

CONFLICT OF INTEREST POLICIES AND PROCEDURES FOR TRUSTEES AND STAFF

Definitions

A conflict of interest exists

- when a trustee or staff member takes part in a decision in which she/he may be unable to remain impartial in choosing between the interests of the Corporation and personal interests or the personal interests of her/his related parties
- when a trustee or staff member uses privileged information gained in the course of service at the Corporation for personal benefit or gain, or for the personal benefit or gain of her/his related parties, or
- when a trustee or staff member, by virtue of her/his relationship to the Corporation, receives a benefit that represents a transfer of the Corporation's financial resources.

Related parties include spouses, parents, children, siblings, in-laws, and other family members, domestic partners and "significant others" who reside in a trustee's or staff member's household, any other person for whom a trustee or staff member makes or influences investment decisions and entities in which a trustee, staff member, their respective spouses, ancestors, children, grandchildren or great grandchildren or their spouses own more than 35% of, with respect to a: (i) corporation, the total combined voting power, (ii) partnership, the profits interest and (iii) trust, the beneficial interest.

Annually means within twelve months of the date of disclosure.

Affiliation means that the trustee, staff member or a related party is an officer, director, partner, trustee, employee, or agent of the institution, corporation, organization or other entity in question; holds more than 1% of the voting stock or other voting interests; or has dealings with such an entity from which he or she has materially benefited.

Generally, the following types of transactions may constitute "self-dealing" under Section 4941 of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code") and are prohibited between a foundation and disqualified persons, among whom trustees, staff members and certain of their related parties number:

1. sale or exchange, or leasing, of property
2. lending of money or other extension of credit
3. furnishing of goods, services, or facilities
4. payment of (unreasonable) compensation (including payment or reimbursement of (unreasonable) expenses) by a foundation to a disqualified person
5. transfer to, or use by or for the benefit of, a disqualified person of the income or assets of a foundation
6. agreement by a foundation to make payment of money or other property to a government official

General Guidelines

1. The potential for conflict of interest is best avoided when trustees and staff members do not benefit financially from their relationship with the Corporation other than by the receipt of: (i) in the case of trustees, reasonable and necessary trustee honoraria and meeting fees; or (ii) in the case of staff members, reasonable and necessary salary, including related employee benefits.

2. The potential for conflict of interest is best avoided when trustees' and staff members' actions are perceived by the outside public to be consistent with, with respect to trustees, the responsibilities of trustees as outlined in resolutions passed by the board, at its meeting of November 10, 1971, and reaffirmed at its meeting of October 8, 1998 and, with respect to both trustees and staff members, guideline 1 above.

3. The potential for conflict of interest is best avoided when policies applying to trustees and staff members are followed by related parties, as appropriate.

Guiding Principles

1. These policies and procedures are based upon the principles of prior full disclosure of affiliation and prior approval, erring on the side of caution.

2. These policies and procedures are generally to be followed in all cases. With respect to trustees, if special circumstances seem to necessitate an exception to the guidelines above, it is the obligation of the individual in question to discuss the circumstances in advance with the chairman of the board, to secure his/her written approval of the special situation, and to give a copy of the approval to the corporate secretary. With respect to staff members, if extraordinary facts and circumstances seem to necessitate a waiver in a particular case, application should be made to the president and, if a waiver is approved, the president will so inform the board.

Types of Relationships -- Trustees Financial transactions

While the Internal Revenue Code and Internal Revenue Service regulations prohibit, as self-dealing, most financial transactions between the Corporation and a disqualified person, it is Corporation policy to keep an arm's-length relationship even in those areas that are legally permitted. Specifically,

- The Corporation does not employ the personal services of trustees or related parties, even though law permits reasonable payment for such.
- The only exception to this policy is for a pre-existing relationship, in order not to exclude from board service individuals who are otherwise qualified and whom the committee on trustees wishes to recommend for board membership. (Advice of counsel may be sought to confirm the legality of the specific relationship prior to the candidate's election.)

It is the duty of a trustee to bring to the attention of the vice president and chief administrative officer or the vice president and chief investment officer any business affiliation that might breach this arm's-length relationship in financial and investment matters and thus create a potential conflict of interest.

