CONFLICTS OF INTEREST
AND CONDUCT OF INTERESTED PERSONS

PURPOSE OF POLICY:
The United States Coast Guard Academy Alumni Association (USCGAAA) has confidence in the loyalty and integrity of all members of its Board of Directors and staff. However, with the current emphasis being given on the subjects of conflicts of interest, improper corporate political activity and internal accounting controls of corporations, the Board of Directors considers it desirable to emphasize the policy of the Alumni Association on these subjects and to publish this statement as a guide for all persons, including directors, officers and other management personnel, who might, by reason of their duties, find themselves in a position where a conflict of interest may exist. This policy applies to the individuals identified in the policy and is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit corporations.

POLICY CONTENT:

A. Definitions

1. Interested Person. Any director, officer or member of a committee with board-delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.

2. Family. The family of any individual shall include his spouse, ancestors, brothers and sisters (whether whole or half blood), children, grandchildren, great grandchildren and the spouses of brothers and sisters, children, grandchildren, and great grandchildren. For all purposes herein, adopted children shall be considered the same as children by blood.

3. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment or Family:
   a. An ownership or investment interest in any entity with which the Alumni Association has a business transaction or arrangement, or;
   b. A compensation arrangement with the USCGAAA or with any entity or individual with which the Alumni Association has a business transaction or arrangement, or;
   c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Alumni Association is negotiating a
business transaction or arrangement. Compensation includes direct or indirect remuneration as well as gifts or favors that are substantial in nature.

B. 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/her financial interest to the directors and members of committees with board-delegated powers considering the proposed business transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after discussion with the Interested Person, the Interested Person shall leave the Board or committee meeting at which the financial interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest.
   a. An Interested Person may make a presentation at the Board or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.
   
   b. The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
   
   c. After exercising due diligence, the Board or committee shall determine whether the Alumni Association can obtain a more advantageous business transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
   
   d. If a more advantageous business transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Alumni Association’s best interest and for its own benefit and whether the transaction is fair and reasonable to the Alumni Association and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. Violations of the Conflicts of Interest Policy.
a. If the Board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such 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 in the circumstances, the Board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action.

C. Records of Proceedings

The minutes of the Board of Directors and all committees with board-delegated powers shall contain:

1. 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 existed; and

2. 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.

D. Annual Statements

Each director, officer and member of a committee with board-delegated powers shall annually sign a statement, in the form attached hereto and incorporated herein as Exhibit "A", which affirms that such person:

1. Has received a copy of the conflicts of interest policy,

2. Has read and understands the policy, and;

3. Has agreed to comply with the policy.

Adopted on this _____ day of ____________, 2014
Secretary of USCG Academy Alumni Association
EXHIBIT "A"

CONFLICTS OF INTEREST STATEMENT

I, ____________________________, do hereby affirm as follows:

1. I am an officer or a member of the Board of Directors or of a committee with board-delegated powers for the USCG Academy Alumni Association;

2. I have received a copy of the USCG Academy Alumni Association's Policy on Conflicts of Interest and Conduct of Interested Persons (the "Policy");

3. I have read and understood the Policy;

4. Unless otherwise indicated below and to the best of my knowledge, I am in full compliance with the Policy as of the latest date indicated below and agree to continue to comply with the Policy;

5. The following is a list of my business interest(s) and other organization with which either I or my Family (as such term is defined in the Policy) is financially involved in any manner:

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<thead>
<tr>
<th>Name of Organization</th>
<th>Name of Interested Person or Family Member</th>
<th>Nature of Involvement</th>
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Executed this ______ day of __________ 2015

Name:
Title:
Address:  

________________________________________

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