Board of Trustees' Policy: Conflict of Interest	Effective Date: March 25, 2026 Method of Amending: Requires a ¾ vote of the Trustees Position Responsible for Reporting Compliance to the Board: General Counsel and the Audit Committee Access: Open

1. Introduction

The purpose of this Conflict-of-Interest Policy (this "Policy") is to protect the interests of Niagara University (the "Corporation"), a tax-exempt New York education corporation, in situations presenting potential or actual[1] Conflicts of Interest involving the Corporation and any of its Covered Persons (as defined below). For the purposes of this Policy, a "Conflict of Interest" exists whenever a Covered Person owes a duty to both the Corporation and any other organization or person with respect to any transaction, arrangement, or situation[2], or when a Covered Person's personal or financial interests or concerns are potentially inconsistent with, or are divergent from, the interests of the Corporation. Conflicts of Interest include, but are not limited to, Related Party Transactions. The definition of the term "Related Party Transactions," and all other capitalized terms used in this Policy are defined herein and in Section C below.

The Corporation's policy is to apply the highest standards set forth in the New York Not-for-Profit Corporation Law (the "NPCL"), as amended from time to time, for reviewing and determining whether to proceed in all circumstances involving Conflicts of Interest.

[1] For the convenience of the reader, any reference to a Conflict of Interest in this Policy will include both potential and actual Conflicts of Interest.

[2] Any reference to a "transaction" shall also include a reference to any arrangement or situation.

2. Procedure

a. **Duty to Disclose Conflicts of Interest**
Whenever a Covered Person who is a Trustee, officer or Key Person becomes aware of a Conflict of Interest directly or indirectly involving such Covered Person (including through Relatives or business entities), they shall promptly make a good faith disclosure of the potential Conflict of Interest, including all material facts, to the Board.[3]

In addition, each Trustee and Key Persons shall provide initial and annual Conflict of Interest Statements to the Corporation in accordance with section B.7. of this Policy.

b. **Procedure for Review**
The Audit Committee shall review all identified conflicts submitted by a Covered Person, and shall request any additional information that it deems appropriate. If requested by the Audit Committee, the Covered Person may present information regarding the Conflict of Interest to the Audit Committee, but shall be prohibited from attempting to improperly influence any deliberation or voting regarding the matter. The Covered Person must leave the meeting during the discussion of, and vote on, the matter.

After exercising due diligence, the Audit Committee shall determine by a majority vote of the disinterested members whether a material Conflict of Interest exists. If the Committee determines that a material Conflict of Interest does not exist, then the Covered Person may participate in any discussion or vote related to such transaction. If the Committee determines that a material Conflict of Interest does exist, then the Committee shall exercise its judgment to determine whether the conflict is sufficiently minor in scope such that it may be addressed by the Committee or whether it will be referred to the Board for further consideration. The Committee shall document its analysis in the minutes.

If the Board determines that a Conflict of Interest or a Related Party Transaction does exist, then the Board shall only approve the transaction giving rise to the Conflict of Interest or a Related Party Transaction if it determines, in light of all relevant facts and circumstances, that such transaction is fair, reasonable, and in the Corporation's best interests. The Board shall consider alternative transactions

[3] Any reference to the Board herein shall include reference to any committee that is required to approve a transaction or arrangement involving a Conflict of Interest, as applicable.

that do not implicate any Conflicts of Interest, to the extent such transactions are available, prior to making its determination.

The Board shall document in the minutes of the meeting at which such determination is made the basis for its determination and any alternative transactions that were considered. The Corporation shall not enter into any transaction involving a Conflict of Interest unless it is approved in accordance with this Policy. Any transaction that is approved without complying with the procedures set forth in this section shall be voidable by the University.

c. **Violations of the Conflicts of Interest Policy**

If the Audit Committee determines that it has reasonable cause to believe that any Covered Person has failed to disclose any Conflict of Interest, it shall inform such Covered Person of the basis for such belief and afford such Covered Person an opportunity to explain the alleged failure to disclose.

If, after hearing such Covered Person's response and after making any further investigation that it determines warranted under the circumstances, the Audit Committee determines such Covered Person has failed to disclose a Conflict of Interest, it shall take appropriate disciplinary and corrective action as determined in its discretion. The Committee may also take appropriate disciplinary and corrective action in cases where a material Conflict of interest has been identified that the Committee has determined to be sufficiently minor in scope such that it elects not to refer the matter to the Board for consideration. All material Conflicts of Interest that are deemed major in scope will be referred to the Board.

d. **Board Service and Avoidance of the Appearance of Conflicts of Interest**

Because the Corporation relies upon volunteer Trustees and officers who are actively engaged in the community, it is not unusual for its Trustees and officers to simultaneously be serving other organizations with which the Corporation may undertake transactions. In such cases, the Trustees or officers must disclose the relationship, and may present any relevant information, but shall leave the room for discussion and voting upon that particular transaction.

e. Records of Proceedings

The minutes of the Audit Committee (or the Board as the case may be) shall contain the following whenever Conflict of Interest and/or a Related Party Transaction are reviewed under this Policy:

i. The names of the Covered Persons who disclosed Conflicts of Interest, or who were otherwise were found to have Conflicts of Interest, the nature of such Conflicts of Interest, any action taken to determine whether a Conflict of Interest was present, and the Audit Committee's decision as to whether a Conflict of Interest in fact existed.
ii. The names of the persons who were present for discussions and votes relating to the Conflict of Interest, the content of the discussion, including any alternatives to the proposed transaction that were considered, and a record of any votes taken in connection with the proceedings.

