

#### 1.4 ANTI-NEPOTISM AND CONFLICT OF INTEREST POLICY

All decisions of the directors, officers, employees, agents and volunteers are to be made solely on the basis of a desire to promote the best interest of the Scholars Academy, its students, and the public good. It is unreasonable to expect that an effective board and organization can consist of individuals entirely free from actual or perceived conflicts of interest at all times. However, these individuals have a responsibility to disclose their actual or perceived conflicts at the earliest possible time so as to avoid perceived or actual harm to the Scholars Academy.

All transactions between the Scholars Academy and its directors, officers, employees, agents or volunteers (other than reimbursements for expenditures made on behalf of the Scholars Academy) must be approved by the Scholars Academy board.

No Scholars Academy director, officer or employee having a personal direct or indirect interest in a Scholars Academy business transaction may be involved in the decision with respect to whether the Scholars Academy should enter into such transaction. Scholars Academy directors shall comply with N.C. Gen. Stat. Section 55A-8-31 for purposes of identifying direct or indirect interests of a director and for conducting a transaction in light of such interest.

Any director who has a direct or indirect personal interest in a Scholars Academy transaction shall recuse himself or herself from further consideration of the issue once such interest is identified.

If Scholars Academy funds an award or scholarship, then no such Scholars Academy scholarship or award may be made to an officer, director, or employee of Scholars Academy or to a family member of such person unless the recipient of the award is determined by an independent awards committee.

No Scholars Academy property (including donations) may be used by any individual or outside organization without the permission of the Board of Directors.

All directors, officers and employees will avoid conflicts of interest or the appearances of conflicts of interest in the scope of their work and service to the Scholars Academy. If a director, officer or employee becomes aware of any personal conflict of interest or any appearance of a personal conflict of interest, he or she should notify the Executive Director or the Chair of the Board immediately.

No director, officer, or employee will solicit or receive personal financial gain, other than that received as agreed upon by the Scholars Academy, for acting in the director, officer, or employee's official capacity for the Scholars Academy.

No director, officer, or employee shall be an employee of a for-profit company that provides substantial services to the Scholars Academy for a fee.

No employee of the Scholars Academy shall be an immediate family member (as defined N.C. Gen. Stat. Section 115C-12.2) to a director, officer, or the Executive Director.

No employee of the Scholars Academy, regardless of how employed, shall be a voting member of the Board of Directors of the Scholars Academy.

Notwithstanding the foregoing, a person shall not be disqualified from serving as a member of the Board of Directors because of the existence of a conflict of interest, so long as the person's actions comply with:

- a) The conflict of interest policy established above;
- b) N.C. Gen. Stat. Section 115C-218.15(b)(3); and
- c) Applicable law.

Originally Adopted: November 24, 2014

Revised: May 26, 2015

Revised: July 23, 2018