CONFLICTS OF INTEREST AND COMMITMENT POLICY
FOR THE BOARD OF TRUSTEES AND ALL ADVISORY BOARDS
OF MIDDLEBURY COLLEGE

I. SCOPE AND POLICY STATEMENT.

Middlebury College expects that all members of the Board of Trustees (and all members of any Middlebury College Advisory Board) maintain the highest standard of integrity and ethical and moral conduct. Consistent with the By-Laws of Middlebury College, this policy applies to each member of the Board of Trustees and each member of an Advisory Board. The College recognizes the importance of maintaining a reputation for integrity that includes, but is not limited to, compliance with laws and regulations and its contractual obligations. Each individual is required to conduct College business with the utmost honesty, accuracy, and fairness.

Trustees and the members of each Advisory Board owe their allegiance to the College and the fulfillment of its mission. As such, the conflict of commitment element of this policy shall serve to identify external activities that substantially interfere with an individual’s commitment to the College’s affairs.

This policy is intended to serve as guidance for all persons who have the ability to exert substantial influence over the affairs of the College and may include those individuals with financial interests and external commitments outside the College.

II. DEFINITIONS.

The following definitions are used in this policy:

A. **Conflict of interest** is a situation in which a member of the Board of Trustees or an Advisory Board or his/her family member or friend has an existing or potential financial, personal, familial, or business relationship that impairs or might appear to impair the individual’s independence and objectivity of judgment in the discharge of such person’s responsibilities to the College.

B. **Conflict of commitment** is a situation in which a member of the Board of Trustees or an Advisory Board has employment or other external activities that substantially interfere with the performance of his/her responsibilities to the College. A conflict of commitment will be apparent in the failure of an individual to discharge fully his or her responsibilities to the College as a result of external commitments.

C. **Business relationship** means there is a relationship between two persons in which (i) one person is employed by the other person (in a sole proprietorship arrangement) or by an organization with respect to which the other person is associated as a trustee, director, officer, key employee, or greater-than-35% owner; (ii) the two persons each serve as directors, trustees, officers, key employees, or
greater-than-10% owners of the same business or investment entity; (iii) one person is transacting business with the other person in transactions amounting to more than $10,000 annually (excluding transactions in the ordinary course of either party’s business on the same terms as are generally offered to the public); or (iv) one person is transacting business with an organization with respect to which the other person is associated as a trustee, director, officer, key employee, or greater-than-35% owner in transactions amounting to more than $10,000 annually (excluding transactions in the ordinary course of either party’s business on the same terms as are generally offered to the public). Transacting business includes contracts of sale, leases, licenses, loans performance of services, or other transactions involving transfers of cash or property.

D. **Family member** is a spouse, ancestors (i.e., parents, grandparents, great grandparents, etc.), children (whether natural or adopted), grandchildren, great grandchildren, siblings (whether by whole or half-blood), and the spouses of children, grandchildren, great grandchildren, or siblings.

E. **Friend** is a personal or professional colleague that has an actual or potential opportunity to reap some financial interest or gain from a transaction which is directly or indirectly related to the College.

F. **Substantial benefit** occurs when a member of the Board of Trustees or an Advisory Board or his/her family member or friend: (a) is the actual or beneficial owner of more than five percent (5%) of the voting stock or controlling interest of an entity that conducts substantial business with the College (defined to mean in excess of $10,000 annually); or (b) has other direct or indirect dealings with such an entity from which a member of the Board of Trustees or Advisory Board benefits directly, indirectly, or potentially from receipt of cash or property exceeding $10,000 annually.

G. **Key employee** is an employee of the College who has responsibilities, powers of influence over the College as a whole that is similar to those of officers, directors, or trustees. A key employee includes a person who, regardless of title, is in a position to exercise substantial influence over the affairs of the College, which includes any person who manages a discrete segment or activity of the College that represents 10% or more of the activities, assets, income, or expenses of the College or has or shares authority to control or determine 10% or more of the College’s capital expenditures, operating budget, or compensation for employees.

H. **Financial interest** means any interest which shall yield, directly or indirectly, a monetary or other material benefit to a member of the Board of Trustees or an Advisory Board (excluding salary or compensation for services to an entity that are not affected materially by any transaction directly or indirectly related to the College).

I. **Personal relationship** means there is a relationship between two persons that, by reason of either familial relationship or friendship or business association, goes beyond that of a casual friendship or professional acquaintance.
III. RESPONSIBILITIES OF TRUSTEES AND ADVISORY BOARD MEMBERS.

