



CODE OF ETHICS

Code of Ethics

This policy statement of the LSU Foundation (the “Foundation”) shall be known as its “Code of Ethics.” It is essential to the proper operation of a private foundation that its members, officers, staff members, and volunteers perform their services on behalf of the Foundation in an independent and impartial manner and do so while aspiring to advance the best interests of the Foundation and those that it serves; that decisions and policy of the Foundation be made in the proper channel of the Foundation’s charter; that Foundation office and employment not be used for private gain other than the remuneration provided by the by-laws of and written policies adopted pursuant to appropriate action of the officers and board members of the Foundation; and that there be public confidence in the integrity of all actions taken by the Foundation. The attainment of one or more of these ends is impaired when a conflict exists between the private interests of an officer, a member of the staff, or a member of the board of directors of the Foundation and his or her duties as such. The interest in maintaining the highest of ethical standards that serves as a guiding principle of the Foundation, therefore, requires that the Foundation protect against such conflicts of interest and that it establish appropriate ethical standards with respect to the conduct of its officers, members of its staff, and members of its board of directors without creating unnecessary barriers to service to the Foundation. It is the purpose of this policy statement to implement these policies and objectives. This policy statement consists of two parts: the first concerns conflicts of interest and the second sets forth ethical standards of the Foundation. This policy statement shall apply, as applicable, to the LSU Foundation, the LSU Property Foundation and the LSU Marine Property Foundation.

I. CONFLICTS OF INTEREST

It is acknowledged and desired that members of the Foundation (“Members”), volunteers who participate in or support Foundation activities but who have not become Members (including volunteers who are Louisiana State University personnel, each a “Volunteer” and collectively, “Volunteers”), the staff of the Foundation (together with its officers, herein called the “Staff”), and members of the Board of Directors of the Foundation (each a “Director” and, together with Ex-Officio members of the Board of Directors, collectively, the “Directors”) from time-to-time establish and maintain many relationships, interests, and memberships. Members, Volunteers, Staff, and Directors are sometimes collectively herein called “Foundation Participants.” Except as otherwise indicated herein, this conflicts of interest policy (this “Conflicts of Interest Policy”) shall apply to all Foundation Participants. The purposes of this Conflicts of Interest Policy are two-fold:

(i) Foundation Participants must strive to be above suspicion. It is not enough for Foundation Participants to believe that they are operating from the highest motives, and that any particular action is innocent, regardless of its appearance. So far as possible, actions by, and relationships of, Foundation Participants must not create any appearance of impropriety; and

(ii) It is desirable that Foundation Participants have a practical guide for their conduct of the affairs of the Foundation, so that conduct can be determined by reference to it when particular situations are examined.

In general, this Conflicts of Interest Policy deals with problems in the area commonly called “conflicts of interest,” which extends to possible charges of “undue influence,” or of “conspiracy” or of “favoritism.” Actions taken, or decisions made not to act, by the Foundation should be defensible, when taken or made, as having been: (i) based upon the best judgment of the individuals involved; and (ii) taken or made without any bias.

The two central concepts of this Conflicts of Interest Policy are: “complete disclosure” and “independence.” The disclosure of associations, no matter how remote, of the individual or individuals who participate in decisions, with any potential or prospective personal or business interests, or those of the immediate family or employer of any of the Foundation Participants, avoids any misunderstanding or later charges of concealment. In some cases, disclosure of an association or past association may indicate that the Foundation Participant involved should abstain from participating in the decision-making process.

A. STANDARD

The standard of behavior is that all Foundation Participants shall scrupulously avoid any conflict of interest, or the appearance of any conflict of interest, between each of their personal, professional and business interests (including, those of their immediate family or employer), and the interests of the Foundation. Under this standard, a conflict of interest occurs in instances in which any of the Foundation Participants’ private or personal interests interfere, or appear to interfere, with the interests of the Foundation as a whole.

This standard of behavior includes avoiding conflicts, benefits, gains, or undue influence for the personal or professional benefit of any of the Foundation Participants and, also, for the benefit of the family of any of the Foundation Participants whether or not in the household, the employer, and the personal friends and the business associates of any of the Foundation Participants.

This standard of behavior requires a careful adherence to and compliance with both the letter and the spirit of this Conflicts of Interest Policy. All Foundation Participants are to act for and in the best interests of the Foundation and remain independent and impartial from external, private, or personal interests and considerations.

