

**CONFLICT-OF-INTEREST POLICY**  
**FOR**  
**HAMILTON COLLEGE**

The Trustees and Officers of Hamilton College owe a duty of loyalty to the College which requires that in serving the College they act, not in their personal interests or in the interests of others, but rather solely in the interests of the College. Trustees and Officers must have an undivided allegiance to the College's mission and may not use their position as Trustees or Officers, information they have about the College, or the College's property, in a manner that allows them to secure a pecuniary benefit for themselves or their relatives.<sup>1</sup> A Trustee or Officer shall not use inside information of the College for his or her personal benefit, or use such inside information or his or her position as a Trustee or Officer to the detriment of the College. Inside information is information obtained through the Trustee's or Officer's position that has not become public information. To aid and assist the Trustees and Officers of the College in performing the duties imposed on them by the laws of the State of New York and the United States of America with respect to their management responsibilities to the College and to the public, the Board of Trustees adopts the following conflict-of-interest policy by resolution:

1. Contracts, transactions or arrangements of the College in which a Trustee or Officer has a financial interest shall not be prohibited, but they shall be subject to scrutiny. Prior to the start of any negotiations, each Trustee and each Officer of the College shall promptly disclose any direct or indirect financial interest which he or she has or reasonably expects to have in any proposed or existing contract, transaction or arrangement with the College, or in any other matter under consideration or to be considered by the Board of Trustees, the Executive Committee, or any other Board Committee. =
  
2. For the purposes of this Policy, a Trustee or Officer has a direct or indirect financial interest in a proposed or existing contract, transaction or arrangement if he or she, or one of his or her relatives:
  - (a) has a substantial financial interest directly in the proposed or existing contract, transaction or arrangement; or
  - (b) has a substantial financial interest in any organization involved in, or a party to, the proposed or existing contract, transaction or arrangement; or
  - (c) holds a position as trustee, director, officer, member, partner, shareholder or employee in any such organization.

A Trustee's or Officer's financial interest will be considered substantial if it involves:

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<sup>1</sup> For the purposes of this Policy, relative means spouse, brothers or sisters (by whole or half blood), spouses of brothers or sisters (by whole or half blood), ancestors, children, grandchildren, great-grandchildren, and spouses of children, grandchildren and great-grandchildren.

- (a) an ownership or investment interest representing more than 1% of the outstanding shares of a publicly traded company or 5% of the outstanding shares or comparable interest of a privately owned company with which the College has or is negotiating a contract, transaction or arrangement; or
  - (b) an ownership or investment interest, which produces a significant amount of income for or constitutes a significant part of the net worth of the Trustee or Officer, or a relative of the Trustee or Officer, in any entity with which the College has or is negotiating a contract, transaction or arrangement; or
  - (c) a compensation arrangement of any kind with any entity or individual with which the College has or is negotiating a contract, transaction or arrangement.
3. A direct or indirect financial interest required to be disclosed under this Policy shall be disclosed in writing to the Board Chair or to the President. Such disclosure shall include all material facts and supply any reasons why the contract, transaction or arrangement might not be in the best interest of the College. The Board Chair or President shall refer the issue to the full Board, the Executive Committee, or other Board Committee (the “body”) having decision-making authority over the substantive matter in question. -
  4. The Trustee or Officer who discloses a direct or indirect financial interest in a proposed or existing contract, transaction or arrangement may make a presentation and respond to questions by the body, but after such presentation, he or she shall leave the meeting during the discussion of, and vote on, the contract, transaction or arrangement that results in the conflict of interest. As part of any such presentation, the Trustee or Officer shall provide to the body any reasons why the contract, transaction or arrangement might be or not be in the best interest of the College. The body shall determine whether the College can obtain a more advantageous contract, transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest. If a more advantageous contract, transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the body shall determine by majority vote of the disinterested Trustees whether the contract, transaction or arrangement is in the College's best interest and whether it is fair and reasonable to the College and shall make its decision as to whether to enter into the contract, transaction or arrangement in conformity with such determination.
  5. The names of the Trustees and Officers who disclosed or otherwise were found to have a direct or indirect financial interest in a proposed or existing contract, transaction or arrangement of the College, the nature of the financial interest, the extent of the Trustee's or Officer's participation in the relevant body's meeting on matters related to the financial interest, any action taken by the body and the body's decision as to the financial interest shall be recorded in the minutes of the relevant body's meeting. The minutes also shall include the names of the persons who were present for discussions and votes relating to the proposed or existing contract, transaction or arrangement, the content of the discussion, including any alternatives to the proposed or existing contract, transaction or arrangement, and a record of any votes taken in connection therewith.

The existence of a quorum shall not be broken by the non-participation of a Trustee or Officer who has disclosed a direct or indirect financial interest in any substantive matter.

