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|--------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------|
| BOARD OF TRUSTEES CONFLICT<br>OF INTEREST POLICY |  | POLICY NUMBER: CUE-BOT002                     |
|                                                  |                                                                                    | OWNER: BOARD OF TRUSTEES                      |
|                                                  |                                                                                    | CONTACT INFORMATION:<br>secretary@cue.edu.krd |
|                                                  |                                                                                    | EFFECTIVE DATE: Jul-20 2026                   |
|                                                  |                                                                                    | REVIEW DATE: Jul-20 2029                      |

# THE CATHOLIC UNIVERSITY IN ERBIL

## Board of Trustees Conflict of Interest Policy

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### I. PURPOSE

This policy document is established by the Catholic University in Erbil to serve as an official framework for ensuring consistent identification, governance, and application of Board of Trustee decisions in a neutral manner. Additionally, ensuring that decisions made by members of the Board on behalf of the University are in the best interest of the University and are not influenced by personal, familial, financial, or professional gain. It applies to actual or perceived conflicts.

Trustees commonly have a range of professional and personal associations and interests in both for-profit and nonprofit organizations. The University values the diverse commitments of its Trustees, recognizing that their involvement in other organizations brings valuable experience and engagement. In most cases, such affiliations do not affect a Trustee's role. However, it is essential that the Board is informed in advance of any interests that may raise concerns. This allows for appropriate measures to be taken to maintain transparency and integrity, and service to the common good, upholding CUE Catholic values. To support this, each Trustee is required to review this policy annually and complete the Trustee Conflict of Interest Disclosure Statement and Questionnaire (BOT-FR-001).

## II. SCOPE

☐ University-Wide

☒ Departmental Specify Department(s): Board of Trustees

This policy applies to all members of the Board of Trustees, including ex-officio and non-voting members, and officers of the Board. Senior leadership participating in Board activities shall comply with this policy when acting in a Board-related capacity.

## III. DEFINITIONS

**Actual Conflict of Interest:** when a Trustee's decision is directly influenced by competing interests, such as a financial stake in an outcome, and it requires immediate attention and disclosure.

**Conflict of Interest:** a conflict of interest arises when a Trustee, or persons affiliated with the Trustee, has direct or indirect financial interest, personal relationships that compromise, or may be perceived to compromise, the Trustee's objectivity or fiduciary responsibility to the University.

**Perceived Conflict of Interest:** a situation that a reasonable person would consider as likely to compromise objectivity.

**Potential Conflict of Interest:** a situation that could develop into an actual or perceived conflict of interest.

**Material Conflicts:** a situation involving significant financial interest such as ownership or investment valued over \$10,000 USD or receipt of compensation exceeding \$10,000 USD in a 12-month period.

**Bribery:** money, fees, commissions, credit, gifts, gratuity, items of value, or compensation of any kind that is offered to gain personal or organizational advantages.

**Corruption:** the misuse of entrusted power for private gain; any practice(s) where a board member receives or gives money or gifts to gain personal or organizational advantages such as favorable treatment, services, possibility to gain power, lowering of prices, or ensuring a particular contractor is winning a contract. Corruption may also occur in a more indirect form, in which the benefit is given to a third party (family, own business, etc.).

**Graft:** money, fees, commissions, credit, gifts, gratuity, items of value, or compensation of any kind that is received in exchange for providing personal or organizational advantages.

**Family Member:** any person related to a board member by marriage or blood until the fourth degree of separation.

**Trusteeship Committee:** CUE's Trusteeship Committee reviews and evaluates conflict of interest disclosures and situations, determines if a conflict of interest exists, and counsels on the actions potentially required to manage, reduce, or eliminate a Trustee's conflict of interest.

## IV. POLICY STATEMENT

Trustees owe the University duties of care, loyalty, obedience to mission, and confidentiality. In carrying out these fiduciary responsibilities, Trustees shall act solely in the best interests of the University and shall not permit personal, professional, financial, political, ecclesiastical, or other interests to improperly influence Board decisions.

Because Trustees often hold professional and personal affiliations with other entities, they shall avoid relationships and refrain from actions that create an actual, potential, or perceived conflict of interest, or that could be seen as using their position for personal gain, granting unwarranted preferential treatment, compromising impartiality, or undermining public confidence in the University's integrity and reputation.