B. DISCLOSURE

Upon or before a Member is elected to committee membership in the Foundation or as an officer or director of the Foundation (such Members are sometimes collectively herein called “Core Members”), certain disclosures are required. Each Core Member is to make a disclosure of interests, memberships, relationships, arrangements, investments and holdings that potentially could compromise or appear to compromise a Core Member’s independence or result in a material conflict

between the personal, professional or business interests of the Core Member, or those of the immediate family or employer of the Core Member, and the interests of the Foundation. The disclosure (the “Disclosure”) shall be provided to the legal office of the Foundation and shall include an accurate and complete written list prepared by each Core Member of his or her principal business activities, as well as offices and board or other fiduciary positions held in other charitable and business organizations. The Disclosure may be made electronically or by means of the disclosure form attached hereto as Exhibit I. Once the Disclosure is made by a Core Member, annually thereafter, the legal office shall provide such Core Member with a copy of his or her current Disclosure and each such Core Member shall make any additions or deletions to the Disclosure, as may be appropriate, and return the updated Disclosure to the legal office. Disclosure Statements shall be reviewed by the Foundation’s legal counsel on an annual basis to confirm there are no conflicts of interest as reflected in the information reported by Core Members that would disqualify a Core Member from serving as an officer, director or committee member for the Foundation.

Each Core Member is obligated to the Foundation and to his or her fellow Core Members to inform them of any position he or she holds, and of any business or vocational activity which may result in a possible conflict of interest or bias for or against a particular action or policy, at the time such action or policy is under consideration by the Board or committee thereof. In the course of the Foundation meetings or activities, each Core Member is to disclose any direct or indirect interests in a transaction or decision that potentially could be a conflict of interest; *e.g.*, whenever the family, employer or close associates of the Core Member will receive a benefit or gain, or an opportunity or potential for benefit arises, or an opportunity for unfair influence arises, or an opportunity for detriment or harm to the Foundation or for benefit or gain to a third party at the expense of the Foundation arises. Core Members should err on the side of prudence, and declare an actual or potential conflict if in doubt as to a relationship or interest. This will prevent tainting the decisions, the reputation, and integrity of the Foundation.

C. ABSTENTION

Once any disclosure has been made, whether by means of the Disclosure or, contemporaneously, in the course of the Foundation meetings or activities, the Core Member shall refrain from any discussion of the transaction or decision in the particular committee, group, or task force. Further, the Core Member shall physically leave the meeting for the duration of the particular discussion, and, accordingly, shall abstain from voting on the issue. Such abstention from discussion and voting is to be documented appropriately.

Besides abstention from discussion at the meeting, the Core Member shall refrain from discussing the issue or otherwise appearing to influence the outcome with other Core Members.

The objective is that the interested Core Member shall have abstained from discussion, voting, and any other aspect of influencing or participating in the decision- making process.

D. IMPLICATIONS

A Core Member with potential conflicts of interest generally is not barred from membership on committees, participation in activities, or service in an office of the Foundation.

The employer of a Core Member Participant generally is not automatically barred from any financial transactions or business dealings with the Foundation. An interested Core Member must disclose the direct or indirect interest, abstain from all related discussions, actions to influence, and voting. In some cases, it may be necessary or desirable to bar a particular transaction with the employer of an interested Core Member to safeguard against an actual or perceived conflict and thereby protect the integrity of the Foundation.

A Core Member may not in every case always be able to completely avoid the perception of a conflict of interest, undue influence, or unfair benefit. All Core Members must act prudently in every case to avoid actual conflicts of interest, undue influence, or unfair benefit, and also to make every reasonable effort to avoid a perception thereof. To accomplish this, Core Members will exercise good judgment, and act reasonably and prudently. Further, Core Members will provide timely, full and complete disclosure of actual or potential conflicts, abstain from discussion, influencing activities and voting, and provide adequate supporting documentation as necessary.

