

Conflicts of Interest and Disclosure Policy

As of March 10, 2017

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I. Preamble.

As a charitable organization, The Andrew W. Mellon Foundation (the “**Foundation**”) seeks to uphold the public trust and act in accordance with the law and the highest ethical standards. Accordingly, this Conflict of Interest and Disclosure Policy (this “**Policy**”) sets forth general procedures and specific rules for disclosing, analyzing, and disposing of conflicts of interest that may arise in connection with the transactions, agreements and arrangements of the Foundation (collectively, “**Transactions**”). Transactions and Foundation activities must be conducted with the highest integrity and exclusively in furtherance of the Foundation’s charitable mission.

The purpose of this Policy is not to prohibit all Transactions that present conflicts of interest. Rather, this Policy sets forth general procedures and specific rules to permit the Foundation to effectively analyze and manage conflicts of interest in order to prevent outside interests from improperly influencing Transactions. That said, the appearance of a conflict is at times as important as the reality, and an apparent conflict may also be subject to the general procedures and specific rules contained in this Policy. The Foundation reserves the right to amend and/or supplement this Policy at any time.

As there can be many areas of uncertainty in identifying, considering and managing conflicts of interest, individuals should contact the Vice President, General Counsel and Secretary (the “**General Counsel**”) with any questions regarding the Policy or its application to a particular Transaction or relationship.

II. Glossary.

The following is a glossary of important terms that will be used in the remaining Sections of this Policy.

“**Conflict of Interest**” means an interest of a Covered Person or any of his or her Relatives or Related Entities in a Transaction that could reasonably be perceived to impair the independence or objectivity of the Covered Person in the discharge of his or her responsibilities and duties to the Foundation. A “**Conflict of Interest**” *includes any financial interest* of a Covered Person or any of his or her Relatives or Related Entities in a Transaction and *may include a non-financial interest* of a Covered Person or any of his or her Relatives or Related Entities in a Transaction. For purposes of this Policy, a person has a “financial interest” in a Transaction if the Transaction involves a potential economic benefit (above a de minimis amount) to the person or if the person is employed by a party to the Transaction other than the Foundation.

“**Covered Persons**” means members of the Board, members of Board committees, officers of the Foundation, and Key Persons of the Foundation.

“**Disqualified Persons**” means

- substantial contributors to the Foundation;

- Trustees, officers and persons having similar powers or responsibilities within the Foundation (collectively, “**Foundation Managers**”);
- spouses, ancestors, descendants and spouses of descendants (collectively, “**Family Members**”) of Foundation Managers and substantial contributors to the Foundation;
- corporations, partnerships, trusts or estates in which Foundation Managers, substantial contributors to the Foundation, or their Family Members (or in the case of the specific rules regarding co-investments set forth in **Appendix D**, Investment Persons or their Family Members) have more than 35% of the voting power, profits interest (in a partnership), or beneficial interest (in a trust or estate) (collectively, “**Disqualified Entities**”); and
- only in the self-dealing context, government officials.

“**Investment Persons**” means the Investment and Finance Staff of the Foundation and members of the Investment and Finance Committee.

“**Key Person**” means each person, other than a Board member, Board committee member, or officer, whether or not an employee, who is in a position to exercise substantial influence over the affairs of the Foundation, including program directors, program officers, advisors, administrators with the authority to recommend vendors, portfolio managers, accountants, and the chief financial officer of the Foundation.

“**Related Entity**” means any entity in which a Covered Person or any of his or her Relatives has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.

“**Relative**” with respect to any individual means any of his or her spouse, domestic partner, ancestors, siblings and spouses and domestic partners of siblings, and descendants and spouses and domestic partners of descendants.

“**Transaction**” means any transaction, agreement or arrangement of the Foundation.

III. Applicability.

This Policy generally applies to Covered Persons. Certain provisions of this Policy apply specifically to Disqualified Persons and Investment Persons.

Covered Persons owe a duty of loyalty to the Foundation and must act exclusively in the interests of the Foundation in matters affecting the Foundation, rather than in furtherance of their own personal interests or those of Relatives or Related Entities. Covered Persons must be conscious of potential conflicts of interest and act with candor and care in those situations.