Grantmaking activities

Trustees must disclose to the corporate secretary all their affiliations and the affiliations of their related parties with grantees and potential grantees at the beginning of their board service and update this information annually, or more frequently as appropriate. For these institutions or organizations:

- Trustees may not personally represent them in requesting grants
- Trustees will abstain from votes on and withdraw from final deliberations of grants to them
- If staff members solicit a trustee's views on an organization with which he/she has an affiliation, the trustee should state the affiliation and avoid advocacy while giving the staff member the benefit of his/her special knowledge

If a trustee or related party is a principal in a grantee organization that the staff has decided to recommend to the board for a grant, no Corporation funds will be used to pay his/her salary.

Investments

Trustees, and specifically members of the investment management committee, are not involved in the daily operations of the investment portfolio. However, they do have access to information regarding the Corporation's portfolio, and make judgments with respect to investment policy and its implementation. Situations may arise in which:

1. an existing or potential financial or other interest impairs or may impair the individual's judgment, independence, or objectivity in making investment decisions on behalf of the Corporation; and/or
2. information gained as a member of the committee may allow a person to personally benefit.

As a general rule, in all situations where there is a conflict of interest or a potential for a conflict of interest related to a trustee's involvement in the investment of the Corporation's assets, the trustee is required to disclose the conflict of interest or potential conflict of interest. The situations addressed in the questions and answers below are designed to anticipate some of the potential conflicts that may arise from time to time and that must be disclosed.

1. May a trustee hire for their personal account an investment manager that is currently a manager for the Corporation?

Yes, unless that manager has restricted its assets under management, and action by the trustee may result indirectly in the Corporation having a lower allocation to that manager. If the Corporation is in the process of hiring the manager, the trustee should wait until the Corporation has completed the process, or has a guaranteed allocation, before approaching the manager.

2. May a trustee participate in a decision by the Corporation to hire or fire an investment manager if that trustee has existing personal investments with that investment manager?

As a general rule, yes, as long as the trustee is a passive investor and does not stand to benefit financially from a decision by the Corporation to hire the manager. However, there are certain circumstances where the trustee's participation might rise to the level of a conflict of interest or potential conflict of interest. These situations will be determined and considered on a case by case basis.

3. May the Corporation hire an investment manager if a trustee is on its board of directors?

Yes, provided that such hiring does not contravene or pose a risk of contravening the "self-dealing" provisions of Internal Revenue Code Section 4941 or the interested director rules set forth in Section 715 of the New York Not-for-Profit Corporation Law (the "N-PCL"). The trustee should disclose the relationship and refrain from voting on that decision and on any subsequent decision to retain or dismiss the investment manager.

4. May the Corporation hire an investment manager if a trustee is a senior member of the manager? A senior member is a person who has substantial decision-making authority and who receives a financial benefit, directly or indirectly, by having the Corporation as a client.

As a general rule, the Corporation would refrain from hiring investment managers where a trustee is a senior member of the organization. Any exceptions to this policy will be made in accordance with Section 4941 of the Internal Revenue Code and Section 715 of the N-PCL and are to be determined on a case by case basis.

5. May a trustee act upon information derived from their role as a trustee for their personal account?

For example, may a trustee purchase securities that are in the portfolios of the Corporation's investment managers?

The trustee may not use any information that is marked confidential, as stated in an investment memorandum or other applicable investment document, whether produced by an investment manager or internally by the Corporation, or information that the trustee is told orally by investment staff is confidential. As long as the information is not confidential and the trustee is not otherwise acting upon material non-public information or in violation of any applicable law or regulation, trustees may use such information.

Whenever possible, the investment staff will provide guidance, clearly identifying information that is confidential or should be treated as such. For example, positions of managers investing in liquid, large capitalization stocks are not confidential. Positions of managers investing in relatively illiquid, small capitalization stocks, or who take short positions, may be confidential even though the securities are publicly traded. It is suggested that a trustee discuss a potential investment with the vice president and chief investment officer in the case of thinly traded or relatively obscure securities where purchases or sales may impact its price.

Types of Relationships – Staff Prohibited transactions

Most financial transactions between the Corporation and its employees and their related parties are prohibited by law. (See the definition of self-dealing, above, for a list of prohibited transactions.) As a matter of Corporation policy, related parties of staff members may not be compensated for services to the Corporation.

Affiliation with nonprofit and profit-making organizations

As a general rule, whenever a staff member or a related party has an affiliation with a prospective grantee, vendor, supplier, investment manager, or investment vehicle, the staff member must disclose the affiliation prior to any involvement with the affiliate and is prohibited from advocating for, or participating in final deliberations regarding, actions taken with respect to such grantee, vendor, supplier, investment manager, or investment vehicle.

