

XYZ FOUNDATION CODE OF CONDUCT

(Revised and Approved on September 20, 2022)

[NOTE: While this document is presented anonymously, NCFP members who have a question for the foundation that created these policies may request to do so by contacting ncfp@ncfp.org.]

The public service mission of The XYZ Family Foundation, Inc. (the “Foundation”) and its status as a tax-exempt charitable organization create an obligation for the Foundation and all of its Trustees, Qualified Members, Committee members, officers, external advisors, and executive employees (each an “Affiliate”) to act in a manner consistent with the highest ethical standards.

1. Professional Conduct

Each Affiliate is a representative of the Foundation and, as such, should conduct himself or herself, both while performing the Foundation’s business and otherwise, so as to promote a positive image of the Foundation. An Affiliate should interact in a courteous and professional manner with those he or she encounters in the course of the Foundation’s business, such as grant seekers, grantees, vendors, other Affiliates and members of the public. Courtesy and professionalism are required in all communications, whether verbal or non-verbal, in person, by telephone, or electronically. An Affiliate should act with honesty and integrity in all matters pertaining to the Foundation.

2. Conflicts of Interest

Each Affiliate should carefully review the Foundation’s **Code of Conduct and Policy Concerning Self-Dealing and Conflicts of Interest** attached hereto as Appendix A and should provide all information as requested therein, as applicable.

3. Confidential Information

Each Affiliate should carefully review the Foundation’s **Policy Concerning Confidential Information** attached hereto as Appendix B.

4. Use of Foundation Resources

Each Affiliate serves as a steward of the Foundation’s resources, helping to ensure the Foundation best fulfills its mission. An Affiliate should prudently manage all funds and other resources of the Foundation over which he or she has authority or responsibility, either alone or with others. An Affiliate should not use Foundation resources or his/her position at the Foundation for personal benefit.

5. Matters Not Otherwise Addressed

This Code does not attempt to anticipate all circumstances in which an Affiliate’s conduct may affect the Foundation or its interests. In all circumstances, an Affiliate is expected to comply with duties of care and loyalty to the Foundation, Foundation policies, and applicable law, whether a particular circumstance is addressed by this Code or not. If an Affiliate has a question regarding a particular situation, he or she should seek advice from the President of the Foundation (the “President”), Chair of the Board of Trustees of the Foundation (“the Board”), or the Executive Director of the Foundation.

6. Reporting

If an Affiliate believes he or she has violated this Code, or if an Affiliate believes in good faith that another person has violated applicable provisions of this Code or otherwise acted in an illegal or unethical manner that affects the interests of the Foundation, the Affiliate should discuss the conduct with the President, the Chair of the Board, and/or the Executive Director, or follow procedures attached hereto as Appendix C, Professional Misconduct Reporting Policy.

7. Violations of this Code

Violations of this Code by an Affiliate may result in action by the Board in its sole discretion and may range from no action other than a formal reminder of the requirements of this Code of Conduct or a reprimand, up to and including, as applicable, loss of rights with respect to Study Group funds, loss of certain voting privileges, and termination of the Affiliate’s association with (including without limitation employment by) the Foundation.

8. Annual Certification

Each Affiliate annually must sign the acknowledgement set forth below, stating that he or she has reviewed this Code, is in compliance with it and commits to comply with it. Failure to sign the acknowledgement will be considered a violation of this Code.

By my signature below, I hereby confirm that (I) I have read, understood and agree to the provisions of this code, (II) I am in compliance with this code, including accurately and completely providing all information requested in Appendix A, (III) I agree to comply with this code, and (IV) I agree to the above provisions regarding actions the Board may take with regard to violations of this code.

Date: By: _____

Name: _____

Title: _____

APPENDIX A

POLICY CONCERNING SELF-DEALING AND CONFLICTS OF INTEREST

This Policy Concerning Self-Dealing and Conflicts of Interest (this "Policy") applies to all Affiliates, their family members (as defined below) and other persons as specified below; and executive-level employees who participate in deliberations about grants and/or business transactions.