The Foundation will distribute a copy of this Policy annually to all Covered Persons, Disqualified Persons, and the Investment and Finance Staff of the Foundation.

IV. General Procedures for Conflict of Interest Transactions.

This Section IV sets forth general procedures that the Foundation has adopted to address Conflicts of Interest in accordance with applicable federal laws and the New York Not-for-Profit Corporation Law.

A. Required Disclosures.

For the purposes of this Policy, a “**Conflict of Interest**” means an interest of a Covered Person or any of his or her Relatives or Related Entities in a Transaction that could reasonably be perceived to impair the independence or objectivity of the Covered Person in the discharge of his or her responsibilities and duties to the Foundation. A “**Conflict of Interest**” *includes any financial interest* of a Covered Person or any of his or her Relatives or Related Entities in a Transaction and *may include a non-financial interest* of a Covered Person or any of his or her Relatives or Related Entities in a Transaction. For purposes of this Policy, a person has a “financial interest” in a Transaction if the Transaction involves a potential economic benefit (above a de minimis amount) to the person or if the person is employed by a party to the Transaction other than the Foundation. **Appendix A** sets forth examples of Conflicts of Interest.

Each Covered Person must submit a disclosure statement (in the form attached as **Appendix B**) to the General Counsel in order to acknowledge that he or she has received this Policy, has read and understands this Policy, and agrees to comply with this Policy. On his or her disclosure statement, each Covered Person must disclose, to the best of his or her knowledge, any Conflicts of Interest and any affiliations with organizations that have a relationship with the Foundation. Each Trustee must complete a disclosure statement *prior* to his or her election to the Board. All Covered Persons must complete a disclosure statement annually.

In addition, a Covered Person must report any interest that may be a Conflict of Interest to the General Counsel promptly upon becoming aware of the interest and prior to the Board or Board committee or other Foundation decision-maker considering or taking action on the Transaction. The disclosure must include all material facts related to the potential Conflict of Interest.

B. Analysis and Disposition.

Following the disclosure of an interest that may be a Conflict of Interest, the General Counsel will first determine whether the related Transaction would constitute “self-dealing” under federal tax law. Under the self-dealing rules, certain types of transactions between a private foundation and an insider are *strictly prohibited*, even when the transaction would be beneficial to the private foundation. If a Transaction would constitute self-dealing, the Foundation is not permitted to engage in that Transaction and no further analysis of the Conflict of Interest under this Policy is appropriate or necessary. The self-dealing rules are discussed in **Appendix C**. *All Disqualified Persons must be familiar with the self-dealing rules.*

If a Transaction does not constitute self-dealing, the Transaction will be evaluated to determine whether a Conflict of Interest exists. The Foundation also reserves the right to exercise discretion to consider any matter that is not specifically defined as a Conflict of Interest, but falls within the spirit of this Policy, in accordance with the general procedures and specific

rules set forth in this Policy. The Board has delegated to the General Counsel the authority to determine whether a disclosed interest is subject to the general procedures and specific rules set forth in this Policy and to determine which general procedures and specific rules apply. In making any determination under this Policy, the General Counsel will consult, where appropriate, with the President, the Chairman of the Audit Committee, the Chairman of the Board, and/or the Audit Committee or Board as a whole. If the General Counsel, the President, and/or a Board member believes that it is in the Foundation's best interest to have the Audit Committee or Board as a whole determine whether a specific Transaction poses a Conflict of Interest, the matter will be referred accordingly for a determination.

If a Transaction is determined to constitute a Conflict of Interest, the Transaction will be evaluated in accordance with the following general procedures. A Conflict of Interest may be reviewed and approved outside of the Board or a Board committee only if it is a Transaction that would not otherwise be considered by the Board or a Board committee in accordance with the Foundation's ordinary course of practice and, in the case of a Conflict of Interest involving a financial interest, the Transaction is available to others on the same or similar terms. In the event that a Conflict of Interest does not need to be reviewed by the Board or a Board committee, the General Counsel will review the Transaction in question and determine the disposition of the Conflict of Interest, consulting the President or Chairman of the Audit Committee or Board, where appropriate and necessary.

In the case of a Conflict of Interest reviewed by the Board or a Board committee, the Foundation may enter into the Transaction in question only if disinterested members of the Board or Board committee determine that the Transaction is fair, reasonable, and in the best interest of the Foundation.

