

New York University

UNIVERSITY POLICIES

Title: Conflicts of Interest Policy for Trustees, Officers, and Senior Administrators
Effective Date: June 14, 2017
Issuing Authority: Board of Trustees
Responsible Officer: General Counsel and Secretary

Purpose of the Policy and General Principles

New York University, including its Schools and other units, Global Network University sites, and all University Affiliates (together, “NYU”), is committed to operating in an ethical manner and in compliance with applicable legal and regulatory requirements. Even the appearance of a conflict can be damaging to the reputation of NYU. All decisions by Trustees, Officers, and Senior Administrators must be made solely in the best interests of NYU.

NYU recognizes that situations may on occasion arise where a Covered Person’s private interests conflict with or appear to conflict with his or her obligations to NYU or the interests of NYU. This policy identifies and clarifies the standards and responsibilities related to Conflicts of Interest.

Scope of this Policy

This policy applies to the Trustees, Officers, and Senior Administrators of New York University (the “University”) and of University Affiliates (together, “Covered Persons”). The University’s Audit and Compliance Committee may exempt a University Affiliate from compliance with this policy as set forth in the “University Affiliates” section of this policy.

Policy

Covered Persons must act solely to promote the best interests of NYU. Covered Persons should seek to avoid Conflicts of Interest. A “Conflict of Interest” is any circumstance in which the personal, professional, financial, or other interests of a Covered Person may potentially or actually diverge from, or may be reasonably perceived as potentially or actually diverging from, his or her obligations to NYU and the interests of NYU. It includes indirect conflicts, such as benefits provided to a Relative of a Covered Person. Where a Conflict of Interest has been identified, a Covered Person must disclose the Conflict of Interest and, where relevant, cooperate with any plan adopted by NYU to manage, reduce, or eliminate the Conflict of Interest.

This policy applies to any circumstance that may constitute a Conflict of Interest, regardless of whether it is specifically described in this policy. For example, while a Conflict of Interest is defined to include the personal interests of the Covered Person and his or her Relatives, there also may be situations where the interests of other persons, such as a close friend, create a Conflict of Interest.

The following is not a comprehensive list of the types of Conflicts of Interest that may arise but provides examples of some common types:

(1) Business Arrangements. (a) Related Party Transactions; or (b) participating, directly or indirectly, in the selection, approval, facilitation, or administration of any business arrangement involving NYU and an enterprise in which the Covered Person and/or Relatives hold, directly or indirectly, more than a *de minimis* ownership or other financial interest or have an employment, management, or fiduciary role (such as serving as an officer or director). A *de minimis* interest for purposes of (b) is (i) an interest in diversified investment vehicles, such as broad-based mutual funds and exchange traded funds, where the Covered Person and his or her Relatives, collectively, do not have a 15 percent or greater direct or indirect interest in the vehicle or an employment, management, or fiduciary role in the vehicle; and (ii) 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 influencing the actions of the Covered Person. For example, where a Covered Person has a less than five percent ownership interest in a start-up company that is seeking to license intellectual property rights from NYU that are critical to the company, such ownership might influence or give the appearance of influencing the actions of the Covered Person.

(2) Competing with NYU. Engaging, directly or indirectly, in activities that are in competition with NYU or appropriating or diverting business opportunities of NYU. This includes (a) holding, directly or indirectly, an ownership or other financial interest (other than a *de minimis* interest as described in (1)(b) 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 NYU, or seeking to advance the interests of such enterprise to the NYU community; and (b) appropriating or diverting a business or financial opportunity that a Covered Person knows or should know NYU is pursuing or is considering pursuing or reasonably might be interested in pursuing if it were aware of the opportunity.

