

**THE NEW YORK PUBLIC LIBRARY,
ASTOR, LENOX AND TILDEN FOUNDATIONS**

ETHICS AND CONFLICTS POLICY FOR TRUSTEES AND OFFICERS

Introduction

The New York Public Library, Astor, Lenox and Tilden Foundations (the “Library”) is one of the largest and most respected library systems in the world. The Library is dedicated to maintaining excellence in providing library services to the public. The issue of public trust demands that Library Trustees¹ and Officers² act with integrity in accordance with the highest ethical standards.

The Board of Trustees and Officers shall act to shape the future of the Library. In doing so, the Board of Trustees and Officers shall oversee the management of the Library’s assets, including its collections, programs, facilities, financial assets and staff, to ensure they are effectively protected, maintained and developed in support of the Library’s mission, objectives and purposes as established by the Library’s Charter, Bylaws and Mission Statement.

1. Compliance with Laws and Other Ethical Standards

Library Trustees and Officers shall comply with the letter and spirit of all applicable local, state and federal laws and international conventions, the ethical standards set forth in this Ethics and Conflicts Policy for Trustees and Officers (the “Policy”), and any additional ethical standards set forth by organizations relevant to the particular profession(s) of each Trustee and Officer. In case of any conflict or inconsistency between this Policy and any other relevant ethical standards, Trustees and Officers should comply with the most stringent provision in order to ensure the highest level of integrity.³

2. Fiduciary Duties

Trustees and Officers have the fiduciary duties of care, loyalty and obedience to the Library. The duty of care requires Trustees and Officers to exercise the care that an ordinarily prudent person would exercise in a like position and under similar circumstances. The duty of loyalty requires Trustees and Officers to faithfully pursue the interests of the Library rather than their own financial or other interests or those of another person or organization. The duty of obedience requires Trustees and Officers to act with fidelity to the Library’s mission.

¹ The term “Trustees” as used in this Policy shall mean the Library’s Elected Trustees, Life Trustees, Foundation Trustees and *ex officio* Trustees or their representatives, as well as any other person serving as a member of a Committee of the Board of Trustees.

² The term “Officers” as used in this Policy means the President, the Treasurer, the Secretary, the Chief Operating Officer, the Chief Financial Officer, the Andrew W. Mellon Director of The New York Public Libraries, the Senior Vice Presidents, the Vice Presidents, the Chief Investment Officer, the Assistant Secretary, the Assistant Treasurer and such other officers as are appointed by the Library’s Board of Trustees from time to time.

³ Library Officers who are paid employees of the Library are subject to the Library’s Ethics and Conflicts Policy for Employees as well as to this Policy.

As such, Trustees and Officers shall be attentive to the Library’s activities and finances. Trustees shall oversee the way in which the Library’s assets and affairs are managed, and Officers who are paid employees of the Library shall be actively engaged in such management. This includes attending and participating in meetings, reading and understanding financial statements, asking questions and exercising sound judgment. Breach of any fiduciary duty by a Trustee or Officer may subject the Trustee or Officer to financial or legal consequences and may result in removal from his or her position as a Trustee or Officer.

Trustees and Officers should keep in mind that any action taken by them as individuals may reflect on, or be attributed to, the Library. No Trustee or Officer shall misuse the Library’s name, reputation, property or services, nor shall any Trustee or Officer compromise the Library’s goodwill.

3. Conflicts of Interest

A. General

The Library is committed to transparency and openness in its operations. In particular, as a not-for-profit organization exempt from Federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code, the Library is subject to tax and other legal requirements, including prohibitions against private inurement or private benefit. If these requirements are not met, certain penalties could be imposed, including loss of tax-exempt status or imposition of the so-called “intermediate sanctions” taxes enacted as part of The Taxpayers Bill of Rights 2, which would be payable by the Library’s managers and the “disqualified person” involved in the “excess benefit” transaction. Further, in order to meet the Library’s annual disclosure requirements of IRS Form 990 (Return of Organization Exempt from Income Tax), the Library must understand whether each Voting Trustee is an “independent voting member of the governing body” with respect to the Library and must learn of any transactions that must be disclosed on the Form 990.

In order to promote transparency and openness, to address these tax and legal requirements, and to address other issues of potential conflicts of interest, the Board of Trustees has adopted this Policy.

B. Conflicts of Interest—Defined

A Trustee or Officer has a conflict of interest when the Trustee or Officer, or any member of his or her Family,⁴ directly or indirectly:

- has any personal, business or other interest or affiliation that could be construed as being Library-related, such as (but not limited to) serving as a trustee, officer, director, employee or partner of, or owning greater than 5% of the voting stock or controlling interest in, any organization that does business or wishes to do business with the Library, or
- receives a personal, business or other benefit as a result of the Trustee’s or Officer’s affiliation with the Library.

