

The David and Lucile Packard Foundation

CODE OF CONDUCT AND STATEMENT OF VALUES FOR BOARD OF TRUSTEES

I. Purpose

David and Lucile Packard believed in and lived by a set of values that underscore the work of the Foundation. This Code of Conduct and Statement of Values seeks to provide an overview of how those values guide the Foundation's work and highlight key responsibilities and standards that Trustees follow when they engage in Packard Foundation business or activities that could reflect on the Packard Foundation. This Code of Conduct covers Packard Foundation Trustees. A separate Code of Conduct for Employees covers Packard Foundation employees.

II. Values Statement

By their example, David and Lucile Packard passed on to the Board and staff of the Foundation the following core set of values:

Integrity. The Board and staff will be open and honest with one another, the community, and Foundation grantees. They will encourage the highest possible standards of conduct and ethics.

Respect for All People. The Board and staff, in all of their work on behalf of the Foundation, will show graciousness and respect to all people. The success of the Foundation depends on seeking out and listening to the ideas and advice of others.

Belief in Individual Leadership. The Board and staff will provide at the Foundation an environment of trust and flexibility that fosters and rewards the best in ideas and efforts. In grantmaking and other activities of the Foundation, the Board and staff will look for those individuals and organizations best able to make a contribution in their fields, and then will respect and support their leadership and ideas.

Commitment to Effectiveness. The Board and staff will identify unique and strategic opportunities to make a difference. They will evaluate their effectiveness and change strategies as necessary to achieve a greater effectiveness. The Foundation will take a long-term view and keep a commitment to selected areas that require this.

Capacity to Think Big. The Board and staff will initiate and be receptive to ideas in which a large commitment of funds and/or time can make a unique and lasting contribution. The Foundation will operate in a way that ensures flexibility to respond to such opportunities.

III. Responsibilities

- **Board Membership**

It was the intent of David and Lucile Packard that the Board of Trustees of the Foundation be personally involved in the design and implementation of the Foundation's overall programs. In addition to the usual functions of Board members in setting policy and providing oversight for management and implementation, members of the Board are invited to participate actively in program areas in which they have a specific interest. Indeed, to date, all of the Foundation's program areas developed because one or more Board members suggested and advocated for them.

To this end, Board members are encouraged and expected to suggest program directions and to participate actively on one or more program advisory committees that review overall goals and strategies. Board members are expected to attend quarterly Board meetings and to perform the duties outlined in the Bylaws of the Foundation, including serving terms on one or more Committees of the Board (Executive, Audit, Finance, Compensation, and Committee on the Board).

- **Outside Activities**

The Foundation expects the Trustees to make a significant commitment of time and attention to the Foundation. The Foundation also encourages its Trustees to be involved with other charitable organizations, and expects that such involvement would not interfere with the Trustees' responsibilities to the Packard Foundation.

- **Governance**

The Board of Trustees is responsible for setting the mission and strategic direction of the Foundation and oversees the finances, operations, and policies of the Foundation, as set forth in the Articles of Incorporation, the Bylaws, and committee charters. The Board regularly reviews the operations and policies of the Foundation to see that they comply with all legal requirements and reflect best practices in the field. The Board of Trustees works to ensure that its members have the requisite skills and experience to carry out their duties and that its members understand and fulfill their governance duties for the benefit of the Foundation and its charitable purposes. The Board has prepared materials on the Founders' Goals and Guiding Principles, Founder Intent, and the roles and responsibilities of the Members and the Board of Trustees and will make these available to potential Board members and new Trustees.