(3) Gifts. (a) Accepting any gift or favor, even of nominal value, that is illegal under applicable law or prohibited under other applicable NYU policies; or (b) accepting a gift or favor of more than nominal value (including entertainment) or a loan (other than an arm's length loan made in the ordinary course of business from a banking or other financial institution), even where not illegal under applicable law or prohibited under other applicable NYU policies, from any person or entity seeking a benefit from NYU (e.g., seeking to do business or continuing to do business with NYU, seeking to have a student admitted to NYU) if the offer or acceptance of the gift, favor, or loan could reasonably be viewed as intended to influence NYU to act favorably toward the person or entity. Where it is impracticable for a Covered Person (or Relative) to decline a gift that would otherwise constitute a Conflict of Interest under this policy, and where it is neither illegal nor unethical for NYU itself to accept the gift, the Covered Person may accept the gift on behalf of NYU and transfer it to NYU. In such case, the Covered Person should contact the Senior Vice President for University Development and Alumni Relations to discuss the transfer of the gift to NYU or, if applicable, the University Affiliate's chief development officer. NYU Senior Administrators may not accept gifts of more than nominal value or loans from any person or entity seeking a benefit from NYU, even without the appearance of any intent to influence, without the consent of their supervisors.

(4) Improper Use of NYU Resources. Unauthorized use of NYU resources, including the services of University employees, for personal purposes. For example, a Covered Person may make *de*

minimis use of NYU computers and telephone devices for personal purposes provided, however, that he or she reimburses NYU if there are additional charges to NYU from such use (e.g., a charge for an international phone call). On the other hand, a Covered Person may not use NYU students or staff to conduct personal business.

(5) Confidential Information. Obtaining, using, or disclosing NYU Confidential Information for direct or indirect personal interest, profit, or advantage; obtaining or using NYU Confidential Information for a purpose that may be detrimental to NYU; or disclosing NYU Confidential Information to a person or entity that is not authorized by NYU to receive it.

Procedures for Implementation

Disclosing Conflicts of Interest

Covered Persons have a duty to disclose on an ongoing basis any current, proposed, or pending situations that may constitute a Conflict of Interest, including but not limited to a proposed Related Party Transaction. Covered Persons should disclose the material facts relating to any Conflict of Interest as soon as the existence of a possible Conflict of Interest is known; and in all events, must disclose the material facts relating to any Related Party Transaction prior to entering into the transaction. There are, of course, occasional situations where a Covered Person is not aware of a Conflict of Interest on a timely basis. Where a Covered Person becomes aware that he or she has not disclosed a Conflict of Interest on a timely basis, the Covered Person has a continuing duty to disclose it as promptly as possible thereafter.

Disclosures should be made in full (including the precise nature of the Covered Person's interest and/or involvement) to the General Counsel and Secretary of the University, who will advise the Audit and Compliance Committee, normally through its Chair or another member of the Audit and Compliance Committee designated by the Chair.

Each year, every Covered Person must complete, sign, and submit to the General Counsel and Secretary of the University the applicable annual disclosure form or forms then in effect. In addition, prior to the initial election of a Trustee, such individual must complete, sign, and submit to the General Counsel and Secretary of the University the applicable disclosure form or forms then in effect. The General Counsel and Secretary of the University will provide a copy of all completed disclosure forms to the Chair of the Audit and Compliance Committee.

Process Relating to Conflicts of Interest

If the General Counsel and Secretary of the University (or a lawyer in the Office of General Counsel designated by the General Counsel and Secretary of the University) and Chair of the Audit and Compliance Committee (or a member of the Audit and Compliance Committee designated by the Chair) determine that a Covered Person has a Conflict of Interest that may need to be managed, reduced, or eliminated, the Audit and Compliance Committee will determine the next steps with respect to the Conflict of Interest. The Audit and Compliance Committee may determine that the Conflict of Interest should be managed, reduced, or eliminated, or the Audit and Compliance Committee may proceed without a management plan. Any management plan will depend upon the facts and circumstances of the specific matter. The existence and resolution of the Conflict of Interest must be documented in the records of the meeting at which it was discussed or voted upon.

The Office of Compliance and Risk Management, among other resources, is available upon request to conduct investigations with respect to matters relating to Conflicts of Interest.