## V. PROCEDURE STATEMENT

The guiding principles for identifying and managing conflicts of interest are:

- Avoidance of using University affiliation for personal gain
- Avoidance of granting unwarranted preferential treatment to individuals or organizations
- Avoidance of all forms of bribery, corruption, and graft
- Maintaining independence and impartiality
- Upholding public confidence in the University's integrity

### 1. CONFLICT OF INTEREST

Conflicts of interest often arise when a Trustee, their family members, or friends stand to benefit personally from the Trustee's involvement in a University activity or decision. They can also occur when a Trustee's external interests or obligations influence their actions on behalf of the University.

Importantly, conflicts are not always financial. Even without actual impropriety, the mere appearance or potential for a conflict can be just as harmful as direct self-dealing, potentially undermining trust in the University's integrity.

To uphold the integrity of the University's operations, Trustees must avoid financial or other relationships that create, or appear to create, an actual, potential, or perceived conflict of interest.

Trustees must also refrain from actions that could be seen as using their position for personal gain, granting undue preferential treatment, compromising independence or impartiality, or damaging the University's reputation or public trust. Below are key areas where conflicts of interest may arise:

### **a. Business Relationships**

A conflict of interest is presumed when the University engages in or considers a business transaction with a Trustee, their family member, or an entity (including religious, educational, or nonprofit organizations) in which the Trustee or family member has a financial interest or holds a position of authority.

A conflict becomes material, requiring greater oversight, when it is significant enough to warrant the Trustee's recusal from discussion or voting. Material conflicts are presumed if they involve:

- i. Financial Investments: Ownership or investment interests exceeding \$10,000, except:
  - Less than a 5% stake in a publicly traded company.
  - Investments held through publicly traded funds where the Trustee has no control over investment decisions.
- ii. Compensation: Material conflict including but not limited to non-dividend compensation (e.g., salary, consulting fees, royalties) exceeding \$10,000 in any 12-month period over the past three years, or the expectation of such compensation in the future.
- iii. Property Interests: Ownership interests in real estate, intellectual property, or other assets valued at \$10,000 or more.
- iv. Position of authority: Holding a role of actual or perceived authority in an external entity, such as a director, officer, trustee, partner, or its equivalent. A trustee is not considered to have a material conflict solely based on such a position unless additional factors indicate a potential conflict of interest.

### **b. Appropriation of University Opportunities**

If a Trustee becomes aware of a business, investment, or other valuable opportunity that rightfully belongs to the University. Trustees shall not appropriate, exploit, divert, or compete for business opportunities that properly belong to the University unless the Board has first declined the opportunity.

### **c. Use or Disclosure of Confidential Information**

All Trustees may not use confidential University information for non-University purposes or disclose it to third parties without Board approval. Unauthorized use includes leveraging such information for personal investments, business ventures, or other external transactions.

Confidential information also cannot be used to benefit family, employers, businesses, and/or outside organizations.

### **d. Acceptance of Gifts**

Trustees must not accept or solicit gifts, meals, favors, or gratuities—beyond nominal or de minimis value—for themselves or their family members from any individual or entity that has, or seeks to establish, a business relationship with the University.

#### **1. Matters Concerning the President**

The President of the University serves as an ex-officio, voting member of the Board and has an inherent conflict of interest in any matter concerning the President personally, including the President's appointment, reappointment, renewal, compensation, benefits, performance evaluation, discipline, suspension, leave, or removal. On any such matter, the President shall not vote and shall not be present for the Board's deliberation; the President may be invited to present information and shall then withdraw. Such matters shall be decided by the disinterested members of the Board. This is the explicit prohibition requested and aligns the policy with the Bylaws and Charter.

## **2. DISCLOSURE REQUIREMENTS**

Upon joining the Board and annually thereafter, all Trustees must complete the annual disclosure form, submit it to the Secretary of the Board, and promptly update it when new potential, perceived, or actual conflicts of interest arise. Disclosures must be full, honest, and proactive.

Initial and annual disclosures are submitted through the Trustee Conflict of Interest Disclosure Statement and Questionnaire (BOT-FR-001), while ad hoc disclosures must be made in writing to the Secretary of the Board of Trustees.

A Trustee who knowingly fails to disclose a conflict of interest or refuses to submit the required disclosure form may face removal from the Board, as outlined in the Bylaws of the Board of Trustees. Additionally, any personal gain obtained by the Trustee or their family member that the Board deems improper under this policy may be subject to repayment to the University.