E. GIFTS AND HONORARIA

While acting in the capacity of a Foundation representative, Core Members shall neither solicit nor accept, for their personal, professional or business gain, gifts, gratuities, honoraria, entertainment, favors or other goods (other than promotional items with no material resale value and payment for reasonable food and drink expenses in the ordinary course of business) or services from current or prospective vendors of, or providers of services to, the Foundation. The acceptance by a Core Member, of any such gift, gratuity, honorarium, entertainment, favor or other good or service shall be disclosed in the same manner as provided for in the disclosure of conflicts of interest (the disclosure shall be made by means of the disclosure form attached hereto as Exhibit II) and the acceptance by a Core Member, of any such gift, gratuity, honorarium, entertainment, favor or other good or service whose fair market value exceeds \$1,000 shall contravene this Ethics Policy.

Nothing contained in this Conflicts of Interest Policy shall prohibit Core Members in their personal or professional capacity, or their employers, from having relationships with the same organizations or persons who are current or prospective vendors of, or providers of services to, the Foundation. In such instances, the Core Members shall take all prudent and reasonable measures to maintain their independence and distinguish actions and decisions made personally, professionally, or commercially from the relationship or position in the Foundation of the Core Member.

F. SELF-DEALING TRANSACTIONS

While a Core Member Participant or its employer generally is not automatically prohibited from financial transactions or business dealings with the Foundation, Core Members are to avoid actual or perceived conflicts of interest, unfair benefit, personal gain, or undue influence in dealings

or transactions with the Foundation. As a general matter, a Core Member or its employer may engage in dealings with the Foundation if the Core Member does not participate in the discussion or voting or otherwise participate in the decision-making or selection process, and the selection is an open, competitive process or is accomplished through peer review.

In some instances, it may be necessary or reasonable to bar a particular transaction with a Core Member, its employer or business associates to safeguard against reasonable perceptions of conflicts of interest.

Each Foundation Participant agrees not to disclose confidential information gained by reason of his or her official position or otherwise utilize such information for his or her personal gain or benefit.

G. LAWS, RULES, REGULATIONS, AND POLICIES

Foundation Participants shall adhere to all laws (herein called “Requirements of Law”), rules, regulations, and policies applicable to the Foundation. The failure to adhere to any of such Requirements of Law, rules, regulations, and policies may be grounds for disciplinary action, including, without limitation, with respect to the Staff, termination of employment.

H. PRESIDENT AND CHIEF EXECUTIVE OFFICER

The President and Chief Executive Officer of the Foundation shall be responsible for implementation of this Conflicts of Interest Policy. Procedures for maintaining adherence to this Conflicts of Interest Policy consist of two-steps. First, procedural or substantive questions regarding any conflict of interest or potential conflict of interest, as well as questions concerning implementation of this Conflicts of Interest Policy, shall be referred to legal counsel for review and recommendation to the Board of Directors of the Foundation. The final step in this procedure begins with a referral from legal counsel of a recommendation and shall be completed by action by the Board of Directors of the Foundation, as it may deem appropriate.

I. EX-OFFICIO MEMBERS WHO ARE LSU EMPLOYEES

Although the Foundation exists to support LSU and its educational programs, the Foundation must fulfill its mission in a reasonable and prudent manner with due consideration to the Foundation’s obligation to operate in a financially sound and prudent manner. Certain LSU employees, including the President of the LSU System, Chancellors, and other individuals, may be designated as non-voting ex-officio members of the Board of Directors or committees established by the Board. Participation by these individuals is essential to the function of the Foundation as an *independent* support organization in that it ensures transparency and promotes communication among the Foundation, the Board of Supervisors and the campuses served by the Foundation; however, participation by these individuals in activities of the Board of Directors and or committees established by the Board presents an inherent conflict of interest between LSU’s financial needs and the obligation that the Foundation operate in a financially sound and prudent manner. Therefore, in addition to the other provisions of this Code of Ethics and guidelines established in the Affiliation

Agreement executed by and between Foundation and the LSU Board of Supervisors, Ex-Officio Members of the Board of Directors and committees established by the Board who are LSU employees shall be guided by the following considerations.

Ex-Officio Members of the Board of Directors and committees established by the Board who are LSU employees can be of great assistance to the Foundation given their ability to accurately convey information on LSU programs, priorities and needs. In communicating such information, LSU employees must endeavor to do so in an objective manner with appropriate recognition of the Foundation's obligation to operate in a financially sound and prudent manner and the obligation of Core Members to exercise independent business judgment. In addition to making appropriate disclosures and abstaining from discussions in circumstances involving conflicts of interest, LSU employees shall leave meetings for the duration of discussions involving: (i) consideration of the proposed payment of salary supplements or similar employee benefits by the Foundation for benefit of any LSU employees; and, (ii) the appropriation of private funds that may be utilized to reimburse or pay expenses of the LSU employee.