Affiliation with actual or potential grantees

The general rule of prior disclosure of affiliation and withdrawal from decision making cited immediately above means that, for actual or prospective grantees, a program staff member with an affiliation, or whose related party has an affiliation, with an actual or prospective grantee cannot conduct the pre-grant inquiry, participate in the program funding deliberations, prepare the grant recommendation for the board, or serve as the responsible officer for the grant.

Program staff members must seek advance approval from their immediate manager and the program vice-president before becoming affiliated with a charitable or nonprofit organization that is, or can reasonably be expected to become, a grantee. Vice presidents must seek the approval of the president, and the president must seek the approval of the board chairman.

New program staff members coming to the Corporation with pre-existing affiliations should disclose them to the program vice-president at the time of hiring and reach a written understanding with him/her as to how they shall be handled for purposes of grantmaking. Vice presidents must disclose and seek a written understanding with the president, and the president must disclose and seek a written understanding with the board chairman with respect to any such pre-existing affiliations. Copies of these understandings shall be filed in the employee's personnel file.

Corporate boards

Staff members may serve on corporate boards and receive honoraria or payment for such service. Staff members must disclose annually (i) all boards on which they serve, whether for-profit or not-for-profit, and (ii) the amount of compensation they receive, if any, for such service. Such service is subject to advance approval by the president or, in the case of the president, by the chairman of the board. Such approval will be based on consideration of the nature of the corporation, benefit to the individual or the Corporation, the anticipated time commitments and any potential conflicts of interest among the parties. Staff members must be alert to potential conflicts of interest, and, if the Corporation's objectives or interests could be jeopardized by such service, the staff member will be asked to resign from the corporate board. All such service will be reviewed annually.

If a staff member's board service is or was at the request of the Corporation, the Corporation shall not indemnify the individual, however, any compensation received by the individual for his or her service may be kept by the staff member. Examples of boards may include advisory committees to the Corporation's investment managers or in rare cases the board of a private company in which the Corporation is an investor as a result of an investment by one of its investment managers.

If a staff member's board service is independent of his or her affiliation with the Corporation, then the individual may keep any compensation paid to him or her as a result of such service, but must also pay all expenses associated with meeting attendance.

Other outside activities (committee memberships, speeches, consultancies, teaching, research, and publications)

Staff members should follow the procedures below when responding to invitations that are extended because of the individual's Corporation affiliation or are related to the staff member's Corporation responsibilities:

- First, judge for yourself whether participation is significant and appropriate.
- Then, request written approval to undertake the assignment from your immediate manager. You and your manager should come to a written agreement on the potential for conflict of interest, the service to be performed and the amount of time it will take, the benefits to you and to the Corporation, and the costs to the Corporation.
- You may not accept honoraria or payment for such services.
- Acceptance of [reimbursement of] reasonable and necessary expenses is appropriate if there is no Corporation grant nor grant potential.

Speeches, papers, etc.

In those instances where program officers, senior program officers, program directors, program chairs, and officers in the administration, external affairs, and investment areas intend to issue statements, give speeches, or write books or other publications that claim to represent official Corporation policy, these texts and statements must be cleared with the vice president responsible for a given area or by the president if a vice president is involved in the activity. If the text or statement is not the official Corporation view, this should be stated clearly at the beginning.

Investment staff members are asked frequently to participate as speakers at conferences. Speaking engagements should be accepted only if the conference is for educational purposes and participation is not inappropriately time-consuming. No compensation shall be received for speaking engagements, though staff members may receive reimbursement of reasonable and necessary expenses if there is no conflict. For example, if a manager with which the Corporation may potentially invest is a sponsor of a conference at which a staff member is speaking, then there is the potential for a conflict and the staff member should pay for any expenses.

Expenses/meals

Staff members shall not accept reimbursement (other than reasonable and necessary reimbursement from the Corporation) when attending meetings related to the Corporation's business. They should pay the costs of their own meals and travel when meeting with grantees or potential grantees.

When staff members are investigating a prospective investment manager, meeting with an existing manager or attending an annual investor meeting, the Corporation shall pay for all reasonable and necessary related expenses other than incidental meals. If an existing manager is covering hotel expenses for all investors at a regularly scheduled meeting then the Corporation will accept the hotel accommodations.