Prohibition of Self-Dealing

1. Prohibition of Pecuniary Gain. No "disqualified person" of the Foundation, as such term is defined below, shall directly or indirectly receive any pecuniary gain by reason of any grant or action by the Foundation; provided, however, the payment of reasonable compensation, which is not excessive, by the Foundation, as approved by the Board, for legal, financial, management or similar personal services provided by the disqualified person to the Foundation which are reasonable and necessary to the exempt purposes of the Foundation shall not be precluded.

As used in this policy, "disqualified person" is defined as set forth in section 4946(a) of the Internal Revenue Code of 1986, as amended (the "IRC"), and the regulations promulgated thereto, and shall include without limitation Affiliates, Family Members, and:

- i. A substantial contributor to the Foundation;
- ii. A Foundation manager (consisting generally of Affiliates as defined herein);
- iii. An owner of more than 20% of (A) the total combined voting power of a corporation, (B) the profits interest of a partnership, or (C) the beneficial interest of a trust or unincorporated enterprise, which is a substantial contributor to the Foundation;
- iv. A Family Member of any individual described in subparagraphs (i), (ii), or (iii);
- v. Any corporation of which Affiliates, Family Members of Affiliates, or other persons described in subparagraphs (i), (ii), (iii), or (iv) own more than 35% of the total combined voting power;
- vi. Any partnership in which Affiliates, Family Members of Affiliates, or other persons described in subparagraphs (i), (ii), (iii), or (iv) own more than 35% of the profits interest;
- vii. Any trust or estate in which Affiliates, Family Members of Affiliates, or other persons described in subparagraphs (i), (ii), (iii), or (iv) hold more than 35% of the beneficial interest; and
- viii. A government official.

With respect to Appendix A, "Family Members" of an individual include the individual's spouse, his or her ancestors, his or her lineal descendants and the spouses of his or her lineal descendants.

2. Self-Dealing Prohibition. Notwithstanding any other provisions of this Policy, no disqualified person shall enter into any transactions with the Foundation that constitute self-dealing as defined in section 4941 of the IRC. The term "self-dealing" includes a broad range of transactions between private foundations and disqualified persons and, subject to certain specific exceptions, generally includes the following direct and indirect transactions between the foundation and a disqualified person: sales, exchanges, and leases of property; loans or other extensions of credit; furnishing of goods, services, or facilities; excessive compensation or expense reimbursements; transfers to or the use by or for the benefit of a disqualified person of the foundation's income or assets; and agreement by a private foundation to make to a government official any payment of money or other property that does not fall within one of the narrow exceptions.

Procedures Regarding Conflicts of Interest

3. Disclosure Obligations.

- (a) With respect to any matter before the Board or a Board Committee, including without limitation any grant, policy decision or other action, Affiliates shall disclose to the Board the following interests (whether direct or indirect, actual or potential) on behalf of themselves and their Family Members (except to the extent that such Family Members are otherwise required to disclose such interests for themselves):
 - (i) any (A) actual or potential ownership, profit, beneficial or investment interest, (B) direct or indirect compensation arrangement (C) or officer or trustee position, in grantees, prospective grantees, or otherwise, that may result in a conflict of interest or bias with respect to the matter;
 - (ii) all transactions or dealings, with the Foundation, grantees, prospective grantees, or otherwise, that may result in a conflict of interest or bias with respect to the matter;
 - (iii) any student or employee relationship, with grantees, prospective grantees or otherwise, that may result in a conflict of interest or bias with respect to the matter; and
 - (iv) any other interest if under the circumstances the interest may result in a conflict of interest or bias with respect to the matter.
- (b) The disclosure required pursuant to Section 3(a) will be made to the Board prior to when the particular matter comes under consideration by the Board or Committee with Board-delegated powers.
- (c) An Affiliate has an ongoing disclosure obligation after any initial disclosure to the Board and prior to the Board's consideration of a matter. An Affiliate shall provide

to the Board updated information required by Section 3(a) if and when such information changes.