J. GOVERNMENTAL SERVICE BY CORE MEMBERS

In keeping with its status as an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code and to ensure that membership in and support for the Foundation appeals to individuals and organizations regardless of their political affiliation, the Foundation must be politically neutral in both perception and actual practice. Maintaining political neutrality requires consideration by the Foundation of whether a Core Member's candidacy for and/or election or appointment to political office may result in a possible conflict of interest or a bias for or against either the Foundation or the institutions and programs supported by the Foundation. Accordingly, prior to qualifying as a candidate for or accepting appointment to a political office, Core Members and individuals being considered for election to Core Membership positions should make appropriate written disclosures to the Chairperson of the Board with a copy to the President and CEO. Disclosures received by the Chairperson of the Board shall be transmitted to the Governance Committee for a determination as to whether holding the office at issue may conflict with service as a Core Member of the Foundation. With respect to political offices where there is no substantial potential for conflicts of interest or bias (such as service on City or Parish Councils, service on local school boards, service as a City Court Judge or District Court Judge - except in the 19th Judicial District), no written disclosure prior to qualifying as a candidate for or accepting appointment to such offices shall be required.

II. ETHICAL STANDARDS

The ethics policy (this "Ethics Policy") of the Foundation shall be guided by certain general principles that announce ethical standards intended to guide the actions and behavior of all Foundation Participants. As stated in Article I, Section G of this Code of Ethics, the Foundation requires strict observance of all Requirements of Law; however, even in instances in which the law is permissive, a guiding principle of the Foundation is that Foundation Participants shall be required to take the course of the highest integrity. Although the Foundation embraces diversity in all of its

policies and acknowledges that, among various cultures, customs and traditions may differ and must be recognized, one of the underpinnings of the ethics policy of the Foundation is that honesty is not subject to criticism in any culture and shades of dishonesty are uniformly held to be demoralizing and reprehensible by people of all backgrounds. The Foundation urges all Foundation Participants to maintain a well-founded reputation for scrupulous dealing. The Foundation encourages open and full communications within the Foundation and with those charged with its oversight. The Staff is encouraged to tell higher management all that they are doing, to record all transactions accurately in their books and records, and to be honest and forthcoming with the Foundation's internal and external auditors. The Foundation expects compliance with its standards of integrity by all Foundation Participants and will not tolerate anyone who achieves results at the cost of violation of this Code of Ethics, including any Requirement of Law, or any unscrupulously dealings. The Foundation continues to support, and it expects all involved to support, any Foundation Participant who passes up an opportunity or advantage that would sacrifice ethical standards.

A. BEHAVIOR

Foundation Participants must conduct themselves in a way that serves to promote the best interests and well being of all involved with the Foundation.

B. CONFIDENTIALITY

As stated in Article I, Section F of this Code of Ethics, the Foundation requires strict observance confidential information gained by reason of his or her official position and further requires that such information may not be utilized for a Foundation Participant's personal gain or benefit. Moreover, since, in the course of conducting Foundation business, Foundation Participants may be exposed to sensitive or confidential information, it is absolutely imperative that Foundation Participants neither copy nor discuss nor otherwise disseminate any such confidential or sensitive information with any person, either inside or outside of the Foundation, unless such discussion is essential to the conduct of Foundation business.

C. ELECTRONIC COMMUNICATION

All electronic communication systems and all communications and information transmitted by, received from, or stored in these systems are the property of the Foundation and, as such, are to be utilized solely for purposes of conducting the business of the Foundation. The use of any software or business equipment, including, without limitation, facsimiles, telecopiers, computers and photocopiers, for private purposes is strictly prohibited. Transmitting or displaying messages or pictures by any means of a pornographic, sexist, racist or otherwise offensive nature is also prohibited.

