

## **FOUNDATION FOR SCALIA LAW**

### **CONFLICTS OF INTEREST POLICY**

#### **ARTICLE I PURPOSE**

The purpose of this conflicts of interest policy is to protect the interests of Foundation for Scalia Law (the “Foundation”) when the Foundation is contemplating entering into a transaction or arrangement that might benefit the private interest of a Trustee or officer of the Foundation. This policy is intended to supplement but not replace any applicable federal or Virginia laws governing conflicts of interest that apply to the Foundation.

#### **ARTICLE II DEFINITION OF INTEREST**

For purposes of this policy, a Trustee or officer shall be deemed to have an “interest” in a contract, transaction, or other arrangement, or in the same or related business as the Foundation, if the Trustee or officer, or a family member or member of the immediate household of the Trustee or officer is the party (or one of the parties) or is a director, trustee, officer, or general partner of, or has a material financial or influential interest in, an entity that is the party (or one of the parties) contracting or dealing with the Foundation. Interests include but are not limited to: (a) an ownership or investment interest in any entity with which the Foundation is entering or has entered into a transaction or arrangement, (b) a compensation arrangement with the Foundation or with any entity or individual with which the Foundation is entering or has entered into a transaction or arrangement, and (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is entering or has entered into a transaction or arrangement. For purposes of this provision, compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. An interest will constitute a conflict of interest only if the Board of Trustees determines under the provisions of this conflicts of interest policy that a conflict of interest exists. Relationships and dealings of the Foundation with corporations, partnerships, joint ventures, or other entities owned, controlled, or managed by the Foundation shall not constitute interests under this Article.

#### **ARTICLE III DUTY OF TRUSTEES AND OFFICERS**

The Trustees and officers of the Foundation shall exercise good faith in all transactions touching upon their duties to the Foundation and its property. In their dealings with and on behalf of the Foundation, they are held to a strict rule of honest and sincere dealing among themselves and the Foundation. They shall not use their positions, or knowledge gained therefrom, so that a conflict might arise between the Foundation’s interest and that of the Trustee or officer.

## **ARTICLE IV** **DUTY TO DISCLOSE**

Any Trustee or officer having an interest in a contract, transaction, or arrangement presented to the Board of Trustees or a committee thereof for consideration, authorization, approval, discussion, or ratification shall make a prompt, full, and frank disclosure of his or her interest to the Board of Trustees at the first meeting of the Board after the conflict occurs, and, in any case before the Board or committee takes action on such contract, transaction, or arrangement. Such disclosure shall include any relevant and material facts known to such person that might reasonably be construed to be adverse to or potentially adverse to the Foundation's interests.

## **ARTICLE V** **PROCEDURES**

A. The Board of Trustees shall determine, by majority vote, whether the disclosure shows that a conflict of interests exists or can reasonably be construed to exist.

B. The Board of Trustees may request the person to provide factual information regarding the potential or actual conflict of interests and such proposed contract, transaction, or arrangement.

C. If deemed appropriate, the Board of Trustees may appoint a non-interested person or committee or subcommittee to investigate alternatives to such proposed contract, transaction, or arrangement.

D. If a conflict of interests is deemed to exist, the person having the conflict of interests shall not participate or attend, vote on, or use his or her personal influence in connection with the discussions, deliberations, or vote with respect to such contract, transaction, arrangement, or related matters affecting the Foundation.

E. At any meeting of the Board of Trustees where such contract, transaction, arrangement, or related matters are under discussion or are being voted upon, a quorum is present if a majority of Trustees who have no direct or indirect personal interest in such contract, transaction, or arrangement participate in the vote held to authorize, approve, or ratify such contract, transaction, or arrangement.

F. In order to approve such contract, transaction, or arrangement, the Board of Trustees must first find, by majority vote without counting the vote of the interested Trustee or Trustees, that the proposed contract, transaction, or arrangement is in the Foundation's best interest and for its own benefit and the proposed contract, transaction, or arrangement is fair and reasonable to the Foundation.

G. The minutes of the meeting shall reflect the disclosure made, the persons present for the discussion and vote, the content of the discussion, the vote thereon (including any roll call), and, where applicable, the abstention from voting and participation, and that a quorum was present. The Foundation shall keep minutes of the discussions and deliberations as part of the minutes of the Foundation.

## **ARTICLE VI** **CORRECTIVE AND DISCIPLINARY ACTION**

The violation of this conflicts of interest policy is a serious matter and may constitute "cause" for removal or termination of a Trustee or officer.

## **ARTICLE VII** **ANNUAL STATEMENT AND DISCLOSURES**

*Annual Statement* – Each Trustee or officer shall annually sign a statement in form substantially similar to the attached Exhibit A which affirms that such person (1) has received a copy of this conflicts of interest policy, (2) has read and understands the policy, (3) has agreed to comply with the policy, and (4) understands that the Foundation is a charitable organization and, to maintain its federal tax exemption as an organization described in section 501(c)(3) of the Internal Revenue Code, the Foundation must engage primarily in activities that accomplish one or more of its exempt purposes. If at any time during the year, the information in the annual disclosure statement changes materially, such person shall disclose such changes and revise the annual disclosure form accordingly.