The law requires enhanced review of Conflicts of Interest involving a *substantial financial interest*.¹ In that event, disinterested members of the Board or Board committee must also consider alternative Transactions to the extent available.

For all Conflicts of Interest considered and disposed of by the Board or a Board committee, a Covered Person with a Conflict of Interest may participate only in the information-gathering stage of the discussion of the Board or Board committee and *may not be physically present during the deliberation or vote on the related Transaction*. In addition, the Covered Person may not improperly influence the deliberation or vote on the Transaction. Depending on the nature and significance of the Conflict of Interest, the Foundation may ask the Covered Person not to participate in the information-gathering stage as well.

C. Documentation.

The General Counsel will maintain appropriate documentation of the disclosure, review, evaluation, and disposition of all Conflicts of Interest. In the event of a Conflict of Interest considered by the Board or a Board committee, the minutes of the meeting of the Board or Board committee considering the Transaction involving a Conflict of Interest must (i) reflect that the

¹ The New York Not-for-Profit Corporation Law does not define the term "financial interest" or "substantial financial interest." In determining whether a financial interest rises to the level of a "substantial financial interest," the Foundation will need to consider the facts.

Covered Person disclosed the Conflict of Interest, (ii) state that the Covered Person was not physically present during the deliberation or vote on the Transaction, (iii) state that the Covered Person, if a Board or Board committee member, abstained from voting on the Transaction, (iv) describe the action with respect to the Transaction (e.g., approval or disapproval), and (v) describe any consideration of alternative Transactions, to the extent required and/or applicable.

D. Subsequent Disclosure and Review.

In the event a Covered Person becomes aware of an interest that may be a Conflict of Interest only after the Foundation took action on the related Transaction or the Covered Person otherwise fails to disclose the interest prior to action being taken, the Covered Person still must disclose the interest. If the Transaction would constitute self-dealing, steps will be taken to cure the self-dealing and, if necessary and possible, unwind the Transaction. Otherwise, the interest and the Transaction will be analyzed, disposed of, and documented substantially in accordance with the provisions set forth above. In that regard, if the Transaction is one that would have been considered and disposed of by the Board or a Board committee, the Board or committee may ratify the Transaction but only if disinterested members of the Board or Board committee determine that the Transaction was fair, reasonable, and in the best interest of the Foundation at the time the Transaction was approved. If the Board or committee does not make that finding, the General Counsel will take appropriate action.

V. Specific Rules for Other Potential Conflicts of Interest.

This Section V sets forth specific rules that the Foundation applies to other areas where potential or apparent Conflicts of Interest may arise.

A. Investments.

Specific rules apply to investment activities. As a private foundation, the Foundation is subject to the “excess business holdings” limitations imposed by federal tax law on co-investments by the Foundation and its Disqualified Persons. The Foundation applies other specific rules to address and avoid Conflicts of Interest that are specific to the investment context. The excess business holdings rules and other specific rules applicable to investment activities are discussed in **Appendix D**. *All Investment Persons must be familiar with the specific rules applicable to investment activities.*

B. Grantee Involvement.

No officer or Key Person may join the governing board of a Foundation grantee or otherwise significantly participate in a Foundation grantee’s operations without obtaining the advance permission of the General Counsel and the President of the Foundation, or, where the President is concerned, the General Counsel and the Chairman of the Board.

C. Involvement with Former Employees.

Heightened scrutiny is required for Foundation grants and other support to an institution with which a former employee becomes newly affiliated if the grant or other support is provided

within 18 months of the employee's departure. Grants and other support that would directly financially benefit a former member of the program or program-related staff within 18 months of his or her departure are *prohibited*. The Foundation also generally will not recommend a former employee for any position related to a project or investment to be funded by a Foundation grant or other support within 18 months of the employee's departure. Where a Foundation grant or other support concerns an organization to which a former employee is newly affiliated, Foundation staff members should consult the Foundation's procedures and the General Counsel, who will provide guidance based on the particular facts presented.

