6) whether the proposed transaction would have involved a Related Party but for the Related Party’s role and relationship with the University; (7) the magnitude of the Conflict of Interest and the extent to which it is related to the University business involved; and (8) the extent to which the Related Person is amenable to effective oversight and management of the conduct giving rise to the Conflict of Interest.

The Board, or Board Committee thereof, must prior to approving the Related-Party Transaction or conduct, (1) consider alternatives to the extent available; (2) approve the Related-Party Transaction or other conduct by not less than a majority vote of the Board or Board Committee members present at the meeting; and (3) contemporaneously document in writing the basis for the approval, including consideration of alternative transactions as well as the independent fair market data on which the Board or Board Committee relied in making its decision.

During deliberations regarding approval of a Related-Party Transaction or other conduct, the Board (or Committee thereof), in consultation with the Office of the General Counsel and informed by the recommendation of the Audit & Risk Committee, must determine whether the Conflict of Interest must be managed, reduced, or eliminated, and such determination shall be documented in writing in the Board or Committee meeting minutes noting the specific facts and circumstances that formed the basis for the determination.

Depending on the nature of the Conflict of Interest and the recommendations of the Audit & Risk Committee, the President may be in a position to make such determinations with respect to Covered Persons who are not Trustees; however, any such determinations must be made following the procedures above and such determinations shall be recorded in a President’s report, which shall be made in writing and timely presented to the Executive Committee and included in the notes thereof.