4. Conflict of Interest Determinations.

- (a) Any officer, director or trustee position in a grantee, prospective grantee or other organization (or position having powers or responsibilities similar to those of officers, directors or trustees) held by an Affiliate or Family Member of an Affiliate, shall be deemed to constitute a conflict of interest with respect to the consideration of any matter involving such organization that is before the Board.
- (b) With respect to all interests that are disclosed to the Board pursuant to Section 3(a) other than those described in Section 4(a), the Board will review such interest and determine whether such interest constitutes a conflict of interest. The person having such interest shall be given the opportunity to disclose all material facts to the Board but shall leave the room while the existence of a conflict of interest is determined by the remaining Board members. If the Board, in its discretion, determines it is not necessary to review such interest, such interest will be deemed not to constitute a conflict of interest.

5. Board Voting Procedure.

- (a) Generally. A person having a conflict of interest may make a presentation at a meeting of the Board or Board Committee vote with respect to a matter before the Board or Committee that is affected by such conflict of interest; however, such person shall not be allowed to vote on such matter. The chairperson of the Board or Committee shall, if appropriate, appoint a disinterested person[s] to investigate alternatives to the proposed transaction or arrangement. The resolution of such matter shall be determined by a majority vote of those Trustees or Committee members not having a conflict of interest with respect to the matter.
- (b) Board Compensation Matters. A voting member of the Board, or of any committee of the Board the jurisdiction of which includes Board compensation matters, who receives, directly or indirectly, compensation from the Foundation for services, is precluded from voting on matters pertaining to his or her compensation. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Foundation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

6. Records of Proceedings. The minutes of the Board and all committees with Board delegated powers shall contain:

- (a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.

- (b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

7. Additional Prohibitions. Except as otherwise permitted in this Policy, neither Affiliates nor Family Members shall accept any payments or loans, or any gifts or entertainment of more than nominal value, from any charitable organization or from any individual which the potential recipient has reason to believe may be offering such payment, loan, gift or entertainment to influence the potential recipient favorably toward an organization that has applied or intends to apply for a grant from the Foundation.

The following are permissible exceptions to the foregoing prohibition on accepting payments, loans, gifts or entertainment:

- (a) Reasonable payment for meals or other costs of meetings the purpose of which is for the recipient to gain information about the individual or organization.
- (b) Reasonable payment for services rendered by the recipient which otherwise are not prohibited by this Policy, provided that such arrangement is disclosed to the Board in accordance with Section 3(a).

8. Violations of the Conflict of Interest Policy

- (a) If the Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Periodic Disclosure Obligations.

9. Each trustee, principal officer, and member of a committee with Board delegated powers shall annually sign a statement which affirms such person:
- (a) Has received a copy of this conflict of interest policy,
 - (b) Has read and understands the policy,
 - (c) Has agreed to comply with the policy, and

- (d) Understands the Foundation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

10. Each Affiliate shall submit, on behalf of himself or herself and each of his or her Family Members (as defined for purposes of the prohibition of self-dealing), an accurate and complete Conflict of Interest and Self-Dealing Questionnaire, as may be requested from time to time by the Foundation; provided that, an Affiliate is not required to provide information with respect to any Family Member who is separately required to provide such information himself or herself.

Periodic Review.

- 11. To ensure the Foundation operates in a manner consistent with 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:
 - (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
 - (b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Foundation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and don't result in inurement, impermissible private benefit, or in self-dealing.

Use of Outside Experts.

- 12. When conducting the periodic reviews, as provided for in section 11 above, the Foundation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

APPENDIX B

POLICY CONCERNING CONFIDENTIAL INFORMATION

In connection with an Affiliate's services to and involvement with the Foundation, he or she may be furnished with or obtain non-public information belonging to the Foundation, including, but not limited to, information relating to the Foundation, the Foundation's grantees or proposed grantees, and the Foundation's activities, including grants made by the Foundation (together, "Proprietary Information"). As a condition of his or her services to and involvement with the Foundation, each Affiliate must treat all Proprietary Information which is furnished to him or her by or on behalf of the Foundation in accordance with the provisions of this Policy Concerning Confidential Information (this "Policy").