- **Stewardship**
The Board is responsible for working to ensure that the Foundation manages its endowment and its grantmaking budget responsibly and prudently, taking into account its size, complexity, and history. The Board endorses the following principles: the Foundation will spend its endowment in support of its mission; and the Foundation will spend an adequate amount on administrative expenses to ensure it has effective accounting systems, internal controls, competent staff, professional advice, adequate facilities, and other equipment critical to professional management. The Foundation strives to maintain its administrative expenses at a level that is among the lowest for foundations of similar size and complexity.
- **Grantmaking Programs**
The Board will shape and oversee the grantmaking programs of the Foundation. Review and planning sessions will be held on a regular basis. The Board reviews and approves programmatic grantmaking goals, objectives, and guidelines. The Foundation has guidelines for its grantmaking which are posted on its Web site.
- **Program Evaluation**
A commitment to effectiveness is one of the Foundation's values. The Board works to ensure that the Foundation regularly reviews its programs for effectiveness and impact and strives to incorporate lessons learned into its grantmaking. The principles that underlie the Foundation's approach to evaluation are: striving to improve an endeavor by getting good feedback and taking corrective action to pursue the goal; working in a cooperative spirit with The Foundation's grantees; and collaborating with the Foundation's grantees to maximize the usefulness and learning of evaluation and minimize its burdens.
- **Inclusiveness and Diversity**
The vision of the Foundation is that Trustees' interactions with each other, staff, and the broader community will manifest the spirit and intent of the stated values of the Foundation.

The Foundation seeks to promote both a healthy work environment for all Packard Foundation employees and understanding and respect for the diversity of the communities and grantees with which we work. The Foundation recognizes diversity as an asset essential to accomplishing the work of the Foundation.

IV. Conduct

- **Legal Compliance**
The Board works to ensure that the Foundation is knowledgeable of and complies with all laws, regulations, and applicable international conventions and that it respects the customs of the countries in which the Foundation works. Board members are expected to comply with the letter and the spirit of all laws and Foundation policies.
- **Conflict of Interest**
The Foundation works to avoid real or perceived conflicts of interest in our grantmaking and in our business transactions. Accordingly, the Board has adopted a conflict of interest policy for the Board and for staff. Trustees are asked on an annual basis to review the policy and have a continuing duty to disclose any potential conflicts they may have.
- **Trustee Compensation**
The Packard Foundation does not compensate Trustees for their service as Trustees. The Foundation does pay travel and other expenses incurred by Trustees on behalf of the Foundation pursuant to a reimbursement policy. The Foundation also has a matching grant program for Trustees.
- **Gifts**
Trustees shall follow the guidelines limiting gifts, honoraria, and hospitality which are part of the conflict of interest policy. Generally, Trustees or members of their families should not accept gifts or hospitality, except gifts of nominal value or meals and social invitations that are in keeping with good business ethics from past, current, or potential grantees, vendors, consultants or others who have business or grantor-grantee relationships with the Foundation.
- **Personal Political or Legislative Activity**
As a tax-exempt charitable organization classified as a private foundation, the Foundation is not permitted to participate or intervene, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate (or nominee) for any elective public office including making contributions. The Foundation is also not permitted to attempt, directly or indirectly, to influence legislation at the national, state, or local level, including any state or local ballot measure, unless the activity is within specific exceptions. Foundation Trustees may exercise their rights as individuals to participate in the political or legislative process, but the Foundation asks each Trustee to take utmost care to ensure that his or her position with the Foundation is not involved and not perceived to be involved in these activities, and that no Foundation resources are used.

- **Openness and Disclosure**
Based on a belief that the Foundation should be open to grantees, the Foundation's communities, and to the public in many ways, the Board works to ensure that the Foundation will provide accurate and timely information to the public, the media, and stakeholders, and will respond in a timely fashion to reasonable requests for information. Information about the Foundation, including its Form 990-PF and audited financial statements, is posted on the Foundation's Web site. The Board will work to ensure that the Foundation's financial, organizational, and program reports are complete and accurate in all material respects.
- **Confidentiality**
Trustees will maintain the confidentiality of nonpublic information that is marked confidential or, under the circumstances, should be considered privileged, confidential, or sensitive.

V. Reporting of Violations of this Code

If a Trustee violates or thinks he or she has violated any provision of the Conduct provisions in Section IV of this Code of Conduct, or if a Trustee observes, learns of, or in good faith believes it is possible that another Trustee has violated any such provision, that Trustee must immediately report the actual or suspected violation to the Chairman of the Board or to the Board as a whole. The Board has an obligation to investigate, address promptly, and treat as confidential, to the extent possible, all reported violations of this Code of Conduct.

VI. Acknowledgment and Agreement

Each year Trustees will be asked to sign the Acknowledgement set forth below that they have reviewed this Code of Conduct and will recommit to comply with it.

I confirm that I have read this Code of Conduct for Trustees, and I agree to comply with its terms.

Dated: _____

By: _____
(Signature)