SYRACUSE UNIVERSITY
BOARD OF TRUSTEES CONFLICTS OF INTEREST POLICY & PROCEDURES

Under New York law, Trustees (which term includes Life Trustees for purposes of this Policy), officers, and Key Employees are obligated to act in the best interests of the University, exercising care and loyalty in the fulfillment of their duties and responsibilities. The aim of this Policy is to reinforce those obligations by identifying and mitigating real and perceived conflicts of interest.

I. **Definitions**. As used in this Policy:
   a. "Affiliate" means, with respect to the University, any entity controlled by or in control of the University.
   b. "Compensation" means all direct and indirect remuneration as well as gifts or favors that are not insubstantial.
   c. "Conflict of Interest" means any Financial Interest of an Interested Person with respect to a transaction or arrangement or a proposed transaction or arrangement in which the University is a party, potential party, participant or potential participant. Conflicts of Interest do not include the following:
      i. Interests in transactions that are *de minimis*, as defined below; or
      ii. Interests in transactions or activities that are undertaken in the ordinary course of business by staff of the University.
   d. *de minimis* interest means (a) an interest in diversified investment vehicles, such as broad-based mutual funds and exchange traded funds, where the Trustee or officer and his or her Relatives, collectively, do not have a 15 percent or greater direct or indirect interested in the vehicle or an employment, management, or fiduciary role in the vehicle; and (b) an interest of up to five percent ownership in any class of a company's securities or other indicia of ownership provided that such ownership interest would not be reasonably expected to influence or give the appearance of influence the actions of the Trustee or officer.
   e. "Interested Person" means any Trustee, officer, Key Employee or member of a committee with Board-delegated powers.
   f. "Financial Interest" means a significant direct or indirect interest (including an interest through a business, investment, or a Relative) constituting (i) any legal or beneficial interest in any entity, (ii) any Compensation arrangement with any entity or (iii) any potential investment interest in any entity.
   g. "Independent Committee" means a committee duly established by the Board consisting solely of Independent Trustees, the duties of which include the implementation and monitoring of this Conflict of Interest Policy.
   h. "Independent Trustee" means a Trustee who satisfies each of the following conditions: (a) First, the Trustee is not and has not, at any time during the prior three (3) years, been an employee of the University or any Affiliate of the University and does not have a Relative who has been a Key Employee of the University or an Affiliate of the University during the same time period; (b) Second, the Trustee has not received, nor does he/she have a Relative who has received, more than $10,000 in direct compensation from the University or any Affiliate of the University at any time in the prior three years; (c) Third, the Trustee is not a current employee of, nor does he or she have a substantial Financial Interest financial interest in, and does not have a Relative who is a current officer of, or has a substantial Financial Interest in, any entity that has made payments (other than charitable contributions) to, or received payments from, the University, exceeding the

lesser of $25,000 or 2% of the University's consolidated gross revenue at any time during the prior three (3) years; and (d) Fourth, is not and does not have a Relative who is a current owner, whether wholly or partially, director, officer or employee of the University's outside auditor or who has worked on the University's audit at any time during the past three (3) years.

i. "Key Employee" means any person who is in a position to exercise substantial influence over the affairs of the University, as referenced in 26 U.S.C. § 4958(f)(1)(A) and further specified in 26 C.F.R. § 53.4958-3(c), (d) and (e), or succeeding provisions to the extent such provisions are applicable.

j. "Related Party" means:
   i. any Trustee, officer, or Key Employee of the University or any Affiliate of the University, or any other person who exercises the powers of Directors, officers, or Key Employees over the affairs of the University or any Affiliate of the University;
   ii. any Relative of any person described in (i) above, or
   iii. any entity in which any individual described in (i) or (ii) above has 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest greater than 5%.

k. "Related Party Transaction" means any transaction, agreement or arrangement with respect to which the Audit Committee (or an Independent Committee so authorized by the Board) determines that
   i. a Related Party has a Financial Interest and
   ii. in which the University or any Affiliate is a party or participant.

l. "Relative" of an individual means his or her
   i. spouse, ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, and great-grandchildren;
   ii. domestic partners as defined in Section 2904-a of the New York State public health law; or
   iii. the spouse or domestic partner of an individual's brothers, sisters, children, grandchildren, and great-grandchildren.

II. **Competing with the University**. Trustees and officers shall not engage, directly or indirectly, in activities that are in competition with the University or appropriate or divert business opportunities of the University. This includes (a) holding, directly or indirectly, an ownership or other Financial Interest (other than a *de minimis* interest, as that term is defined in Section I above) or having an employment, management or fiduciary role (such as serving as an officer or director) in an enterprise that is a competitor of the University, or seeking to advance the interests of such an enterprise to the University community; or (b) appropriating or diverting a business or financial opportunity that the Trustee or officer knows or should know the University is pursuing or is considering pursuing or reasonably might be interested in pursuing if it were aware of the opportunity.

III. **Determining Whether the Transaction or Arrangement Constitutes a Related Party Transaction or a Conflict of Interest**. The Audit Committee or authorized Independent Committee, in consultation with General Counsel, shall determine whether a proposed transaction or arrangement constitutes a Related Party Transaction, or otherwise constitutes a Conflict of Interest, after consideration of all material facts disclosed by the Interested Person. The Interested Person shall not participate in any way in the determination by the Audit

Committee or authorized Independent Committee, as the case may be, in the determination whether the proposed transaction or arrangement is a Related Party Transaction or constitutes a Conflict of Interest.