Honorary degrees and awards,

Staff members may accept prizes and honors for work done on their own time or that is not the direct or indirect result of Corporation grantmaking. If the degree or award makes reference to the Corporation affiliation, approval to receive the award and of the language to be used must be sought in writing from the president, through the program chair and/or appropriate vice president. (If securing advance approval of the text will present a difficulty, the honoree should suggest appropriate text, working with the chair and/or appropriate vice president.) If a prize, honor, or degree relates to the work done for the Corporation, the staff member must seek the written approval of the president to accept it. The president must seek the approval of the chairman of the board to accept a prize, honor, or degree that relates to the president's work done for the Corporation.

Giving/Receiving Gifts

As a general rule, staff members may not receive or offer any gift or anything else of value for the purpose of influencing the action of the Corporation or of the recipient. Gifts received from vendors, suppliers, advisors, and grantees as part of normal business practice must be given to the Corporation or shared with Corporation staff members, as appropriate, and, if acknowledgement is appropriate, acknowledged on behalf of the Corporation.

This policy is not intended to prohibit normal business practices - such as meetings over meals, or corporate items given to participants in meetings and conferences, or token hosting gifts - so long as they are of nominal and reasonable value and promote the Corporation's legitimate business interests. In particular, it is a customary practice for investment managers to entertain

prospective and current clients. The investment staff may accept meals or other forms of entertainment as long as it is not lavish in nature and it is consistent with industry practice. For example, dinner at a nice restaurant in New York would be acceptable, as would an invitation to a baseball game, but a golf outing in Scotland would not. Staff should consult with the chief investment officer in cases where there is doubt about what is acceptable.

In addition, the investment management community typically provides token corporate gifts to investors at annual meetings or during the holiday season, including travel bags, shirts with corporate logos, etc. The investment staff may accept items if they are distributed to all investors and do not appear, in the staff member's reasonable judgment, to be inappropriate or lavish. Gifts that an individual knows or reasonably should have known are made to the individual and not to all investors may not be accepted.

Only the Corporate Secretary may give or approve the giving of a gift using the Corporation's funds to a staff member or related party or to outside individuals.

Outside Employment

A staff member may not engage in regular outside employment. There are two exceptions to this policy:

- Professional staff members who wish to engage in teaching or lecturing may seek the approval of the president to do so upon full disclosure of the facts.
- Staff members who are eligible for overtime may engage in regular outside employment after the 9 to 5 workday.

Political activities, including lobbying

The Corporation believes in the importance of all citizens taking an active part in the nation's political and civic life, and, as a policy, cooperates with staff members to ensure that they can get to the polls on election day.

However, as an organization exempt from tax under Section 501(c)(3) of the Internal Revenue Code and as a private foundation, the Corporation may not lobby or take positions with respect to electoral politics and governmental processes. The potential for a conflict of interest between a staff member's rights as a citizen and duties as a Corporation employee exists. Therefore, it is of the utmost importance that the following guidelines be strictly observed:

- Undertake all participation in election campaigns, including the nomination process, in off-duty hours, at your own expense, and with no use whatsoever of the Corporation's name, facilities, or equipment. This prohibition includes the e-mail system, the phone system, the postage system, and the computer systems, even if the expenses are incurred after office hours and are reimbursed.
- Make it clear that you participate as an individual citizen and not as a representative of the Corporation. If you are asked to sign political advertisements or endorsements that include your employment, use a generic description such as "foundation program officer" or "grantmaker in education" rather than the name of the Corporation.
- Follow all supplemental state and local laws to ensure that your activities are not attributed to the Corporation.

The Corporation does not make contributions or expenditures, direct or indirect, relating to any election, including the nominating process.

Special Policies with Regard to the Corporation's Investments

Investment staff members shall disclose to the vice president and chief investment officer, prior to executing transactions such as the purchase or sale of individual securities by or for themselves or by or for related parties, the nature and amount of such transaction. The staff member or related party may be prevented from making the investment if it may conflict with the ability of one of the Corporation's managers to execute a strategy, particularly if the security is closely held or thinly traded. Staff members and related parties may not trade if they have become an "insider" as a result of information gained from a relationship with one of the Corporation's investment managers, or based on material non-public information from any source. Purchases of Treasury securities, mutual funds, closed-end funds, open-end funds, and ETFs are exempt from this policy, unless an investment manager is active in the purchase or sale of a specific fund, in which case the staff person's proposed investment must be disclosed. Also exempt are: (i) gifts of securities received or made by a staff member or related party; and (ii) trading through a registered broker/adviser who has full discretionary authority with respect to the staff member's or related party's account. Individuals shall disclose annually their personal investments other than interests in Exempted Securities.