The term Proprietary Information includes, but is not limited to:

1. Financial information not disclosed in the Foundation's, the Foundation's grantees' or proposed grantees', published reports or tax returns or otherwise not generally available to the public;
2. Information concerning whether grants have been approved, in whole or in part, or rejected at any time prior to the signing of the minutes of the Board meeting at which decisions concerning such grants are made, unless the Board delegates such communication to the Affiliate;
3. Information concerning the discussion at any meeting of the Board or Board Committee surrounding such decisions unless the Board or Committee Chair delegates such disclosure to the Affiliate; and
4. Personal information with regard to any member of the Board or its Committees, any Foundation employee or other Affiliate, including but not limited to, such person's affiliation with prospective grantees or vote on any proposed, rejected or approved grant.

Each Affiliate may use Proprietary Information solely for the purpose of considering and carrying-out his or her obligations to the Foundation. Each Affiliate must keep Proprietary Information strictly confidential, and may not disclose Proprietary Information to any other person, except as specifically allowed by this Policy, by the Board, or by reason of such Affiliate's position with the Foundation. This includes, but is not limited to, avoiding dissemination of Proprietary Information orally, electronically, in writing or otherwise, whether formally or informally. Each Affiliate must take reasonable measures to avoid any unintentional or accidental disclosure of Proprietary Information. When discussing the grant application process with a prospective or current grantee, each Affiliate must clearly communicate that the opinions and views expressed by such Affiliate are not those of the Foundation or the Board, but only those of that Affiliate.

Each Affiliate must follow the measures set forth below, which are not intended to be an exhaustive list of all appropriate measures:

1. An Affiliate may not disclose Proprietary Information (as defined above) to any person other than another Affiliate. For the purpose of clarity and without limiting the foregoing, an Affiliate may not disclose to any person other than another Affiliate Proprietary Information relating to Board or committee deliberations at any time, or Board or committee decisions before the signing of the minutes of the meeting at which such action is taken. Notwithstanding the foregoing, an Affiliate may disclose Proprietary Information to:
 - a. His or her personal or business assistant(s) solely for the purpose of facilitating the Affiliate's conduct of the Foundation's business, and with the understanding that the assistant may not disclose to any other individual
 - b. Another person when conducting the Foundation's business, when the Affiliate has the specific authority to make such disclosure (i) as requested by the Board, (ii) by reason of such Affiliate's position with the Foundation, or (iii) as otherwise authorized by an Affiliate in a supervisory position.
2. An Affiliate may not have an assistant, proxy, guest or other person (who is not also an Affiliate) attend any Foundation meeting, or any other function of the Foundation (such as a site visit) whether in person, by telephone, or by videoconference platform, without prior approval of the Board;
3. An Affiliate may not forward email containing Proprietary Information of the Foundation to any person other than another Affiliate except as authorized pursuant to section 1 above
4. An Affiliate must be mindful when using "reply all" options with emails.
5. An Affiliate must be mindful with respect to security features on computers, smart phones, tablets, and other electronic communication devices. An Affiliate's electronic communication devices should be password protected to protect data in the event of theft.
6. An Affiliate may not record any portion of a virtual meeting (e.g., a meeting that occurs on Zoom, Microsoft Teams, WebEx, or similar platforms) without consent of all parties.
7. An Affiliate must remain aware of his or her surroundings, particularly when working from home or from a public location, so as to avoid any conversation containing Proprietary Information being overheard, whether in person, by telephone, or by videoconference. An Affiliate may not allow a non-Affiliate to listen surreptitiously to a meeting that occurs virtually.
8. An Affiliate must be careful how he or she stores and disposes of Proprietary Information in paper form and should use a shredder as appropriate.
9. An Affiliate may not divulge Proprietary Information in a manner intended to advance his or her personal social, business, or other agenda.