A. Fiduciary Responsibilities of Trustees.

Each member of the Board of Trustees serves as a fiduciary of the College and has an obligation to fulfill his or her responsibilities utilizing good faith, diligence, fidelity and loyalty. All decisions of the Board of Trustees are to be made solely on the basis of a desire to advance the best interests of the institution in furtherance of its public mission. The integrity and reputation of Middlebury College must be protected at all times. To this end, each member of the Board of Trustees hereby agrees to:

A. Adhere to the College’s By-Laws;

B. Maintain the highest ethical and moral standards, and present him or herself in a professional manner; and,

C. Treat information received as a Trustee as strictly confidential both during and after the completion of his/her term as a Trustee.

Each member of the Board of Trustees shall refrain at all times from any act which might appear to be in conflict between the member’s self-interest and the College’s interests. Each member of the Board of Trustees must be free from any conflicting interest or influence that would make it difficult to render to the College his/her best efforts or undivided loyalty or attention.

Members of the Board of Trustees may not accept or receive compensation or any form of remuneration for their appointment or services other than those members who are employees of the College and are duly authorized to receive salary, compensation or reimbursement for services based upon their status as an employee.

Professional men and women inevitably are involved in the affairs of other institutions and organizations. Effective boards often include individuals who have relationships and affiliations with other organizations that may raise questions concerning perceived conflicts of interest. Although many such potential conflicts may be deemed inconsequential, each member of the Board of Trustees has the responsibility to ensure that the Board is made aware of situations that involve financial, personal, familial, or business relationships that could potentially constitute a conflict of interest.

An actual or potential conflict of interest occurs when a member of the Board of Trustees is in a position to influence a decision that may result in a financial or personal gain, directly or indirectly, for that member of the Board or his/her family member or friend.

Personal gain may result not only in cases where a member of the Board of Trustees, his/her family member or friend has a significant ownership in an entity with which the College does business, but also when a member of the Board, his/her family member or
friend receives remuneration, kickback, bribe, substantial gift or special consideration as a result of any transaction or business dealings involving the College.

The mere existence of a relationship with outside firms or entities does not in and of itself create a violation of this policy. However, if a member of the Board of Trustees has any influence in transactions involving purchases, contracts or leases, it is imperative that he/she immediately disclose any actual or potential conflicts of interest so that appropriate measures may be taken.

B. Responsibilities of Advisory Board Members.

Although the function of an Advisory Board may be limited to making non-binding recommendations to either the Board of Trustees or the College (or otherwise furnishing valuation information or insight to the Board or College), all recommendations or input provided by members of an Advisory Board shall be unbiased and motivated solely by a desire to advance the best interests of the College.

Each member of an Advisory Board shall refrain from any act which might appear to be in conflict between the member’s self-interest and the College’s interests. Each member of an Advisory Board must be free from any conflicting interest or influence that would make it difficult for such member to render unbiased advice for the benefit of the Board or College.

Members of an Advisory Board will not accept or receive compensation or any form of remuneration for their appointment or services.

Members of an Advisory Board will treat all information received as an Advisory Board member as strictly confidential both during and after the completion of his/her term as an Advisory Board member.

IV. DISCLOSURE.

Each member of the Board of Trustees or an Advisory Board has an affirmative duty to disclose the existence and nature of his/her financial, personal, familial or business relationships when discussing or deliberating upon a proposed transaction or arrangement involving the College. Moreover, each member of the Board of Trustees or an Advisory Board is annually required:

A. To review and understand the terms of this policy;

B. To immediately disclose to the Chair of the Audit Committee (or Chair of the Committee on Trustees and Governance if the Chair of the Audit Committee is the person with the potential or actual conflict) any possible financial, personal, familial, or business relationships that reasonably might give rise to a conflict involving the College;
C. To acknowledge by his or her signature that he/she will act in accordance with the letter and spirit of this policy; and

D. To identify external professional commitments or other outside activities that compete or interfere with the member’s commitment to the Board.

Each member of the Board of Trustees or an Advisory Board has a continuing obligation to disclose information which may change or become known after signing an annual disclosure form.

Each member of the Board of Trustees or an Advisory Board is required to list annually on the disclosure form those relationships that:

A. The member or his/her family member or friend maintains with organizations that have a business relationship with the College;

B. Potentially could be construed to affect his/her independent, unbiased judgment in making decisions as a member of the Board of Trustees or in making recommendations or providing input in the case of a member of an Advisory Board; and

C. Involve outside professional commitments (e.g. service on other boards or professional organizations, associations, etc.) that compete or interfere with the member’s commitment to the Board or Advisory Board.

