

July 25, 2014

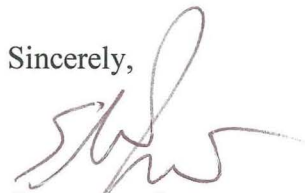
Dear University Employee:

Iowa State University is committed to adhering to the highest principles of ethical behavior; and as employees of the university, we must demonstrate this commitment in all that we do. As a public demonstration of this commitment, Iowa State, along with the University of Iowa and the University of Northern Iowa, adopted the attached Code of Business and Fiduciary Conduct (“Code”), which was approved by the Board of Regents, State of Iowa. The Code resides in the Regents Policy Manual. The ISU Policy Library links to the Code and provides a list of key University policies that support the Code.

As stated in the Code, each person conducting the business affairs of Iowa State University has a responsibility to do so with fairness, integrity and respect. This is especially important for those who make and implement policy for the university.

We take this responsibility very seriously because it is the right thing to do, and because it fosters an environment of trust that is critical to accomplishing our mission. I ask that you review the Code of Business and Fiduciary Conduct, and that you use these principles to guide your actions as you carry out your work on behalf of Iowa State University.

Sincerely,



Steven Leath  
President

## 7.02 Code of Business and Fiduciary Conduct

### Purpose

All employees of the Board of Regents and its institutions play a role in ensuring that the resources entrusted are protected, preserved, and enhanced. This Code sets forth the fundamental expectations relating to all business and fiduciary conduct. The Code is not intended to modify or restate policy. Instead, this is the Board of Regents' statement of the underlying principles by which it expects those with business and fiduciary responsibilities to carry out their duties.

#### 1. Fairness, integrity, respect

The Regents value fairness, integrity, and respect, and strive to integrate these values into their business practices. All faculty, staff, students, and administrators are expected to act at all times with fairness, integrity, and respect for others. This standard applies to interactions with the public, contractors, students, and coworkers.

The Regents value self-expression. Faculty and staff members are responsible for promoting a spirit of respect that reflects a commitment to tolerance and diverse points of view.

#### 2. Accountability

Employment by the Board of Regents and its institutions also requires a commitment to work diligently, to perform assigned duties and to strive to meet the objectives, goals, and missions of the organization. Employment responsibilities are to be carried out in a manner that promotes and protects the institution's best interests. Employees should not use their positions to advance their own personal interests over the institution's. Objectivity in decision making is a key component in complying with the standard of accountability. Discretion and recognition of the obligation to treat certain information with confidentiality is a responsibility of all employees.

#### 3. Compliance with law

Persons acting on behalf of the Board of Regents and its institutions are individually accountable for their own actions and, as members of the Regent community, are collectively accountable for upholding these standards of behavior and for compliance with all applicable laws and policies.

Employees should take no action for the purpose of rendering the institution's financial statements materially misleading. In particular, no one should take action to influence, coerce, manipulate or mislead an auditor engaged in the performance of

an audit for the purpose of rendering the institution's financial statements materially misleading.

### Senior Management

By virtue of their leadership status, members of senior management have the responsibility for not only complying with this Code of Business and Fiduciary Conduct but also bear responsibility for "setting the tone" for the Board of Regents and its institutions. This added ethical responsibility requires senior management to:

- Provide leadership and vision and serve as role models as stewards of the institution's finances, assets, resources and business processes
- Avoid actual or apparent conflicts of interest involving personal and professional relationships
- Work to promote, by personal example, ethical behavior among employees
- Communicate to employees the content of the Code of Business and Fiduciary Conduct and strive to ensure that the standards of professional conduct it describes are met
- Create realistic expectations and clearly indicate that integrity is not to be compromised in order to achieve results
- Create an environment encouraging employees and others to report policy and law violations promptly, and which protects such persons from retaliation.