If the Audit Committee or authorized Independent Committee determines that the proposed transaction or arrangement constitutes a Related Party Transaction, the Audit Committee or authorized Independent Committee considering the proposed transaction shall follow the procedures set forth in Section IV below.

If the Audit Committee or authorized Independent Committee determines that the proposed transaction or arrangement does not constitute a Related Party Transaction, but presents a Conflict of Interest, the Audit Committee or authorized Independent Committee considering the proposed transaction or arrangement shall follow Section V below.

IV. **Procedures for Related Party Transactions**. The provisions of this Section IV shall apply to any proposed transaction or arrangement which the Audit Committee or authorized Independent Committee determines is a Related Party Transaction.

a. The Interested Person may not be present at or participate in Audit Committee or authorized Independent Committee deliberations regarding such Related Party Transaction, and shall not be entitled to vote thereon.
b. The Interested Person shall in no manner attempt to influence the deliberation or voting on the Related Party Transaction.
c. If the Audit Committee or authorized Independent Committee determines that the Related Party has a substantial Financial Interest in the Related Party Transaction:
    i. The Chancellor or the Chairman of the Committee considering the proposed Related Party Transaction, as the case may be, shall consider alternatives to the proposed transaction or arrangement; and shall after exercising due diligence, determine whether the University can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a Related Party Transaction;
    ii. The Audit Committee or authorized Independent Committee of the Board considering the Related Party Transaction may approve the transaction by no less than a majority vote of the Trustees or Committee members present at the meeting; and
    iii. The Audit Committee or authorized Independent Committee considering the proposed Related Party Transaction, and at which a Related Party Transaction is approved, shall contemporaneously document its approval by minutes which include:
        A. The names of all Related Parties, and a description of the proposed transaction or arrangement;
        B. the names of the persons who were present for discussions and votes relating to the transaction or arrangement, and
        C. the basis for approving the transaction, including its consideration of the alternatives considered.

In any case in which the Audit Committee or authorized Independent Committee approves a Related Party Transaction, the Committee's minutes shall include a summary of such Committee's report containing items (A) through (C) above.

V. **Procedures Relating to Conflicts Other Than Related Party Transactions**. The provisions of this Section V shall apply to arrangements and transactions which the Board or authorized Independent Committee determines constitute a Conflict of Interest but do not involve a Related Party Transaction.

a. The Interested Person may not be present at or participate in Board or committee deliberations regarding the transaction or arrangement and shall not be entitled to vote thereon.
b. The Interested Person shall in no manner attempt to influence the deliberation or voting on the matter giving rise to the Conflict of Interest.
c. After exercising due diligence, the Audit Committee or authorized Independent Committee shall determine whether the proposed transaction or arrangement is in the best interests of the University notwithstanding the Conflict of Interest.
d. The minutes of the Board and all Committees at which a transaction or arrangement is approved notwithstanding the existence of a Conflict of Interest, shall contain:
    i. The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible Conflict of Interest, the nature of the Financial Interest, any action taken to determine whether a Conflict of Interest was present, and the Audit Committee's or authorized Independent Committee's decision as to whether a Conflict of Interest in fact existed; and
    ii. If the Audit Committee or authorized Independent Committee determined that a Conflict of Interest existed, the resolution of the Conflict of Interest, including:
        A. the names of the persons who were present for discussions and votes relating to the transaction or arrangement;
        B. the substance of the discussions, including any alternatives to the proposed transaction or arrangement; and
        C. a record of any votes taken in connection with the proceedings.

VI. **Duty to Disclose**. Any Interested Person who has a Financial Interest in a proposed transaction or arrangement that could reasonably be considered a Related Party Transaction or otherwise raise a Conflict of Interest must disclose all material facts relating to such person's Financial Interest in the proposed transaction or arrangement to the Audit Committee or authorized Independent Committee.

VII. **Annual Statements**.

a. Each Trustee, prior to assuming his or her responsibilities for the University, and annually thereafter, shall sign and submit to the Secretary, a statement or statements which identifies, to the best of such Trustee's knowledge (i) any entity of which such Trustee is currently an officer, director, Trustee, member, owner (either as a sole proprietor or a partner), or an employee and (ii) with which the University has a relationship, and any transaction in which the University is a party or a participant and (iii) in which such Trustee might have a conflicting interest. The duty of each Trustee shall be ongoing and, therefore, the Trustee shall be responsible to amend the statement provided immediately upon a change of circumstances which must be disclosed pursuant to this paragraph.
b. All Trustees shall receive copies of statements provided pursuant to Section VII, paragraph (a), or otherwise be advised of any disclosures from other Trustees pursuant to Section VII, paragraph (a).
c. Each Trustee, officer and member of a committee with governing board delegated powers shall, prior to assuming his or her responsibilities for the University, and

thereafter, annually sign and submit to the Secretary, a statement or statements which (i) affirms such person has received a copy of this Conflicts of Interest Policy, (ii) has read and understands the Policy, (iii) agrees to comply with the Policy, and (iv) understands that the University is charitable and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

VIII. **Compensation**. Any persons who benefit from a compensation arrangement may not be present for or participate in any deliberation or vote regarding their compensation.

IX. **Periodic Reviews**. The Board, or a committee of the Board, shall conduct periodic reviews of this Policy to ensure the University operates in a manner consistent with its charitable purposes and in accordance with applicable law.