D. Gifts; Honoraria.

Covered Persons may not accept favors or gifts of more than nominal value or repeated gifts of nominal value from actual or potential Foundation grantees, vendors, or service providers. Trivial gifts in the nature of mementos need not be returned nor a friendly dinner invitation declined if it will cause unnecessary offense. Covered Persons should consult with the General Counsel regarding whether a favor or gift is of more than nominal value for purposes of this prohibition. Covered Persons should also disclose to the General Counsel repeated gifts, whether or not of nominal value.

Officers and Key Persons may not accept honoraria from actual or potential Foundation grantees.

E. Compensated Work Outside the Foundation.

Key Persons may not accept paid employment outside the Foundation without obtaining advance approval by the President and the General Counsel, or, where the President is concerned, the Chairman of the Board and the General Counsel.

VI. Confidentiality.

During the course of carrying out his or her Foundation duties, a Covered Person may acquire confidential information about the Foundation, including but not limited to its plans, programs, budget, finances, investments, and grants, and about Foundation grantees and potential grantees, including but not limited to their identity, and other similar information (all such information being "Confidential Information"). A Covered Person must keep all Confidential Information confidential and must not use Confidential Information for his or her private advantage or for purposes other than carrying out his or her Foundation duties. This confidentiality obligation applies to a Covered Person indefinitely, including after his or her affiliation with the Foundation ends, unless the Confidential Information becomes publicly known through no fault of the Covered Person.

VII. Reporting.

The Audit Committee is responsible for oversight of this Policy. The General Counsel will report periodically to the Audit Committee regarding matters addressed in this Policy. Specifically, the General Counsel will report to the Audit Committee regarding (A) the receipt of each disclosure made in accordance with this Policy; (B) the disposition of each disclosure made in accordance with the Policy, including, without limitation, the determination of whether a

particular proposed Transaction would constitute self-dealing or present a Conflict of Interest; and (C) the actions taken with respect to the applicable Transaction (e.g., approval or disapproval). In addition, pursuant to New York law, the General Counsel will provide a copy of each disclosure statement submitted in accordance with this Policy to the Chairman of the Audit Committee. The Audit Committee will report to the Board regarding the implementation of, and compliance with, this Policy. The Audit Committee may report to the Board regarding specific disclosures made in accordance with this Policy and their disposition, as appropriate and necessary from time to time.

VIII. Violations; Enforcement.

Covered Persons must immediately disclose any violations of the Policy to the General Counsel.

The Foundation may impose disciplinary measures, up to and including termination of employment or removal from office, in connection with any violation of the Policy.

APPENDIX A

Examples Illustrating Disclosure Requirements

Financial Interests. The following are examples of Transactions where a Covered Person may have a direct or indirect financial interest. Disclosure of the potential Conflict of Interest is required under the Policy.

- The Foundation's engagement of a law firm where a Trustee's spouse is a partner, even where the fees paid are reasonable.
- The Foundation's engagement of a vendor owned by the sibling of a Key Person.
- A Foundation grant to a university where the spouse of a Key Person is employed.
- The receipt by a Trustee of a "placement fee" or similar compensation in connection with a Foundation investment.

Non-Financial Interests. The following are examples of Transactions where a Covered Person may have a direct or indirect non-financial interest that could reasonably be perceived to impair the independence or objectivity of the Covered Person in the discharge of his or her responsibilities and duties to the Foundation. Disclosure of the potential Conflict of Interest is required under the Policy.

- A Foundation grant to a university where a Trustee formerly served on the university's board less than 18 months prior to the Foundation grant.
- The Foundation's engagement of a vendor where an officer's spouse serves as a non-compensated board member.
- A Foundation grant to a university to which a Trustee has made or expects to make a major gift.

Interests that Ordinarily Do Not Require Disclosure. The following are examples of Transactions where the specified direct or indirect interest of the Covered Person should not by itself reasonably be perceived to impair the independence or objectivity of the Covered Person in the discharge of his or her responsibilities and duties to the Foundation. No disclosure is required under the Policy based solely on the specified interest unless the Covered Person believes that his or her objectivity or independence is impaired.

- A Foundation grant to a university where a Key Person is an alumna, but not a major donor.
- A Foundation grant to a college where an Officer's daughter is enrolled.

- A Foundation grant to a cultural institution where a Trustee was an employee more than 18 months prior to the Foundation grant and no longer performs any duties or functions for, or receives any compensation or benefits from, the cultural institution.
- A Foundation grant to a professional organization where a Trustee is a member, but does not have a significant role with the organization, such as officer or Board member.