f. Compensation

With respect to any member of the Board or any committee who receives compensation, directly or indirectly, from the Corporation for services (a) such Trustee shall not participate in any deliberations or voting related to such Trustee's compensation; and (b) notwithstanding the foregoing, such Trustee shall not be prohibited from participating in any Board or committee activities regarding the compensation of other individuals, in the discretion of the Board or committee.

g. Annual Statements

Each Trustee and Key Persons shall annually sign a statement [Trustee Disclosure, Annual Certification - NU Employees]: (a) whereby such Trustee identifies, to the best of their knowledge, any entity of which such Trustee is an officer, trustee, director, member, owner (either as a sole proprietor or partner), or employee, and with which the Corporation has a relationship, and any transaction in which the Corporation is a participant and in which the Covered Person might have a Conflict of Interest; and (b) which affirms such Trustee or University employee:

i. Has received a copy of this Policy,
ii. Has read and understands this Policy,
iii. Has agreed to comply with this Policy, and
iv. Understands the Corporation is organized and operated for charitable purposes and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Such statements shall be submitted to the Secretary of the Corporation or a designated compliance officer (i.e., the General Counsel). The Secretary of the Corporation or the designated compliance officer shall provide to the Chair of the Audit Committee a copy of each statement disclosing a conflict (or to the Board

Chair if there is no chair of the Audit Committee). The General Counsel or designated compliance officer will discuss reports reflecting disclosed conflicts with the Audit Committee upon request.

h. Periodic Reviews

To ensure that the Corporation operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- **i.** Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- **ii.** Whether partnerships, joint ventures, and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further the Corporation's charitable purposes and do not result in private inurement or impermissible private benefit.

i. Use of Outside Experts

When conducting such periodic reviews, the Corporation may, but need not, use outside experts including, but not limited to, compensation consultants, qualified appraisers, legal counsel, and public accountants. If outside experts are used, such use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

3. Definitions

a. Affiliate

An Affiliate includes any entity controlled by, or in control of, the Corporation. Any reference to the Corporation herein shall include reference to an Affiliate wherever applicable.

b. Board

The University's Board of Trustees shall be the "Board" under this Policy.

c. Covered Persons

A "Covered Person" includes

- i. every Trustee, officer, and Key Persons of the University;

ii. any Relative of any individual described in clause (i) of this definition;
iii. any entity in which any individual described in clause (i) or (ii) of this definition has a thirty-five percent (35%) or greater ownership or beneficial interest in or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five (5%) percent.

Any reference in this Policy to a disclosure by a Covered Person shall mean a disclosure by Trustees, officers and Key Persons as to actual or potential Conflicts of Interests involving them directly or indirectly, and also to actual or potential Conflicts of Interests involving persons or entities under (ii) and (iii) of this definition.

d. Conflict of Interest

Conflict of Interest shall have the meaning set forth in the introduction of this Policy.

e. Relative

A Relative of an individual means (a) his or her spouse or domestic partner as defined in Section 2994-a of the New York Public Health Law; (b) his or her ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren; and (c) spouses or domestic partners of his or her brothers, sisters, children, grandchildren and great-grandchildren.

f. Financial Interest

A person has a Financial Interest if the person has, directly or indirectly, through business, investment, or a Relative:

i. An ownership or beneficial interest in any entity with which the Corporation has a transaction or arrangement or with which the Corporation is negotiating a transaction or arrangement, or
ii. Any compensation arrangement from which a person receives a financial benefit or other form of remuneration or incentive based upon a transaction or arrangement involving the Corporation.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

g. **Key Person**

A Key Person means any person, other than a Trustee or officer, including but not limited to Vice Presidents, Deans, Directors, and other Senior Administrators as identified by the General Counsel, whether or not an employee of the Corporation, who is in a position to exercise substantial influence over the affairs of the Corporation, including, but not limited to, any person who:

i. has responsibilities, or exercises powers or influence over the Corporation as a whole similar to the responsibilities, powers, or influence of Trustees and officers.
ii. manages the Corporation, or a segment of the Corporation that represents a substantial portion of the activities, assets, income or expenses of the Corporation; or
iii. alone or with others controls or determines a substantial portion of the Corporation's capital expenditures or operating budget.

h. **Related Party Transaction**

A Related Party Transaction includes any transaction, agreement or any other arrangement in which a Covered Person has a Financial Interest and in which the Corporation is a participant; provided that, if:

i. the transaction or the Covered Person's Financial Interest in the transaction is de minimis, or
ii. the transaction is of a type the Board or boards of similar organizations would not customarily review in the ordinary course of business and the transaction is available to others on the same or similar terms, or
iii. the transaction constitutes a benefit provided to the Covered Person solely as a member of a class of beneficiaries that the Corporation intends to benefit as part of the accomplishment of its mission, and such benefit is available to all similarly situated members of the same class on the same terms, then the transaction is not a Related Party Transaction. A transaction, agreement, or other arrangement otherwise meeting the requirements for a Related Party Transaction is a Related Party Transaction even if the Board determines that a conflict of interest does not exist.

Policy History:

- Originated: 09/2014
- Current Effective Date: 03/25/2026
- Next Review Date: 03/25/2029

- Revision/Renewal Log:
    - 03/25/2026 – complete rewrite of policy
    - 08/31/2024 – reviewed by GCO, no revisions necessary
    - 05/16/2017 – for compliance with not-for-profit law

<u>Notes on amendments to Board of Trustees policies:</u>

1. As stated in Niagara University Bylaws, this policy may be amended or revoked in whole or in part by three fourths (3/4) vote of the Board of Trustees upon at least ten (10) days' notice in writing to the members of the Board outlining the subject matter of the proposed amendment.