⁴ The term “Family” as used in this Policy includes individuals related to a Trustee or Officer by marriage, domestic partnership, blood or adoption, or who are otherwise closely identified with the Trustee or Officer.

C. Avoidance of Conflict of Interest

Each Trustee and Officer shall exercise care to ensure that no harm to the Library's interests results from a conflict of interest between the Library's interests and any personal, business or other interests of the Trustee or Officer or any member of his or her Family. Trustees and Officers should avoid situations in which a conflict of interest, or the appearance of a conflict of interest, could arise.

D. Disclosure of Potential Conflict of Interest

If any Trustee or Officer or any member of his or her Family has, or reasonably expects to have, interests or affiliations that could be construed as creating a conflict or the appearance of a conflict with the interests of the Library, the Trustee or Officer shall promptly inform the Chairman of the Board or the President, each of whom shall promptly inform the other and the General Counsel of the Library. Any potential conflict of interest involving the Chairman of the Board, the President or the General Counsel shall be immediately referred to the Compensation Committee.

E. Evaluation of Potential Conflict of Interest

1. The Chairman of the Board, the President and the General Counsel shall review the information relating to any potential conflict of interest (except with respect to a potential conflict of interest involving the Chairman of the Board, the President or the General Counsel, which shall be reviewed by the Compensation Committee as set forth in Section 3(E)(2) of this Policy) and shall take one of the following actions as they deem appropriate: (i) finding that no conflict or potential conflict exists; (ii) finding that a conflict or potential conflict exists and that the situation resulting in such conflict should cease or not be permitted to proceed; or (iii) referring the actual or potential conflict of interest to the Compensation Committee for consideration.
2. The Compensation Committee shall review the information relating to any potential conflict of interest involving the Chairman of the Board, the President or the General Counsel, or that is referred to the Compensation Committee pursuant to Section 3(E)(1)(iii) of this Policy, and shall take one of the following actions as the Compensation Committee deems appropriate: (i) finding that no conflict or potential conflict exists; (ii) finding that a conflict or potential conflict exists and that the situation resulting in such conflict should cease or not be permitted to proceed; (iii) finding that, although a conflict or potential conflict exists, it can be remedied to the satisfaction of the Compensation Committee or may otherwise be permitted to proceed; or (iv) referring the actual or potential conflict of interest to the Board of Trustees for consideration.
3. Generally, the Trustee or Officer associated with a potential conflict of interest may be present at the meeting(s) held to evaluate the potential conflict of interest in order to respond to questions and elaborate on the information presented; however, as set forth in Section 3(H) of this Policy, such Trustee or Officer shall leave the meeting during any discussion or vote relating to such matter.
4. In all cases, the decision and/or recommendation shall be recorded in writing by the Chairman of the Board, the President and the General Counsel, the Compensation

Committee, or the Board of Trustees, as applicable. A copy of the final decision and/or recommendation shall be provided to the Trustee or Officer. Copies of all written decisions and/or recommendations shall be promptly forwarded to the Office of the General Counsel, which shall maintain a central repository for all such written decisions and/or recommendations.

F. Accessibility of Information

The Chairman of the Board, the President and the General Counsel, the Compensation Committee or the Board of Trustees, as applicable, may request from Trustees or Officers information relevant to ensuring compliance with this Policy. Because the integrity, and therefore, the credibility of the Library are enhanced by disclosure, Trustees and Officers shall provide any relevant information reasonably requested.

G. Confidentiality in Review

Persons to whom disclosures are made shall take steps to ensure the confidentiality of the disclosure. All information relating to an actual or potential conflict of interest shall be handled confidentially unless public disclosure is part of the conflict of interest management plan or is required by law.

H. Abstention from Voting

A Trustee or Officer shall not vote on, approve or recommend any transaction in which he or she or any member of his or her Family has any actual or potential conflict of interest. If the Trustee or Officer is present at a meeting of the Board or any Committee at which such a matter is considered, the Trustee or Officer shall leave the meeting during any discussion or vote relating to such matter. The remaining Trustees and Officers, as applicable, shall determine whether the transaction is both proper and beneficial to the Library. The minutes of the meeting shall record the disclosure of the conflict, the Trustee's or Officer's abstention from consideration of the matter, and the determination, if made, that the transaction is in the Library's interest.