APPENDIX B
The Andrew W. Mellon Foundation
Disclosure Statement

This Disclosure Statement is designed to assist **Covered Persons** of the Foundation in meeting their ongoing responsibility to adhere to, and disclose Conflicts of Interest in accordance with, the Foundation's Conflicts of Interest and Disclosure Policy.

Part A of this Disclosure Statement contains an acknowledgment that you have received a copy of the Foundation's Conflicts of Interest and Disclosure Policy, have read it and understand it, and agree to comply with it.

Part B of this Disclosure Statement requests (i) a list, to the best of your knowledge, of any financial interest that you, a **Relative**, and/or a **Related Entity** have in an entity with which the Foundation has or is likely to have a relationship, (ii) a list, to the best of your knowledge, of any service or role that you and/or any **Relative** perform as a director, officer, trustee, or member for an entity with which the Foundation has or is likely to have a relationship, and (iii) a description, to the best of your knowledge, of any other potential **Conflict of Interest** you have or may have, whether directly or indirectly through a **Relative** or a **Related Entity**.

Part C of the Disclosure Statement applies *only* to officers and Trustees and requests information about ownership of certain investments in which the Foundation has a 6% or greater ownership stake.

Please complete the attached Parts A, B, and, if applicable, C, sign and date them, and return them to Michele S. Warman, Vice President, General Counsel and Secretary. Bolded terms not defined herein have the same meaning set forth in the **Glossary** of the Foundation's Conflicts of Interest and Disclosure Policy, a copy of which is attached hereto.

Part A

I hereby acknowledge that I have received a copy of the Foundation's Conflicts of Interest and Disclosure Policy and that I have read it and understand it. I hereby agree to abide by and comply with the general procedures and specific rules contained in the Conflicts of Interest and Disclosure Policy and to promptly report to the General Counsel any changes to the disclosure below in response to Part B and Part C.

Dated: _____

Name: _____

Signature: _____

Disclosure Statement (continued)

Part B

1. *In the space below, please provide a list, to the best of your knowledge, of any financial interest, including employment or an ownership interest or other economic interest (above a de minimis amount) that you, a **Relative**, and/or a **Related Entity** have in an entity with which the Foundation has or is likely to have a relationship and indicate whether the interest is a substantial financial interest.*

(List should include name of the **Relative** and/or **Related Entity** [if relevant], name of the entity with which the Foundation has a relationship, and a description of the financial interest, including whether it is a substantial financial interest.)

2. *In the space below, please provide a list, to the best of your knowledge, of any service or role that you and/or any **Relative** perform as a director, officer, trustee, or member for an entity with which the Foundation has or is likely to have a relationship.*

(List should include name of the **Relative** [if relevant], name of entity, and position held.)

3. *In the space below, please provide a description, to the best of your knowledge, of any other potential **Conflict of Interest** you have or may have, whether directly or indirectly through a **Relative** or a **Related Entity**.*

(Description should include all material facts related to the potential **Conflict of Interest**.)

Dated: _____

Name: _____

Signature: _____

Disclosure Statement (continued)

Part C

Officers and Trustees ONLY

The following is a list of investments in which the Foundation had a 6% or greater ownership interest during the past year. Please provide the requested information about how much of these investments you, your **Family Members**,² and your **Disqualified Entities**³ directly owned (as a percentage ownership through a fund or as direct ownership of the business), if any, on the date you execute this Disclosure Statement. You are not being asked to report indirect ownership through partnerships or passive investment vehicles unless you, your **Family Members**, and/or your **Disqualified Entities** own 20% or more of the investment vehicle or otherwise control the entity's investment decisions. If you, your **Family Members**, and/or your **Disqualified Entities** do own 20% of an investment fund or company (or otherwise control its investments), then report any percentage ownership you have through that fund or company in the businesses listed below along with your direct ownership. For these purposes percentage ownership is percentage of voting power in a corporation, profits interest in a partnership, or beneficial interest in a trust. A person is not deemed to have a beneficial interest in a trust in which he or she has no remainder interest. What you report will be used only for purposes of allowing the Foundation to comply with the provisions of the Internal Revenue Code and Treasury Regulations and may be disclosed to the Foundation's auditors, legal counsel and other professional advisors.