If a member of the Board of Trustees or an Advisory Board is uncertain whether or not to list a particular relationship, the Chair of the Audit Committee (or Chair of the Committee on Trustees and Governance if the Chair of the Audit Committee is the party with the potential or actual conflict) should be consulted. The conflicts of interest and commitment statement is signed upon the initial appointment of the individual as a Board member or member of an Advisory Board and annually thereafter. Any changes in the status or activities of a member must be immediately reported to the Chair of the Audit Committee (or Chair of the Committee on Trustees and Governance if the Chair of the Audit Committee is the person with the potential or actual conflict).

V. NON-ACCEPTANCE OF GIFTS.

Each member of the Board of Trustees or an Advisory Board shall refrain from accepting any gift, favor, service, compensation or benefit of any kind from any person or entity that can influence the exercise of the judgment of the member of the Board of Trustees or Advisory Board. Items of minimal value (i.e., less than $250) are not included within this policy and need not be reported unless they occur repeatedly.
VI. DISQUALIFICATION.

At the earliest practical time, members of the Board of Trustees or an Advisory Board shall disclose to the Chair of the Audit Committee (or Chair of the Committee on Trustees and Governance if the Chair of the Audit Committee is the party with the potential or actual conflict) any possible conflict of interest. No member of the Board of Trustees shall vote on any matter under consideration at a Board or committee meeting in which that member of the Board of Trustees has a conflict of interest or a potential conflict of interest and shall be disqualified and refrain from participating in deliberations or voting, unless the Board of Trustees first makes a determination that a conflict does not exist. No member of an Advisory Board shall participate in discussions with respect to a matter in which that member has an actual or potential conflict of interest, notwithstanding the Advisory Board’s limited role of making non-binding recommendations or otherwise furnishing valuation information or insight.

The minutes of any meeting in which a conflict or potential conflict is disclosed or identified shall adequately describe the conflict or potential conflict and explain that, prior to any deliberations concerning the subject matter of the conflict or potential conflict, the involved member excused himself/herself from the meeting so as not to compromise the integrity of the discussions.

All potential conflicts of interest shall be reported to the Chair of the Audit Committee and the Chair of the Committee on Trustees and Governance. Any disputed issues relating to the existence of an actual or potential conflict of interest shall be decided by the Committee on Trustees and Governance. The Chair of the Committee on Trustees and Governance may appoint, if appropriate, two or more disinterested persons or a committee to investigate alternatives to the proposed transaction or arrangement.

VII. VIOLATIONS OF THE POLICY.

Violations of this policy may result in forfeiture of the member’s appointment to the Board of Trustees or Advisory Board.

VIII. REPORTING VIOLATIONS AND SUSPECTED VIOLATIONS OF THE POLICY.

Members of the Board of Trustees or an Advisory Board are expected to report violations and suspected violations of this policy to the Chair of the Audit Committee and the Chair of the Committee on Trustees and Governance.

IX. CANDIDATES FOR BOARD MEMBERSHIP.

Candidates for membership on the Board of Trustees or an Advisory Board should be advised of this policy prior to appointment.
MIDDLEBURY COLLEGE

CONFLICTS OF INTEREST AND COMMITMENT POLICY
FOR THE BOARD OF TRUSTEES AND ALL ADVISORY BOARDS

DISCLOSURE FORM

The purpose of this Disclosure Form is to identify existing or potential financial, personal, familial or business relationships that might impair your independence and objectivity of as Trustee of the College (or as member of an Advisory Board) and potentially conflicts with the interests of the College and the community it serves.

Completion of this form will assist the Board as a whole in discharging its fiduciary duties and will assist the College in complying with its obligations as a tax-exempt organization described in section 501(c)(3) of the Internal Revenue Code, including its obligation to make certain disclosures on IRS Form 990. (Please note that a number of the questions below are directed to potential conflicts of interest under the internal revenue laws and extend to transactions beyond those that would give rise to a potential conflict of interest under the organizational documents of the College or Vermont law).

Upon completion, this form should be returned to Betsy Etchells via either fax or email or regular mail (for review by the Chair of the Audit Committee):

Betsy Etchells
Executive Assistant to the President
Old Chapel
Middlebury College
Middlebury, VT 05753
Tel: (802) 443-5400
Fax: (802) 443-2070
Email: etchells@middlebury.edu

If you have any questions in completing this form, please contact Patrick J. Norton, who can be reached as follows:

Patrick J. Norton
Vice President for Administration and Treasurer
Service Building 219
Middlebury College
Middlebury, VT 05753
Tel: (802) 443-5699
Fax: (802) 443-2123
E-mail: pnorton@middlebury.edu
IF YOU ANSWER “YES” TO ANY OF THE FOLLOWING QUESTIONS, please provide the details on a separate sheet of paper and attach it to this form.