If an Affiliate ceases to be involved with or to serve the Foundation, he or she will promptly either destroy or redeliver to the Foundation (as the Foundation may direct) all Proprietary Information furnished to him or her during his or her involvement with the Foundation and will not retain any copies, extracts or other reproductions, in whole or in part, of such Proprietary Information. All documents, memoranda, notes and other materials whatsoever prepared by the Affiliate and based on Proprietary Information, whether in written, electronic or other form, will be destroyed.

Notwithstanding the foregoing, an Affiliate will not be required to purge any electronic documents stored as a result of automated back-up procedures in his or her electronic archive system; provided that, with respect to any Proprietary Information retained by him or her in accordance with the preceding clause, he or she shall remain subject to the obligations of this Policy for so long as such Proprietary Information exists and is not redelivered to the Foundation. In addition, an Affiliate's obligations under this Policy shall survive the termination, for any reason, of his or her affiliation with the Foundation.

Appendix C

PROFESSIONAL MISCONDUCT REPORTING POLICY

The XYZ Family Foundation, Inc. (the “Foundation”) is committed to complete financial reporting and sound financial stewardship of the Foundation’s assets. To that end, the Foundation has an integrated system of internal controls, which include a series of checks and balances designed to maintain an accurate and transparent accounting of operations and encourage the early identification of suspected illegal activities, professional misconduct, or unethical behavior throughout all levels of the Foundation.

The Foundation expects its employees and Affiliates to conduct business with the highest standards of integrity, and to respect and comply with the Foundation’s policies and procedures, as well as applicable law. As a part of continuing efforts to promote open and honest communication within the Foundation, the Foundation has adopted a Professional Misconduct Reporting Policy designed to provide an open channel for employees and Affiliates to report suspected financial fraud or abuse or other professional misconduct, including but not limited to violations of the Foundation’s Code of Conduct, to senior management and/or to the Board of Trustees.

All employees should report suspected professional misconduct or behavior in violation of the Foundation’s policies directly to management. Reports of suspected improper activity should be made in good faith and be factual rather than speculative or conclusory and contain as much specific information as possible in order to allow for an effective investigation. Reports may be made anonymously. If the employee feels that the suspected incident of improper activity has not been adequately addressed by management, or if the employee feels it cannot be internally addressed by management, the employee should contact the President of the Foundation or the Chair of the Audit Committee of the Board of Trustees.

Non-employee Affiliates should report suspected professional misconduct or behavior in violation of Foundation policies to the President, Chair of the Board and/or Executive Director. If the non-employee Affiliate feels that that suspected incident of improper activity cannot be addressed by the President, Chair, or Executive Director, he or she may make a report directly to the Chair of the Audit Committee.

The current Chair of the Audit Committee is:

XYZ Name and Contact Information

Reports should contain enough information to substantiate the concern and allow an appropriate investigation to begin. It is the policy of the Foundation to treat reports seriously and investigate reports expeditiously. All reports will be received and acted upon in confidence to the extent possible given legal requirements and the need to gather facts, conduct an effective investigation and take necessary corrective action.

Following investigation, the Foundation will take appropriate remedial and disciplinary action as it deems justified by the circumstances, including possibly terminating employment, seeking restitution or criminal prosecution.

Reports must be made in good faith. Reports that are not made in good faith or are made with knowledge that the facts in the report are false may subject the reporting individual to disciplinary or other appropriate action.

The Foundation will not tolerate retaliation, whether direct or indirect, against any employee or Affiliate who makes a good faith report or who cooperates with an investigation of a complaint. Notwithstanding the prior sentence, the Foundation reserves the right to take appropriate disciplinary action, including termination, against a person who has committed an offense when the Foundation concludes that such action is warranted, even though that person cooperated with the investigation. Any employee or Affiliate who believes that he or she has been subjected to retaliation as a result of complying with this Policy should submit a report of retaliation through the reporting avenues stated in this Policy.

A copy of this Professional Misconduct Reporting Policy will be distributed to each employee once a year and to all new employees upon hire. It will also be distributed to non-employee Affiliates on an annual basis.