

	<b>Board of Trustees Conflict of Interest Policy</b>	
	<b>Responsible Administrative Unit:</b> Office of General Counsel	<b>Policy Contact:</b> Anne Stark Walker Vice President & General Counsel <a href="mailto:aswalker@mines.edu">aswalker@mines.edu</a>

## 1.0 BACKGROUND AND PURPOSE

Members of the Board of Trustees of the Colorado School of Mines (“Mines”) serve the public trust and have a clear obligation to fulfill their responsibilities in a manner consistent with this service. Trustees owe a duty of care and a duty of loyalty to Mines in the conduct of their role on Mines’ governing board (“Board”). They must perform their duties lawfully, rationally, in good faith, and in a manner they reasonably believe to be in the best interest of the public and Mines. In addition to their fiduciary duties, Trustees must be aware of and comply with applicable State law governing ethical conduct and conflicts of interest including, but not limited to, the statutory requirements set forth in C.R.S. §§ 24-18-101, *et seq.*, and C.R.S. §§ 24-18-201, *et seq.*

The purpose of this Conflict of Interest Policy is to provide guidance to the Trustees in identifying, disclosing and managing or resolving apparent or actual conflicts that threaten to impede a Trustee’s ability to fulfill his or her fiduciary responsibilities to Mines and to act in the best interest of Mines.

## 2.0 POLICY STATEMENT

Trustees shall act in a manner consistent with their fiduciary responsibilities to Mines, and exercise their powers and duties in the best interest of the public, Mines, and the Board, and not in the Trustee’s own interest or in the interest of another person or entity. Accordingly, a Trustee shall exercise care to avoid conflicts between the interests of Mines and the Trustee’s own financial or personal interest (or the financial or personal interests of the Trustee’s Family or Associates) that may impair the Trustee’s independent judgment in carrying out Board responsibilities or may reasonably be perceived as a breach of the Trustee’s public trust.

A Trustee should avoid the Appearance of Impropriety as well as actual conflicts of interest. Although many potential conflicts may be determined to be immaterial or manageable, the Trustees and Mines must be sensitive to all apparent and actual conflict situations as they arise.

A Trustee shall not use confidential information acquired in the course of the performance of Board responsibilities to further the Trustee’s own financial interest

or personal interest (or the financial or personal interests of the Trustee's Family or Associates).

### **3.0 DISCLOSURE PROCEDURES / RESPONSIBILITIES**

Any potential or actual Conflict of Interest can best be handled through full and timely disclosure of such interest, together with restraint on participation in any vote or Board action in which the subject interest is or may be involved. Accordingly, the following procedures on Conflict of Interest will be followed.

- 3.1** When a Trustee becomes aware of a situation that may compromise or might reasonably be perceived to compromise his or her independence or impartiality in matters of Board business, or that otherwise impedes the Trustee's ability to fulfill his or her fiduciary duties and serve the best interest of Mines, the Board and the public, the Trustee shall disclose such situations to the Board Chair. The Trustee shall disclose any significant facts within his or her knowledge that indicate how the matter might create a conflict, or the appearance of a conflict, and answer pertinent questions.
- 3.2** The Board Chair shall confer with other members of the Board about addressing any disclosed potential or actual conflict, and seek the advice of Mines' General Counsel, as necessary.
- 3.3** If a majority of present Trustees determines that a Conflict of Interest exists and is material to the particular Board matter being considered, the Board Chair shall require that the conflicted Trustee be absent and refrain from participating in any discussions, recommendations, determinations and decisions concerning the particular matter. The conflicted Trustee shall not vote on the particular matter.
- 3.4** The conflicted Trustee may voluntarily recuse him or herself from Board deliberations or actions if the Trustee believes that a Conflict of Interests exists with respect to any such deliberations or actions. Any such voluntary recusal shall not release the Trustee from making full disclosure upon the request of the Board as set forth above.
- 3.5** Whenever the board holds a meeting at which a Trustee's potential or actual Conflict of Interest is disclosed, a determination regarding the existence of a conflict is made, or a transaction or arrangements with respect to which a Trustee has a conflict is considered, the Board's consideration of these issues must be reflected in the minutes of the meeting.
- 3.6** Trustees shall complete and submit to the Board Secretary annually a Conflict of Interest Disclosure Form disclosing any Financial Interest or personal interest that may create an actual or potential Conflict of Interest, and shall notify the Board Secretary of any material change in the information

submitted in the annual disclosure. Mines' General Counsel shall advise on the development of a management plan for disclosed conflicts.

- 3.7** It is recommended that Trustees follow the voluntary procedures set forth in C.R.S. § 24-18-110 for making prior disclosure to the Colorado Secretary of State of actions or private interests that may result in conflicts of interest. Although these procedures are voluntary, the statute provides that persons having a conflicting interest who follow them shall have an affirmative defense to any civil or criminal action or other sanction that might otherwise apply.

#### **4.0 DEFINITIONS**

**Appearance of Impropriety** means any conduct that might lead members of the public to conclude that the Trustee is using his or her official position to further the financial or personal interests of the Trustee (or the financial or personal interests of the Trustee's Family or Associates).

**Associate** means a person, entity, or enterprise with respect to which the Trustee:

- (a) is a director, officer, employee, member, partner, or trustee;
- (b) has a Financial Interest that represents 5% or more of his or her assets or any interest that enables him or her to exercise control or to influence policy significantly; or
- (c) has any other material association.

**Conflict of Interest** means any situation that may compromise or appear to compromise a Trustee's independence or impartiality in matters of Mines' Board Business or that otherwise impedes the Trustee's ability to fulfill his or her fiduciary duties or serve the best interest of Mines. A "conflict of interest" exists when a Trustee's financial or personal interest (or the financial or personal interests of the Trustee's Family or Associates) may impair the Trustee's independent judgment in carrying out Board responsibilities.

**Family** means a Trustee's spouse, dependents or household members.

**Financial Interest** means a substantial interest held by an individual that is:

- (a) an ownership interest in a business;
- (b) a creditor interest in an insolvent business;
- (c) an employment or prospective employment for which negotiations have begun;
- (d) an ownership interest in real or personal property;
- (e) a loan or other debtor interest;
- (f) a directorship or officership in a business; or
- (g) a personal and material economic interest in a transaction.

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**Trustee** means a voting member of Mines' governing board appointed by the Governor or a non-voting member elected by the faculty or student body.

### **5.0 RESOURCES**

- State of Colorado Code of Ethics, C.R.S. §§ 24-18-101, *et seq.*
- State of Colorado Proscribed Acts Related to Contracts and Claims, C.R.S. §§ 24-18-201, *et seq.*
- Board of Trustees Conflict of Interest Annual Disclosure Form

### **6.0 HISTORY AND REVIEW CYCLE**

This policy will be reviewed annually by the Trustees and all newly appointed Trustees will be advised of the policy upon assuming their Board duties.

Issued: October 29, 2010

Amended: February 5, 2021 (changes in format and clarify and update procedures)