1. Are you or any member of your family a director, officer, trustee, employee, manager, advisor, or consultant of any partnership, corporation, limited liability company, sole proprietorship or other entity that currently has or is in the process of entering into a business relationship with the College? If yes, please list all such persons and relationships.

   No _______ Yes _______

2. Are you or any member of your family have or is in the process of entering into a business relationship to provide services or goods to students of the College (such as financial aid, financial aid consulting, housing, study abroad services, or the provision of food or beverages or computers, etc.)? If yes, please list all such persons and relationships.

   No _______ Yes _______

3. Are you or any member of your family have or is in the process of entering into a business relationship to provide services or goods to faculty of the College (such as the provision of professional education services or publishing)? If yes, please list all such persons and relationships.

   No _______ Yes _______

4. Do you or any family member serve as director, officer, trustee, key employee of any other college or university? If yes, please list all such persons and relationships and describe the level of commitment (e.g., meetings per year, hours devoted per month, etc.) if you are the involved person.

   No _______ Yes _______

5. Are you aware of any relationships (other than as described above) between Middlebury College and yourself, a family member or a friend as defined by the letter or spirit of this policy that may represent a conflict of interest or a potential conflict of interest or commitment?

   No _______ Yes _______

   If yes, please list the information in detail.
6. During the past 12 months, did you or a family member or friend receive any gifts, loans or other financial benefits from any entity or source that has a business relationship with the College?

   No _______ Yes _______

   If yes, please list the information in detail.

7. Are you a member of any other board of directors, board of trustees, or other Advisory Board, public or private sector, (excluding boards of colleges or universities disclosed above), including business organizations, professional associations, or nonprofit organizations?

   No _______ Yes _______

   If yes, please list the information in detail and describe the level of your commitment (e.g., meetings per year, hours devoted per month, etc.) to the organization.

8. Are you aware of any conflict or potential conflict of interest or commitment involving another member of the Board of Trustees?

   No _______ Yes _______

   If yes, please list the information in detail.

9. Attached to this form is Schedule A listing the names of individuals and entities who are currently serving as trustees, officers, or key employees of the College or have key business relationships with the College (e.g., investment managers, lenders, other financial institutions, key vendors providing either goods or services to the College). Please review Schedule A carefully before answering the following question. This information is an important part of the College’s effort to file a complete and accurate IRS Form 990.

   a. Is any person listed on Schedule A a member of your family? If yes, please explain.

      No _______ Yes _______

   b. Are you an employee of any person or entity listed on Schedule A? If yes, please explain.

      No _______ Yes _______
c. Have you personally entered into a written business contract with any person or entity listed on Schedule A? If yes, please explain.

No _______ Yes _______

d. To your knowledge, do you personally have, when combined with every other person or entity listed on Schedule A, more than a 35% ownership interest in any corporation, partnership, or trust?

No _______ Yes _______

10. The primary auditor for the College is currently PriceWaterhouseCoopers ("PWC"). Are you or a family member a partner or principal in PWC? Identify any immediate family members who are employees of PWC who participate in the audit, assurance, or tax compliance practice for the College.

No _______ Yes _______

11. Are there any legal proceedings adverse to the College pending or anticipated in which you, a family member, or any entity listed by you in response to any of the above questions are a party?

No _______ Yes _______

If yes, please list them below.

12. During the past five years have you been convicted in a criminal proceeding or are you now the named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses)?

No _______ Yes _______

If yes, please provide the details below.

* * *

I attest that I have read and understand Middlebury College’s Conflicts of Interests and Commitment Policy for the Board of Trustees and All Advisory Boards. I further attest that the foregoing information is true and complete to the best of my knowledge.

I agree that if at any time after the date of this form either I or a member of my family enters into a business relationship described on this form that has been not previously disclosed (or otherwise there is a need to correct or update the information provided in this form), I agree to submit a revised Disclosure Form.
SCHEDULE A

LIST OF OFFICERS, TRUSTEES, KEY EMPLOYEES, AND KEY VENDORS

Maintenance of Lists. The lists on this Schedule A shall be maintained by the Audit Committee. This Schedule A serves to identify current officers, trustees, key employees, and key vendors of the College.

A. Current Members of Board of Trustees.

[IN ALPHA ORDER]

__________  ____________ ____________
__________  ____________ ____________
__________  ____________ ____________
__________  ____________ ____________

B. Current Members of Advisory Board.

[IN ALPHA ORDER]

__________  ____________ ____________
__________  ____________ ____________
__________  ____________ ____________
__________  ____________ ____________

C. Officers and Key Employees:

__________, Title
__________, Title
__________, Title
__________, Title
__________, Title

D. Lenders and Financial Institutions.

E. Investment Managers.

F. Key Vendors.

[LIST TOP 25-30 VENDORS]