It is not expected that Corporation employees other than the investment staff will have access to proprietary information related to the investment of the Corporation's assets. However, it is good policy to disclose to the vice president and chief investment officer if an employee receives information related to the portfolio that the employee has reason to believe may be proprietary.

In general, all employees should be aware that it can be illegal to act upon any material non-public information from any source whatsoever. If an individual believes that he/she has received such information as a result of his/her employment at the Corporation, he/she must disclose that fact immediately to the vice president and chief investment officer. If the vice president and chief investment officer receives such information, he/she must disclose it immediately to the president.

Subject to the above, the Corporation's employees, with the exception of the investment staff, are free to invest their personal assets without restriction by the Corporation.

Other

Any potential conflict of interest not described herein, but which may impair or have the potential to impair a trustee's or staff member's judgment or objectivity, should be disclosed.

Conflict of Interest Disclosure Procedures and Reporting Trustees

Upon joining the board of trustees and at the beginning of each calendar year prior to the payment of honoraria or meeting fees, trustees shall complete a Conflict of Interest Disclosure Questionnaire in the form attached as Exhibit A hereto. In addition, each trustee shall report promptly to the corporate secretary any potential conflict of interest as and when it arises.

At the annual meeting, the corporate secretary will provide a listing of all grantees [or other third parties] in the previous fiscal year with which trustees/related parties were affiliated when the grant was made [or other contract or transaction was entered into].

Staff

Upon beginning employment at the Corporation, and annually thereafter as part of the performance and evaluation process, each staff member will complete a Conflict of Interest Disclosure Questionnaire in the form attached as Exhibit A hereto. This form will include the disclosure of affiliations of the staff member's related parties. Any questions raised by the form will be discussed with the vice president and chief administrative officer, and the form, with any

amendments, will be filed with the employee's personnel file. In addition to completing the form, each staff member shall report promptly to the vice president and chief administrative officer any potential conflict of interest as and when it arises.

It will be the responsibility of the employee to include a conflict of interest disclosure statement in any appropriate grant recommendation or other proposal to the board or to the president so that the board of trustees will have this information prior to voting on grants or other proposals and the president will have this information in his consideration of the approval of a proposed grant or other project.

The corporate secretary will also provide a report on conflict of interest disclosures for all staff members (including their related parties) during the preceding fiscal year to the board at the annual meeting.

Trustees & Staff – Investments

With respect to the investment process, if there is any doubt or any potential for doubt with respect to whether a conflict of interest exists in a specific situation, the conflict must be disclosed. Investment staff or other employees of the Corporation (excluding the president) shall make disclosures to the vice president and chief investment officer. The vice president and chief investment officer shall make disclosures to the president. Members of the investment management committee shall make disclosures to the Chair of the committee. The Chair and the president shall make disclosures to the Chairman of the Board.

Procedure

Based upon the information provided to the applicable officer noted above, any trustee/staff member/related party affiliations with recommended grantees or otherwise will be brought to the attention of the trustees before the grants or other contracts or transactions being recommended at a board or committee meeting are discussed or a vote is taken.

The interested individual may participate in the information-gathering stage of the board of trustees', or committee's discussion, but may retire from the room in which the board of trustees or a committee thereof is meeting and must disclose nature of these affiliations and potential conflict will not participate in the final deliberation or decision regarding the grant, contract or other transaction.

The minutes of the meeting of the board of trustees or committee thereof will reflect (a) that the conflict of interest was disclosed, (b) that the interested trustee was not present during the final discussion or vote of the trustees or committee thereof and (c) that the interested individual abstained from voting.

All questions as to whether a conflict of interest exists will be resolved by a vote of the board of trustees in which the interested individual may not vote.

Abstaining trustees will not be counted toward the quorum for a grant or other contract or transaction vote.

In determining whether to approve grants or other contracts or transactions, disinterested trustees will take into account the restrictions regarding self-dealing under Internal Revenue Code Section 4941 and the interested director rules set forth in Section 715 of the N-PCL.