

2017-18 CODE OF ETHICS / CONFLICT OF INTEREST POLICY
Resolved Annual Meeting- August 2017

This Code of Ethics (the "Code of Ethics") has been unanimously adopted by the Board of Directors of the School (the "Non-Profit" and is intended to apply to the Corporation's directors, officers and employees.

I. PURPOSE OF CODE OF ETHICS

The purpose of this Code of Ethics is to promote the honest and ethical conduct of the directors, officers and employees of the Corporation, including: (i) the ethical handling of actual or apparent conflicts of interest between personal and professional relationships; (ii) full, fair, accurate, timely and understandable disclosure in periodic reports required to be filed by the Corporation; (iii) compliance with all applicable governmental rules and regulations; (iv) prompt internal reporting of violations of this Code of Ethics; and, (v) accountability for adherence to this Code of Ethics. This Code of Ethics is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to non-profit and charitable corporations.

II. CONFLICT OF INTEREST POLICY

1. Definitions.

Interested Person. Any director, officer, or employee of the Corporation who has a direct or indirect financial interest, as defined below, is an interested person. 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 Corporation has a transaction or arrangement, or
- (b) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
- (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as loans, gifts or favors that are substantial in nature. Without limiting the generality of the foregoing, the receipt of gifts during any twelve-month period having a value or cost of \$25 or more in the aggregate shall be considered substantial in nature. financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

2. Procedures

- (a) Duty to Disclose. In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and must be given

the opportunity to disclose all material facts to the directors and members of committees with board-delegated powers considering the proposed transaction or arrangement.

(b) **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall thereupon determine, by a vote of seventy-five percent (75%) of the votes entitled to vote, whether the disclosure shows that a conflict of interest exists or can be reasonably construed to exist.

(c) **Procedures for Addressing the Conflict of Interest.**

(i) An interested person may make a presentation at the board or committee meeting, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.

(ii) 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.

(iii) After exercising due diligence, the board or committee shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

(iv) If a more advantageous 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 Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

(d) **Violations of the Conflict of Interest Policy.**

(i) If the board or committee has reasonable cause to believe that a person has failed to disclose actual or possible conflicts of interest or has violated this policy, it shall inform such person of the basis for such belief and afford such person an opportunity to explain the alleged failure to disclose or violation.

(ii) If, after hearing the response of the person and making such further investigation as may be warranted in the circumstances, the board or committee determines that the person has in fact failed to disclose an actual or possible conflict of interest or has violated this policy, it shall take appropriate disciplinary and corrective action.

(e) **Prohibited Conflicts of Interest.** The foregoing notwithstanding, the limitations specified below shall apply to all of the Corporation's directors, officers and employees, and any situation violating such limitations shall constitute a violation of this policy, not subject to waiver or approval by the board or otherwise:

(i) No person who is an officer or employee of a for-profit education management organization having a business relationship with the Corporation shall be a director of the Corporation during such relationship.

(ii) No director, officer, or employee of the Corporation may ask a subordinate, a student, or a parent of a student to work on or give to any political campaign.

3. 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.

4. Compensation.

(a) A voting member of the board of directors who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

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

5. Statements of Understanding.

Each director, officer and employee shall at the time of election, appointment or employment, and every anniversary thereof, sign a statement which affirms that such person:

(a) has received a copy of this Code of Ethics,

(b) has read and understands this Code of Ethics,

(c) has agreed to comply with this Code of Ethics, and

(d) understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

III. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Recognition of the public interest must be a permanent commitment of the Corporation in the conduct of its affairs. The activities of the Corporation's directors, officers and employees must always be in full compliance with both the letter and spirit of the Education Law, Not For-Profit Corporation Law, the Corporation's Charter, the Corporation's Bylaws and all other laws, rules and regulations applicable to the Corporation's purposes and business.

Furthermore, no such person should assist any third party in violating any applicable law, rule or regulation. This principle applies whether or not such assistance is, itself, unlawful.

The Corporation's directors, officers and employees must respect and obey the laws of the cities, states and countries in which the Corporation operates and avoid even the appearance of impropriety. When there is a doubt as to the lawfulness of any proposed activity, advice must be sought from the Corporation's president, the directors and/or legal counsel.

Violation of applicable laws, rules or regulations may subject the Corporation, as well as any director, officer or employee involved, to severe adverse consequences, including imposition of injunctions, monetary damages, fines and criminal penalties, including imprisonment.

Directors, officers and employees who fail to comply with this Code of Ethics and applicable laws will be subject to disciplinary measures up to and including termination of employment or relationship with the Corporation.

To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

(a) Whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.

(b) Whether partners and joint venture arrangements and arrangements with management services organizations conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the Corporation's charitable purposes, and do not result in inurement or impermissible private benefit.

(c) Whether agreements to provide education and agreements with other employees and third parties further the Corporation's charitable purposes and do not result in inurement or impermissible private benefit.

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