Further, the Staff shall not be permitted to utilize a code or password, access a file or retrieve any stored communication unless authorized by an appropriate officer of the Foundation. No member of the Staff may utilize a code or password that has not been issued to that member of the Staff or that is unknown to the Foundation. Members of the Staff who violate this policy are subject to disciplinary action, up to and including termination. All messages created, sent or retrieved over

the Foundation's e-mail, voice mail, and internet systems are the property of the Foundation and should be considered available for review and use by the Foundation. To ensure that the use of electronic communications systems and business equipment is consistent with the legitimate business interests of the Foundation, officers of the Foundation are authorized to monitor the use of such equipment from time to time. For that reason, there exists no expectation of privacy in voice mail, e-mail, or any other communication given through or received on the Foundation's electronic systems. The Foundation reserves all rights to access and monitor all messages and files on any of the Foundation's communication systems. Each user of the Foundation's communications systems is responsible for the content of all text, audio or images that they place or send over such systems. No e-mail or other electronic communications may be sent that hide the identity of the sender or represent the sender as someone else or someone from outside of the Foundation. All messages communicated on the Foundation's e-mail and internet system shall contain the sender's name or otherwise identify the sender. All communications sent by users of the Foundation's e-mail and internet system must comply with this and other policies of the Foundation and may not disclose any confidential or proprietary information. Copyrighted material belonging to persons other than the Foundation may not be transmitted by users of the Foundation's communication systems. To prevent computer viruses or other computer problems from being transmitted through the Foundation's communication systems, the Staff is not authorized to add or install any hardware or software of any kind (including utilizing unauthorized diskettes or CD's and downloading files from the internet) unless approved by an appropriate officer of the Foundation. All diskettes, CD's and downloaded files entering any computer or communication system of the Foundation from outside sources must be scanned for computer viruses prior to their contents being loaded or installed on the Foundation's systems. All downloaded software must be registered to the Foundation. Misuse of e-mail, voice mail or other communication systems by members of the Staff may be subject to disciplinary action, up to and including immediate termination. Electronic media should be treated as any other media. Anything, which would be deemed inappropriate in any other media, shall also be considered to be inappropriate in electronic media.

D. HARASSMENT

The Foundation strives to preserve its high standards of professionalism by maintaining a congenial work environment and will all take necessary steps to ensure that such environment conforms to its standards of professionalism. All Foundation Participants must treat each other with courtesy, consideration, and professionalism. The Foundation will not tolerate harassment or discrimination against any Foundation Participant for any reason including, without limitation, with respect to veteran status, race, color, religion, sex, marital status, national origin, physical or mental disability, age, or political affiliation. The Foundation prohibits not only unlawful harassment, but also prohibits other unprofessional and discourteous actions. Additionally, pregnancy and use or non-use of tobacco products outside the workplace are protected under Louisiana law and harassment or discrimination with respect to such matters will not be tolerated. The Foundation also prohibits sexual harassment of any member of the Staff by another member of the Staff or supervisor. The purpose of this policy is to ensure that no person is subject to harassment in the workplace of the Foundation.

Under applicable Requirements of Law sexual harassment is defined as unwelcome sexual

advances, requests for sexual favors, visual, verbal, or physical conduct of a sexual nature when: (i) submission to the conduct is made a term or condition of employment; or (ii) submission to or rejection of the conduct is utilized as basis for employment decisions affecting the individual; or (iii) the conduct has the purpose or effect of unreasonably interfering with the individual's work performance or creating an intimidating, hostile, or offensive working environment. This definition includes many forms of offensive behavior. The following is a partial list:

- a. Unwanted sexual advances;
- b. Offering employment benefits in exchange for sexual favors;
- c. Making or threatening reprisals after a negative response to sexual advances;
- d. Visual conduct such as leering, making sexual gestures, or displaying sexually suggestive objects, pictures, cartoons, or posters;
- e. Verbal conduct such as making or using derogatory comments, epithets, slurs, sexually explicit jokes, or comments about any individual's body or dress;
- f. Verbal sexual advances or propositions;
- g. Verbal abuse of a sexual nature, graphic verbal commentary about an individual's body, sexually degrading words to describe an individual, or suggestive or obscene letters, notes, or invitations;
- h. Physical conduct such as touching, assault, or impeding or blocking movements; and
- i. Retaliation for reporting harassment or threatening to report harassment.

It is unlawful for males to harass females or other males, and for females to harass males or other females. Sexual harassment on the job is unlawful whether it involves coworker harassment, harassment by a supervisor, or harassment by persons doing business with or for the Foundation.

