

**THE UNIVERSITY OF CALIFORNIA HOME LOAN PROGRAM
CORPORATION
CONFLICT-OF-INTEREST POLICY**

[1] Members of the Board of Directors and employees of The University of California Home Loan Program Corporation shall conduct their business, investment, and personal affairs in such manner as to avoid any conflict with their duties and responsibilities to The University of California Home Loan Program Corporation (the “Corporation”). This Conflict-of-Interest Policy (“Policy”) shall apply to any transaction or arrangement with an “interested person.” An “interested person” is (i) a director or officer of the Corporation, or any member of a committee of the Corporation with Board-delegated powers, (ii) an employee of the Corporation earning \$50,000 or more annually, (iii) any other person in a position to exercise substantial influence over the Corporation’s affairs, or (iv) a family member of an individual described in (i), (ii) or (iii). This Policy shall also apply to any transaction or arrangement with any entity in which an interested person has (i) an ownership or investment interest, (ii) an employment relationship or other compensation arrangement, or (iii) a potential ownership or investment interest or compensation arrangement; provided, however, that any transaction or arrangement with The Regents of the University of California shall not be deemed a conflict of interest for purposes of this Policy. It shall be the policy of the Corporation that:

- A. The Board shall require each interested person described above to disclose any financial interest in any other corporation, firm, association, or other entity contracting or engaging in any other transaction with the Corporation.
- B. As soon as is practicable after determining that a potential conflict of interest exists, the Board shall first deliberate the matter after the potentially interested person supplies such information as the Board shall request, recuses himself or herself, and leaves the meeting, and then the Board shall decide if a conflict of interest exists.
- C. In the case of all compensation arrangements and all other arrangements where the Board determines that there is a conflict, the Board shall:
 - 1. Require that the interested person leave the meeting during the discussion of, and the vote on, the transaction or arrangement that may create the conflict of interest; and
 - 2. Enter into the transaction only if the Board determines, by a majority vote of the non-interested directors then in office, that the transaction or arrangement is in the Corporation’s best interests and for its own benefit; is fair and reasonable to the Corporation and, after exercising due diligence, determines that the Corporation

cannot obtain a more advantageous transaction or arrangement with reasonable efforts under the circumstances.

- D. The minutes of the Board meetings and the meetings of any committee with Board-delegated powers shall include:
1. The name of each person who discloses an interest, the nature of that interest, and whether the Board has determined that there is a conflict of interest;
 2. Copies of all documents describing the other alternatives to the proposed transaction, comparable salaries, and any other due diligence appropriate to the transaction; and
 3. The names of the persons who were present for discussions and votes relating to the transaction or arrangement and the content of those discussions, including any alternatives to the proposed transaction or arrangement, and a record of the vote.
- E. The Board shall ensure that this Policy is distributed to all interested persons described in (i) and (ii) of Part [1] above. Each such person shall sign an annual statement, in the form attached hereto, that the person:
1. Received a copy of the Policy;
 2. Has read and understands the Policy;
 3. Agrees to comply with the Policy;
 4. Understands that the Policy applies to all committees and subcommittees having Board-delegated powers; and
 5. Understands that the Corporation is a charitable organization and that in order to maintain its tax-exempt status, it must exclusively engage in activities which are directed towards the accomplishment of one or more of its tax-exempt purposes.