## **3. REVIEW OF DISCLOSURES**

### **a. Initial Review**

The University's Secretary of the Board administers the conflict-of-interest process on behalf of the Board of Trustees. The Secretary, in consultation with the Trusteeship Committee and the Executive Committee, will review all submitted disclosures and ensure proper documentation is upheld throughout the process.

### **b. Review by the Trusteeship Committee**

If there is an actual or perceived conflict, the Secretary shall report promptly to the chair of the Trusteeship Committee, who will review the disclosures to and determine whether a material conflict exists. If a committee member is personally involved in the matter, they must recuse themselves from discussions and decisions, except when requested to provide information. The Committee may review any relevant documents, ask questions, and seek clarification from the Trustee involved.

If a material conflict is identified, the Committee will inform the Trustee and allow them to respond. The Committee will then take appropriate steps to eliminate or mitigate the conflict in accordance with Section 5 (Violations) or, if necessary, refer the matter to the Board of Trustees for further review.

### **c. Review by the Board**

If a matter is referred to the Board of Trustees, the Board may question the involved Trustee, who will have an opportunity to present their case. The Trustee must then recuse themselves from the meeting while the disinterested Board members determine, by majority vote, whether the conflict is material.

- If a material conflict exists, the Board will implement measures to eliminate or mitigate the conflict per X.
- If no material conflict is found, the Trustee may fully participate in discussions and voting on the matter.

In some cases, conflicts of interest may be disclosed directly to the Board, such as when a Trustee becomes aware of a conflict during or immediately before a Board meeting. In such instances, the Board may choose to assess the conflict itself or refer the matter to the Trusteeship Committee for further review.

Throughout the process, the Trusteeship Committee may consult with the Executive Committee, as needed.

#### **4. DISPOSITION AND MANAGEMENT OF MATERIAL CONFLICTS**

If the Trusteeship Committee or, when necessary, the Board determines that a Trustee has a material conflict of interest regarding a matter before the Board or one of its committees, the committee or Board may take one of the following actions:

- Exclude the Trustee from both discussion and voting.
- Permit the Trustee to participate in the discussion, but not the vote.

In making this determination, the Trusteeship Committee and the Board will consider the structural composition of the Board.

If the Board determines that a material conflict of interest exists, it may approve the transaction or arrangement only if a majority of disinterested Trustees find that it is in the University's best interest. The Board may engage external consultants as needed to assist in its evaluation.

Per the Bylaws of the Board of Trustees, if the number of disinterested Trustees present does not constitute a quorum, the Board must postpone consideration of the matter until a quorum of disinterested Trustees is available.

#### **5. VIOLATIONS**

If the Board or Committee has reasonable cause to believe that an individual covered by this policy has failed to disclose an actual or potential conflict of interest, or has not properly safeguarded nonpublic, confidential information, the individual shall be informed of the concern and given an opportunity to respond.

If, after reviewing the response, the Board or Committee determines that the individual knowingly failed to disclose a conflict or to protect confidential information without valid justification, appropriate disciplinary and corrective action shall be taken, in accordance with the Bylaws of the Board of Trustees.

## 6. RECORD OF PROCEEDINGS

Whenever the Board meets to discuss a Trustee's non-University association or interest, determine the existence of a conflict of interest, or consider a transaction or arrangement involving a material conflict, the Board's deliberations and decisions on these matters shall be documented in the meeting minutes by the Secretary of the Board. The Secretary of the Board shall summarize all reported cases of conflict of interest and present them to the Board at the annual meeting.

## 7. ACTIONS NOT VOID OR VOIDABLE

No transaction or action taken by the University shall be deemed void or voidable, nor subject to challenge by an external party, solely on the basis of noncompliance with this policy or its underlying principles.

## VI. POLICY HISTORY

- a) Owned by: Board of Trustees
- b) Reviewed by: Policy and Procedure Review Committee
- c) Approved by: Board of Trustees
- d) Date approved: Jul-20 2026
- e) Related Policies: Bylaws of the Board of Trustees
- f) Related Procedures: N/A
- g) Version: N/A
- h) Revision dates: Jun-16 2025 (Original); Jul-20 2026 (template)

## VII. APPENDICES

APPENDIX I: [Trustee Conflict of Interest Disclosure Statement and Questionnaire Form](#)