The Foundation also prohibits harassment on the basis of race, color, national origin, ancestry, religion, physical or mental disability, marital status, age, or any other legally protected basis. Prohibited conduct includes behavior from the following non-exclusive list of actions:

- a. Verbal conduct such as threats, epithets, derogatory comments, or slurs;
- b. Visual conduct such as derogatory posters, photographs, cartoons, drawings, or gestures;
- c. Physical conduct such as assault, unwanted touching, or blocking normal movement; and
- d. Retaliation for reporting harassment or threatening to report harassment.

Any member of the Staff that feels he or she is a victim of any form of harassment described in this Code of Ethics must immediately report the matter to his or her supervisor. If the employee believes that he or she is being harassed by his or her supervisor, the employee should report the inappropriate conduct directly to the President and CEO of the Foundation. Persons making truthful reports of harassment will not be subject to discipline or retaliation for making the complaint.

All incidents of prohibited harassment that are reported will be investigated. The investigation will be completed and a determination regarding the reported harassment will be made and communicated to the employee who complained and to the person accused of the harassment. The Foundation recognizes that each such investigation requires a factual determination. It is also recognized that false accusations can have serious impact. The Foundation requires all of its

employees to act in a mature and responsible manner while participating in such investigations.

Should the Foundation determine that prohibited harassment has occurred, the Foundation will take effective remedial action commensurate with the circumstances, up to and including immediate termination in order to remedy the offense and to deter future offensive conduct. The complaining employee will be informed of the results of the investigation as well as any disciplinary action taken.

All members of the Staff are advised not to allow an inappropriate situation to continue by not reporting it, regardless of who creates the situation. No one involved in the Foundation is exempt from this policy.

This policy shall be periodically reviewed by an appropriate committee or subcommittee of the Board of Directors, and any recommended revisions and updates will be presented to the Board of Directors for approval.

Revised August 24, 2007

Revised May 22, 2009

Revised March 25, 2011

Name _____

EXHIBIT I
DISCLOSURE STATEMENT

INSTRUCTIONS: STATE THE BUSINESS IN WHICH YOU ARE A PARTNER, OFFICER, BOARD MEMBER, OR PRINCIPAL OWNER AND PROVIDE APPROPRIATE DETAIL IN THE SPACE BELOW:

<u>NAME OF ENTITY ORGANIZATION</u>	<u>POSITION</u>	<u>NATURE OF ORGANIZATION</u>	<u>ADDRESS OF</u>
1.			
2.			
3.			
4.			
5.			

Signature

Date

EXHIBIT II
Disclosure of Gifts and Honoraria

The Code of Ethics of the LSU Foundation provides as follows with regard to gifts and honoraria:

While acting in the capacity of a Foundation representative, Core Members (e.g., members, officers and directors of the Foundation) shall neither solicit nor accept, for their personal, professional or business gain, gifts, gratuities, honoraria, entertainment, favors or other goods (other than promotional items with no material resale value and payment for reasonable food and drink expenses in the ordinary course of business) or services from current or prospective vendors of, or providers of services to, the Foundation. The acceptance by a Core Member, of any such gift, gratuity, honorarium, entertainment, favor or other good or service shall be disclosed in the same manner as provided for in the disclosure of conflicts of interest and the acceptance by a Core Member, of any such gift, gratuity, honorarium, entertainment, favor or other good or service whose fair market value exceeds \$1,000 shall contravene this Ethics Policy.

Nothing contained in this Conflicts of Interest Policy shall prohibit Core Members in their personal or professional capacity, or their employers, from having relationships with the same organizations or persons who are current or prospective vendors of, or providers of services to, the Foundation. In such instances, the Core Members shall take all prudent and reasonable measures to maintain their independence and distinguish actions and decisions made personally, professionally, or commercially from the relationship or position in the Foundation of the Core Member.

In the space provided below, please disclose any gifts or honoraria you received from individuals or entities known by you to be current or prospective vendors of or providers of services to the LSU Foundation, including its affiliates, during the past year which have not been previously disclosed in writing:

<u>Type of Gift/Honoraria</u>	<u>Gift Received From</u>	<u>Value of Gift</u>
1.		
2.		
3.		
4.		
5.		

Signature

Date