I. Trustee Candidates

The Nominating Committee shall, in considering candidates for the Board of Trustees, ascertain whether the candidate, or a member of his or her Family, has any direct or indirect personal, business or other interests or affiliations that could be construed as giving rise to an actual or potential conflict of interest that should be reported to the Board of Trustees prior to the candidate's nomination being acted upon by the Board.

4. Library Resources

Trustees and Officers shall use Library resources for Library business only and not for personal gain or at the expense of patrons provided, however, that they may use Library resources in the same manner as any member of the general public. Library resources include, but are not limited to, the Library's collections, supplies, equipment, staff and premises. In addition, the name, reputation and goodwill of the Library are valuable assets and should not be used by Trustees or Officers for personal advantage or for the advantage of any other person or entity.

5. Confidential Information

Unless otherwise required by law, Trustees and Officers shall not disclose confidential information obtained in the course of their duties as Trustees or Officers. Confidential information is any information that is not generally available to the public. The obligation to keep such information confidential shall continue after the cessation of a Trustee's term on the Board of Trustees or the Officer's employment at the Library.

6. Personal Collecting

No Trustee or Officer or any member of his or her Family may knowingly compete, directly or indirectly, with the Library for the purchase of collection items of interest to the Library.

No Trustee or Officer or any member of his or her Family may directly or indirectly sell collection items to the Library except at a price substantially below fair market value, as determined by an independent appraisal, and upon terms otherwise approved in accordance with the Library's standard policies and procedures with respect to acquisitions.

In the rare circumstances in which materials are deaccessioned from the collections of The Research Libraries or the Special Branch Research Collections in accordance with The Research Libraries Statement of Policy on the Deaccession and Disposition of Library Materials or the Library's Policy Regarding Withdrawal of Branch Libraries Materials and Gifts, or any successor policies thereto, as applicable, no Trustee or Officer or any member of his or her Family may purchase items deaccessioned from such collections directly or indirectly from the Library.

7. Trustee-Staff Relationship

Trustees and Officers should not use their position to obtain unreasonable or excessive services or expertise from Library staff. Neither Trustees nor any member of a Trustee's or Officer's Family shall serve as paid employees of the Library unless approved in advance by the Board, the Compensation Committee, or such other committee as the Board shall so authorize.

8. Gifts

Trustees and Officers shall avoid activity that could be construed as illegal, improper or corrupt. In order to avoid the appearance of impropriety, Trustees, Officers and their Family members may not knowingly accept, in connection with their official relationship with the Library or their performance of any duty as a Trustee or Officer, gifts with a value of \$100 or more from any one source in a calendar year (including a discount or special price on personal purchases) from any individual or organization that does business with, or that wishes to do business with, the Library.

Notwithstanding the provisions of the previous paragraph, trivial gifts in the nature of mementos need not be returned nor a friendly dinner invitation declined if it would cause unnecessary offense. Lunches, dinners or other customary entertainment that would be appropriate to be reimbursed as a business expense may be accepted, except where the acceptance would compromise, or could reasonably be perceived to compromise, the judgment of the Trustee or

Officer or the reputation of the Library. Gifts of cash or cash equivalents (e.g., gift cards) may never be accepted.

9. Interpretation

This Policy cannot describe all potential conflicts of interest or ethical issues that may arise, and its application may be uncertain at times. Officers and Trustees should exercise the highest standards of ethical judgment and err on the side of caution. Attached hereto as Appendix A is a list of examples to assist Trustees and Officers in determining whether a conflict of interest or other ethical issue may exist. Trustees and Officers are encouraged to consult with the Chairman of the Board, the President or the General Counsel if they have any questions as to the applicability of this Policy to a particular situation.

10. Policy Distribution/Conflict of Interest Statement

Each Trustee and Officer was provided with a copy of this Policy promptly after its enactment by the Board in 2004.

Newly elected Trustees and newly appointed Officers shall be provided with a copy of this Policy upon election to the Board or appointment as an Officer. Upon receipt, each such newly elected Trustee and newly appointed Officer shall promptly complete, sign and return the attached Conflict of Interest Statement.

Each Voting Trustee and Officer shall be provided with a copy of this Policy on an annual basis. Upon receipt, each such Trustee and Officer shall promptly complete, sign and return the attached Conflict of Interest Statement and an associated Questionnaire.

Appendix A

This Appendix provides a list of examples to assist Trustees and Officers in determining whether a conflict of interest or other ethical issue may exist. This list does not purport to include every possible ethical issue that may arise. Trustees and Officers are encouraged to consult with the Chairman of the Board, the President or the General Counsel if they have any questions as to the applicability of the Library's Ethics and Conflicts Policy for Trustees and Officers (the "Policy") to a particular situation.