Any Conflict of Interest that is a Related Party Transaction must comply with the following process: A Related Party Transaction may only be entered into following approval by the Audit and Compliance Committee after the Audit and Compliance Committee has made a determination that the Related Party Transaction is fair, reasonable, and in NYU's best interest at the time of such determination. In such cases where a Related Party has a substantial financial interest, the Audit and Compliance Committee must, prior to NYU's entering into the transaction, (1) consider alternatives to the transaction to the extent available; (2) approve the transaction by not less than a majority vote of the Audit and Compliance Committee members present at the meeting; and (3) contemporaneously document in writing the basis for the Audit and Compliance Committee's approval, including its consideration of alternative transactions.

Depending on its nature, a matter giving rise to a Conflict of Interest, including a Related Party Transaction, may be subject to approval by the Board of Trustees and/or be subject to approval or recommendation by a committee of the Board of Trustees other than the Audit and Compliance Committee. In such case, the Board of Trustees or applicable committee may make its approval or recommendation either before or after the Audit and Compliance Committee undertakes the process set forth above; if before, the Board of Trustees or applicable committee's approval must be subject to the determination of the Audit and Compliance Committee.

In no event may a Covered Person with a Conflict of Interest be present at or participate in the deliberation or vote by the Board of Trustees, or committee thereof, on the matter giving rise to the Conflict of Interest or attempt to influence improperly the deliberation or voting on the matter. A Covered Person may, where requested by the Board of Trustees or applicable committee, be present at the meeting prior to the commencement of deliberations or vote on the matter in order to present information as background or answer questions concerning the Conflict of Interest.

University Affiliates

This policy applies to University Affiliates; however, the Audit and Compliance Committee, or one or more members of the Audit and Compliance Committee, may exempt a University Affiliate from being subject to this policy as set forth in this section where it is determined that a University Affiliate has an appropriate alternate policy and/or procedure and an exemption is warranted (e.g., where an exemption is advisable due to local law). In such case, Trustees, Officers, and Senior Administrators of the Affiliate are not considered Covered Persons for purposes of this policy except to the extent that (1) they also are Trustees, Officers, or Senior Administrators of the University or a University Affiliate that is not exempted from this policy, or (2) they are involved in a Related Party Transaction in which the University or a University affiliate that is a NY nonprofit entity is a participant. All Conflicts of Interest involving an exempt University Affiliate must be reported by the University Affiliate to the General Counsel and Secretary of the University, who will report the matter to the Chair of the Audit and Compliance Committee.

Where a University Affiliate is exempt, the University will nevertheless address Conflicts of Interest that involve (1) a Trustee, Officer, or Senior Administrator of the University or (2) a transaction occurring at the University; and the University may, at its option, address Conflicts of Interest that involve both the exempt University Affiliate and one or more other components of NYU (e.g., a

conflict that involves both the exempt University Affiliate and a Trustee, Officer, or Senior Administrator of another University Affiliate or a transaction occurring at another University Affiliate). In such cases, the exempt University Affiliate also may choose to address the Conflict of Interest at the University Affiliate level.

In addressing a Conflict of Interest involving a University Affiliate that is subject to review by the Audit and Compliance Committee, the applicable committee may determine that the Affiliate should investigate the Conflict of Interest and make a report and recommendation to that committee, or otherwise assist that committee, regarding the Conflict of Interest and proposed resolution.

Annual Report by the Office of Compliance and Risk Management

The NYU Office of Compliance and Risk Management submits an annual report to the General Counsel and Secretary of the University regarding the Conflicts of Interest being managed and other Conflicts of Interest for which reporting is requested by the Board of Trustees, the President, or the General Counsel.

Annual Report by the General Counsel and Secretary of the University

The General Counsel and Secretary of the University reviews all initial and annual disclosure forms and submits an annual report to the Board of Trustees regarding Conflicts of Interest involving Covered Persons, including any that will be reported on NYU's IRS Form 990.

Oversight and Administration

The Board of Trustees may make changes to this policy from time to time, as it deems appropriate. The Audit and Compliance Committee will oversee the implementation of, and compliance with, this policy. Each Covered Person must acknowledge, not less than annually, that he or she has read and is in compliance with this policy.