6. Each Trustee and each Officer of the College also shall disclose whether he or she, or one of his or her relatives, has personal funds invested with an investment manager providing, or expected to provide, investment management services to the College or in a professionally managed investment fund in which the College is invested or is considering investing ("a co-investment interest"). For the purposes of this Conflicts Policy, a "professionally managed investment fund" shall not include mutual funds or other similar investment vehicles generally available to the investing public. Such co-investment interest shall be disclosed in writing to the Board Chair or to the President. Such disclosure shall include all material facts, including, but not limited to, fee arrangements and any preferential treatment not available to other investors received by the Trustee or Officer, or one of his or her relatives, necessary to determine whether such co-investment interest may provide a benefit to the Trustee or Officer, or one of his or her relatives. If the Board Chair or President determines that the co-investment interest may provide some advantage to the Trustee or Officer, or one of his or her relatives, the Board Chair or President shall refer the issue to the body having decision-making authority over co-investment interests. The Trustee or Officer who discloses a co-investment interest may make a presentation and respond to questions from the body but shall not be present during the body's discussion of, and vote on, how to address the co-investment interest. The existence of a quorum shall not be broken by the non-participation of a Trustee or Officer who has disclosed a co-investment interest. The body shall determine what, if any, corrective action is required with respect to the co-investment interest, including, but not limited to, terminating the investment relationship or seeking an adjustment in fee structure.
7. If the body has reasonable cause to believe that a Trustee or Officer has failed to disclose a financial interest or co-investment interest subject to this Policy, it shall inform the Trustee or Officer of the basis for such belief and afford the Trustee or Officer an opportunity to explain the alleged failure to disclose. If, after hearing the response of such individual and making such further investigation as may be warranted in the circumstances, the body determines that the Trustee or Officer has in fact failed to disclose a financial interest or co-investment interest subject to this Policy, it shall take appropriate disciplinary and corrective action.
8. This Policy shall apply to Charter Trustees, Alumni Trustees and Life Trustees. This Policy shall also apply to the following employees of the College: the President, all employees who report to the President, and other administrative staff specifically identified by the President.

This Policy shall not apply to members of the Faculty serving solely in that capacity.

9. Each Trustee and Officer has a duty to place the interest of the College foremost in any dealing with the College and has a continuing responsibility to comply with the requirements of this Policy. Promptly following the adoption of this Policy and subsequently not later than the first day of September of each fiscal year, each Trustee and Officer shall acknowledge his or her familiarity with this Policy and shall disclose in writing to the President any existing financial interests or co-investment interests subject to this Policy by completing a Conflict-Of-Interest Disclosure Statement. The Conflict-Of-Interest Disclosure Statements shall be reviewed by the President and the Board Chair. Any issues not previously disclosed shall be referred by them to the appropriate body. The Conflict-Of-Interest Disclosure Statements shall be retained in the confidential files of the President.
10. This Policy is intended to supplement but not replace any applicable state or federal laws governing conflicts of interest applicable to nonprofit, education and charitable corporations.

## HAMILTON COLLEGE

### CONFLICT-OF-INTEREST DISCLOSURE STATEMENT

The Conflict-Of-Interest Policy of Hamilton College requires any Trustee or Officer of the College to disclose any direct or indirect financial interest which he or she has or reasonably expects to have in any proposed or existing contract, transaction or arrangement with the College, or in any other matter under consideration or to be considered by the Board of Trustees, the Executive Committee, or any other Board Committee.

For the purposes of this Policy, a Trustee or Officer has a direct or indirect financial interest in a proposed or existing contract, transaction or arrangement if he or she, or one of his or her relatives:

- (a) has a substantial financial interest directly in the proposed or existing contract, transaction or arrangement; or
- (b) has a substantial financial interest in any organization involved in, or a party to, the proposed or existing contract, transaction or arrangement; or
- (c) holds a position as trustee, director, officer, member, partner, shareholder or employee in any such organization.-

A Trustee's or Officer's financial interest will be considered substantial if it involves:

- (a) an ownership or investment interest representing more than 1% of the outstanding shares of a publicly traded company or 5% of the outstanding shares or comparable interest of a privately owned company with which the College has or is negotiating a contract, transaction or arrangement; or
- (b) an ownership or investment interest, which produces a significant amount of income for or constitutes a significant part of the net worth of the Trustee or Officer, or a relative of the Trustee or Officer, as defined in the Policy, in any entity with which the College has or is negotiating a contract, transaction or arrangement; or
- (c) a compensation arrangement of any kind with any entity or individual with which the College has or is negotiating a contract, transaction or arrangement.

Each Trustee and each Officer of the College also is required to disclose whether he or she, or one of his or her relatives, has personal funds invested with an investment manager providing, or expected to provide, investment management services to the College or in a professionally managed investment fund in which the College is invested or is considering investing ("a co-investment interest"). For the purposes of this Conflicts Policy, a "professionally managed investment fund" shall not include mutual funds or other similar investment vehicles generally available to the investing public.