Situation 1: A family member of a Trustee or an Officer is the principal of a vendor or service provider that wants to submit a bid to perform work for the Library.

Analysis: This situation would constitute a conflict of interest. The Trustee or Officer should either (i) tell his or her family member not to bid on the project or (ii) promptly disclose the potential conflict as set forth in Section 3(D) of the Policy.

If the Trustee or Officer decides to disclose the potential conflict, the disclosure will be reviewed as set forth in Section 3(E) of the Policy and the Trustee or Officer will receive a written copy of the final decision and/or recommendation as to how the conflict should be handled. The Trustee's or Officer's family member should not submit a bid unless and until permission has been granted to do so pursuant to such written decision or recommendation.

Situation 2: A Trustee or Officer wants to hire a contractor who does renovation work for the Library to perform renovations in the Trustee's or Officer's home.

Analysis: This situation may constitute a conflict of interest, because the Trustee or Officer may receive a benefit as a result of the Trustee's or Officer's affiliation with the Library (for example, the contractor may feel obligated to work for the Trustee or Officer or to give the Trustee or Officer a discount as a result of the Trustee's or Officer's affiliation with the Library). In this situation, the Trustee or Officer should either (i) refrain from hiring the contractor or (ii) disclose the potential conflict as set forth in Section 3(D) of the Policy to determine if permission will be granted for the Trustee or Officer to hire the contractor.

Situation 3: A Trustee or Officer is writing a book about an author whose personal papers were recently acquired by the Library. Although the papers are not yet available to the public, the Trustee or Officer would like access to them.

Analysis: The use of Library materials not yet available to the public would be an inappropriate use of Library resources, because such use would put the Trustee or Officer at an unfair advantage as compared to members of the general public.

Situation 4: One of the Library’s investment managers invites certain Trustees and Officers to a dinner event for which the investment manager purchased an expensive table for guests.

Analysis: In most cases, the Trustees and Officers could accept this invitation. Lunches, dinners or other customary entertainment that would be appropriate to be reimbursed as a business expense may be accepted, except where the acceptance would compromise, or could reasonably be perceived to compromise, the judgment of the Trustee or Officer or the reputation of the Library.

Situation 5: Under circumstances that arise or that may appear to arise from a Trustee’s or Officer’s official relationship with the Library or the performance of any duty as a Trustee or Officer, one of the Library’s investment managers invites a Trustee or Officer to a weekend investment seminar/retreat at a luxury resort--all travel, lodging and meal expenses to be paid by the investment manager.

Analysis: The Trustee or Officer should decline the invitation. Even if this expense could be reimbursed as a business expense, the value and nature of the invitation is such that it could reasonably be perceived to compromise the judgment of the Trustee or Officer or the reputation of the Library.

Situation 6: A University requests an Officer of the Library to deliver a speech at a graduation ceremony. The University will pay the Officer an honorarium and will pay all travel, lodging and meal expenses of the Officer and the Officer’s spouse or partner.

Analysis: Unless it is clear that the Officer is being invited to deliver the speech in his or her personal capacity instead of in his or her capacity as an Officer of the Library, the Officer should remit the honorarium to the Library.

It would be acceptable for the Officer to accept the University’s offer to pay the travel, lodging and meal expenses of the Officer and the Officer’s spouse or partner unless (i) the University does business with, or wishes to do business with the Library and (ii) the value and nature of the invitation is such that it could reasonably be perceived to compromise the judgment of the Officer or the reputation of the Library.

**THE NEW YORK PUBLIC LIBRARY,
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TRUSTEE AND OFFICER CONFLICT OF INTEREST STATEMENT

I, as a Trustee or Officer of The New York Public Library, Astor, Lenox and Tilden Foundations (the "Library"), certify that:

1. I have received a copy of the Library's Ethics and Conflicts Policy for Trustees and Officers (the "Policy").
2. I have read and understand the Policy.
3. I agree to comply with the provisions of the Policy.
4. If I or any member of my Family (as defined in the Policy) has, or reasonably expects to have, now or in the future, any interests or affiliations that could be construed as creating a conflict or the appearance of a conflict with the interests of the Library, I shall promptly inform the Chairman of the Board or the President of the Library.
5. I shall not vote on, approve or recommend any transaction in which I or any member of my Family has any actual or potential conflict of interest. If I am present at a meeting of the Board or any Committee at which such a matter is considered, I shall leave the meeting during any discussion or vote relating to such matter.

Signature

Print Name

Date

Please return this form to:

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Vice President, General Counsel and Secretary
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