Policy Definitions

“Confidential Information” includes, but is not limited to: medical, personnel, security, academic, background check, conflict of interest, identifiable biometric records and other non-public information about individuals; business records; contracts and business terms; business and donor relationships; computer system passwords and security codes; proprietary and competitively sensitive information, including non-public information about anticipated material requirements, price actions, programs, and selection of contractors and subcontractors in advance of official announcements; unpublished grant proposals, non-public research data, manuscripts and correspondence; non-public financial, procurement, health-safety, audit, insurance and claims information; and non-public information relating to internal investigations, pre-litigation and litigation and administrative agency charges, audits and inquiries; and other information whose confidentiality is protected by law or NYU policies.

A “Conflict of Interest” means any circumstance in which the personal, professional, financial, or other interests of a Covered Person may potentially or actually diverge from, or may be reasonably

perceived as potentially or actually diverging from, his or her obligations to NYU and the interests of NYU. It includes indirect conflicts, such as benefits provided to a Relative of a Covered Person.

“Covered Person” means the Trustees, Officers, and Senior Administrators of the University and of each University Affiliate.

“Key Person” of the University or a University Affiliate means any person, other than a Trustee or Officer, whether or not an employee of the University (or the University Affiliate, as applicable) who (i) has responsibilities, or exercises powers or influence over the University (or the University Affiliate, as applicable) as a whole similar to the responsibilities, powers, or influence of directors and Officers; (ii) manages the University (or the University affiliate, as applicable), or a segment of the University (or University Affiliate, as applicable) that represents a substantial portion of the activities, assets, income or expenses of the University (or University Affiliate, as applicable); or (iii) alone or with others controls or determines a substantial portion of the capital expenditures or operating budget of the University (or University Affiliate, as applicable).

“NYU” means the Schools and other units of NYU, NYU’s Global Network University sites, and all University Affiliates.

“Officer” means those persons described as officers in the governing documents of the University and of each University Affiliate, respectively.

“Related Party” means (a) a Trustee, Officer, or Key Person of the University or a University Affiliate; (b) a Relative of any person described in subsection (a) above; or (c) any entity in which any individual described in (a) or (b) has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent.

“Related Party Transaction” means any transaction, agreement, or other arrangement in which a Related Party has a financial interest and in which NYU, including any University Affiliate, is a participant, except that the following do not constitute Related Party Transactions: (a) the transaction or the Related Party’s financial interest in the transaction is *de minimis*, (b) the transaction would not customarily be reviewed by the board or boards of similar organizations in the ordinary course of business and is available to others on the same or similar terms, or (c) the transaction constitutes a benefit provided to a Related Party solely as a member of a class of the beneficiaries that the corporation intends to benefit as part of the accomplishment of its mission which benefit is available to all similarly situated members of the same class on the same terms.

“Relative” means a Covered Person’s (i) spouse or domestic partner, (ii) ancestor, brother or sister (whether whole or half blood), child (whether natural or adopted), grandchild, great-grandchild; or (iii) the spouse or domestic partner of a brother, sister, child, grandchild, or great-grandchild.

“Senior Administrators” means, with respect to the University, the members of the Senior Leadership Team and any other Key Persons of the University, and with respect to each University Affiliate, the Key Persons of the University Affiliate.

“Senior Leadership Team,” or “SLT,” means those academic and administrative leaders who are designated as members of the Senior Leadership Team by the President.

“School” means each NYU school, college, and institute that functions similarly to a school or college (e.g., IFA, ISAW, Courant, and CUSP), each NYU portal campus (e.g., New York and Abu Dhabi), and may also include for purposes of this policy other global sites as designated by the Provost.

“Trustee” means a voting member of the governing body of the University and of each University Affiliate.

“University Affiliates” consist of those entities controlled, directly or indirectly, by the University through (a) ownership of more than 50% of the ownership interests in the entity or (b) the power to appoint or elect a majority of the organization's governing body (e.g., directors or trustees).

Related Policies

Code of Ethical Conduct

Compliance Complaint Policy

Policy on Academic Conflict of Interest and Conflict of Commitment