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**EXHIBIT A**

**FOUNDATION FOR SCALIA LAW**

**ANNUAL STATEMENT OF TRUSTEES AND OFFICERS**

I, the undersigned Trustee or officer of Foundation for Scalia Law (the “Foundation”), hereby state and confirm that:

1. I have received a copy of the conflicts of interest policy. I have read and understand the policy. I have agreed to comply with the policy. I understand that the Foundation is a charitable organization and, to maintain its federal tax exemption as an organization described in section 501(c)(3) of the Internal Revenue Code, the Foundation must engage primarily in activities that accomplish one or more of its exempt purposes.
2. I hereby submit the information in the attached Disclosure of Information. I also agree that at such time as a matter comes before the Board of Trustees in such a way as to give rise to a conflict of interests, I shall make known the potential conflict of interest, whether disclosed by this Annual Disclosure or not, and all relevant and material facts concerning the matter that might reasonably be construed to be adverse to the interests of the Foundation. I further agree that, after answering any questions that are asked with respect to the matter, I will withdraw from the meeting for so long as the matter shall continue under discussion and, if the matter is brought to a vote, I shall not vote on it. I further agree not to influence or seek to influence any matters, decisions, or votes coming before the Board of Trustees where a conflict of interests exists or appears to exist. I understand that a willful violation of the Foundation’s Conflicts of Interest Policy may result in a request for my resignation from the Board of Trustees or as an officer of the Foundation.
3. I hereby certify that the information set forth in the attached Disclosure of Information is true and correct to the best of my knowledge, information, and belief.

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Name

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Date

[Please sign and return this page.]

**EXHIBIT B**

**FOUNDATION FOR SCALIA LAW**

**DISCLOSURE OF INFORMATION**

1. Please list all businesses or other organizations of which you or a member of your immediate family<sup>1</sup> is an officer, director, trustee, member, owner (either as sole proprietor or partner with a 10% or greater interest in profits), shareholder (with a 10% or greater interest in all outstanding voting shares), or employee and with which the Foundation has, or may reasonably be expected to have in the future, a relationship, transaction, contract, or other arrangement:

**Name of Business or Organization**

**Relationship**

_____	_____
_____	_____
_____	_____
_____	_____

2. Has the Foundation contracted to purchase or lease goods, services, or property from you or from a member of your immediate family or your business associates?

Yes/No. If yes, please describe:

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_____
_____
_____

<sup>1</sup> An immediate family member is defined to include a spouse, child, grandchild, or household member.

3. Has the Foundation purchased an ownership interest in or invested in a business entity owned by you or a member of your immediate family or your business associates?

Yes/No. If yes, please describe:

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4. Have you or a member of your immediate family or your business associates been provided with a gift, gratuity, or favor of a substantial nature from a person or entity that does business or seeks to do business with the Foundation?

Yes/No. If yes, please describe:

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5. Please list all charitable or nonprofit organizations for which you or a member of your immediate family serves as a director, trustee, officer, or employee.

**Name of Nonprofit Organization**

**Relationship**

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6. In some instances, a common interest may give the appearance of a conflict of interests although no conflict of interests actually exists. Do any of your activities outside of the Foundation, other than those listed above, give the appearance of a conflict of interests?

Yes/No. If yes, please describe:

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## FORM 990 TRUSTEE AND OFFICER DISCLOSURE STATEMENT

In order to allow Foundation for Scalia Law (the “Foundation”) to file an accurate and complete Form 990 with the Internal Revenue Service, I understand that, as a Trustee or officer of the Foundation, I am obligated to disclose actual or potential conflicts of interest and the existence of certain relationships with the Foundation and others affiliated with the Foundation.

All Officers and those Trustees with Additional Disclosures<sup>2</sup> – Disclosure of actual or potential conflicts of interest:

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Other than reimbursement of reasonable expenses, did you receive in the immediately preceding fiscal year more than \$10,000 per year from the Foundation for services provided as an independent contractor?

Yes  No

Did you have any interests<sup>3</sup> in a third party that provided goods or services to the Foundation in the immediately preceding fiscal year?

Yes  No

Have you received or do you expect to receive any material financial benefit from the Foundation other than those described above?

Yes  No

Do you have any family member<sup>4</sup> who receives compensation or material financial benefit from the Foundation?

Yes  No

Do you have a family or business relationship<sup>5</sup> with any current or former officer, Trustee, or key employee of the Foundation (other than an attorney-client, doctor-patient, or clergy relationship)?

Yes  No

If you answered “Yes” to any of the above, please explain in a separate writing.

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Signature

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Printed Name

Date: \_\_\_\_\_

<sup>2</sup> Trustees report actual or potential conflicts of interest on a separate Conflict of Interest Disclosure Statement and therefore do not need to complete this Section unless additional information not previously reported should be disclosed.

<sup>3</sup> For purposes of this disclosure, an interest includes an entity more than 35% owned, directly or indirectly, by one or more current or former officers, Trustees, or key employees or their family members (as defined in note 3 below) or entity in which you serve as an officer, director, trustee, key employee, or partner, member, or shareholder with a direct or indirect ownership interest in excess of 5% (including interests owned by family members).

<sup>4</sup> For purposes of this disclosure, family members include spouses, ancestors, brothers and sisters, children, grandchildren, and great grandchildren, and spouses of brothers and sisters, children, grandchildren, and great grandchildren.

<sup>5</sup> Include business relationships with entities or organizations in which another officer, Trustee, or key employee of the Foundation serves in a leadership, employment or ownership capacity, but do not include business relationships that occur in the ordinary course of business of either party’s business on the same terms as are generally offered to the public.