

**LEBANESE AMERICAN UNIVERSITY
CONFLICT OF INTEREST POLICY**

Approved by the Board of Trustees on June 6 & 7, 2003

Amended by the Board of Trustees on May 12, 13 & 14, 2005

Amended by the Board of Trustees on September 14 & 15, 2006

The Lebanese American University enjoys a special status in society, operating as a non-profit organization of higher education, in a large part supported by gifts made directly to the Institution, or to students, to support their ability to pay tuition. The Board of Trustees is responsible for maintaining and strengthening the quality and standards of the Institution and for assuring that the funds available to LAU are used most effectively to benefit the students. Members of the Board of Trustees, and other supporters of the Institution, are not compensated for their services, and should not expect financial rewards for their service and support.

Because the Trustees are responsible for the total well being of the Institution, their responsibility extends beyond financial aspects into all matters bearing on the progress, stability, and effectiveness, of the Institution. Thus the Board of Trustees should be alert to all relationships which could be seen as affecting its integrity. These may not always be issues of legality but of self-imposed standards.

This Policy is intended to assure that Trustees place the welfare of the Institution above personal interests, or the interests of family members, or others who may be personally involved in substantial affairs affecting the Institution, including not only fiscal transactions but any other matters affecting program, personnel, or auxiliary enterprises. In every case, decisions taken by the Board of Trustees are to be made solely on the basis of a desire to promote the best interests of the Institution and the public good.

The following shall be the policy of the University, and shall be carried out faithfully by the Administration in its conduct of the University's business.

1. The University shall not accept gifts from any source, which are conditional upon getting business - past, present or future - from the University.
2. It is the preference of the Board of Trustees that the University not engage in substantial business dealings, or transactions with members of the Board of Trustees, or with their close family relatives, or with business ventures with which they are affiliated. In the event that the Board of Trustees, or the officers of the Institution, should consider any transaction for the Institution which involves either 1) a member of the Board of Trustees of the Institution, or any member of his/her family, as defined below, or 2) an organization in which the member of the Board of Trustees has an active role, as defined below, then the following shall be followed:
 - a. The precise nature of the interest or relationship shall be disclosed to the Board of Trustees.
 - b. The tender policy shall be strictly adhered to.

- c. Members of the Board of Trustees involved shall not be present for, or participate in, the discussions or determinations of the Board of Trustees or Administration concerning this matter.
 - d. The ongoing management of any contract or business dealing described in this paragraph shall be carefully monitored by the Administration to ensure that the best and most objective business judgment is always exercised by the University. In addition, the Administration shall bring any complaints or concerns as to the satisfactory performance of this contract, or dealing, to the attention of the Executive Committee and the Audit Committee.
 - e. No member of the Audit Committee may engage in any business dealings with the University for two years prior to their service on the Audit Committee, during their service, or for two years after their service on the Audit Committee.
 - f. The external auditors shall prepare an annual report to the Board of Trustees which shall identify any, and all, business dealings and payments to members of the Board of Trustees, or to members of their families, or to businesses to which they are affiliated, and which report shall provide full disclosure of the terms and conditions under which these arrangements were made.
3. In any procurement involving a value estimated to be greater than USD 5,000, three or more independent bids, or tenders, shall be solicited and opened simultaneously to determine the best price available to the University. Any such procurement which does not follow this procedure, or any renewal of an existing or expiring contract for which three tenders are not available or obtained, involving a value estimated to be greater than USD 5,000, and which involves a Board member, or a member of their family, or a business venture with which a Board member is affiliated, shall be presented to the Board of the Trustees for approval, prior to its implementation.
4. All members of the Board of Trustees shall complete and sign an annual disclosure statement consistent with the form of disclosure recommended by the American Association of Governing Boards, and prepared for this purpose by the Administration of the Lebanese American University and adopted by the Board of Trustees.

Definitions:

Family Member:

Shall include the following relations of the individual: spouse, parents, children, siblings, siblings of parents, first cousins, and any person related to one of these individuals by marriage, or any other relation, who resides in the same household with the Board member.

Active Role:

Any influence a Board Member has in the decision making process, and in the operations of the business organizations. Influence is defined as follows:

- Direct or indirect ownership in limited liability, and/or joint stock companies, in excess of 10% equity stake.
- Direct or indirect ownership in an unlimited partnership, irrespective of percentage ownership.
- Membership on for-profit Boards, and/or on executive and non-executive committees.
- Holding a senior managerial position.

LEBANESE AMERICAN UNIVERSITY
Conflict of Interest Disclosure Form

1. Are you aware of any direct or indirect business dealings conducted with the university by yourself or any member of your immediate family as defined by the letter or spirit of the University's conflict of interest policy?

Yes No

If yes, please list or elaborate such dealings and the details of annual or potential financial benefit as you can best estimate them.

2. Did you or a member of your immediate family receive, during the past 12 months, any substantial gifts from any source from which the university buys goods or services or otherwise has significant business dealings?

Yes No

If yes, please list such gifts, their source, and their approximate value here.

<u>Name of Source</u>	<u>Item</u>	<u>Approximate Value</u>

3. Have you, or did you engage, in any unauthorized work that may be in apparent or real conflict with your duties and responsibilities at the University?

Yes No

If yes, please give details.

4. Are you engaged in any activity that may violate the university conflict of interest policy?

Yes No

If yes, please specify.

5. Did you have a family or a business relationship with any other trustee or key employee at the University?

Yes No

If yes, please elaborate.

I certify that the forgoing information is true and complete to the best of my knowledge. I will promptly notify the University Administration if there should be any change in my circumstances regarding the kinds of outside interests and relationships discussed in this disclosure form.

Name (in printed letters)	Signature	Date
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