<u>Investment Entity</u>	<u>Percentage Ownership (check one)</u>				
[Foundation will Provide List]	0%	<1%	1-3%	3-5%	>5%
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> (____%)
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> (____%)
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> (____%)
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> (____%)
_____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> (____%)

Explanatory Notes (if any):

Dated: _____

Name: _____

Signature: _____

² The term "Family Members" is defined in the definition of "Disqualified Persons."

³ The term "Disqualified Entities" is defined in the definition of "Disqualified Persons."

APPENDIX C

Self-Dealing Rules of Federal Tax Law

Overview.

Because the Foundation is classified as a private foundation, federal tax law prohibits the Foundation from engaging in “self-dealing” with insiders who are Disqualified Persons. Therefore, if a Transaction constitutes self-dealing, the Foundation may *not* engage in the Transaction, even if the Transaction could benefit the Foundation. Federal tax law imposes penalty excise taxes on the Disqualified Person who engages in self-dealing and, in certain limited circumstances, on the Board members who approve the Transaction.

Who Is Covered?

The self-dealing rules apply to all Disqualified Persons of the Foundation. Note that the definition of Disqualified Persons is similar, but not identical, to the definition of Covered Persons.

What Is Covered?

Federal tax law prohibits the following categories of Transactions (whether direct or indirect) as self-dealing:

- Any sale, exchange, or leasing of property between the Foundation and any Disqualified Person;
- Any lending of money or other extension of credit between the Foundation and a Disqualified Person, other than an interest-free loan by a Disqualified Person to the Foundation where the loan proceeds are used exclusively for the Foundation’s charitable purposes;
- Any furnishing of goods, services or facilities between the Foundation and a Disqualified Person, other than a Disqualified Person’s furnishing of goods, services or facilities to the Foundation without charge where the goods, services or facilities are used exclusively for the Foundation’s charitable purposes;
- Any Foundation payment of compensation to, or reimbursement of expenses of, a Disqualified Person, other than a Foundation payment of compensation to, or payment or reimbursement of expenses of, a Disqualified Person (excluding a government official) for services that are reasonable and necessary to carrying out the Foundation’s exempt purposes where the compensation, payment, or reimbursement is reasonable and not excessive;
- Any transfer to, or use by or for the benefit of, a Disqualified Person of the Foundation’s income or assets, other than transfers or uses that confer no more than incidental or tenuous benefit on a Disqualified Person; or

- Any agreement by the Foundation to pay money or property to a government official, other than an agreement to employ a government official following the termination of his or her government service where such service will end within a 90-day period of the agreement.

Consideration and Disposition.

The General Counsel will determine whether a Conflict of Interest disclosed in accordance with the Policy constitutes self-dealing. If that is the case, the Foundation is *not* permitted to engage in the Transaction.

Examples.

Below are a few brief examples of self-dealing as defined by federal tax law. These Transactions are *prohibited* in accordance with federal tax law.

- A Foundation loan to a Disqualified Person to purchase a residence, even if the terms are arm's-length or better for the Foundation.
- A Disqualified Person's rental of office space to or from the Foundation for below-market rent.
- A Foundation grant to a university that satisfies a pledge made by a Disqualified Person to the university.

APPENDIX D Specific Rules for Investment Activities

A. Excess Business Holdings Rules of Federal Tax Law.

Overview.

Because the Foundation is classified as a private foundation, federal tax law imposes “excess business holdings” limitations on co-investments by the Foundation and its Disqualified Persons. The Foundation, together with its Disqualified Persons, may not own more than 20 percent of a business, unless the Foundation’s ownership interest, standing alone, is 2 percent or less.⁴ Federal tax law imposes penalty excise taxes on the Foundation for violations of the excess business holdings rules.

Who Is Covered?

The excess business holdings rules apply to all Disqualified Persons of the Foundation. For purposes of the excess business holdings rules Disqualified Persons do not include government officials.

What Is Covered?

The prohibition on excess business holdings applies to any co-investment by the Foundation and its Disqualified Persons in a business in excess of 20 percent of a business, unless the Foundation’s ownership interest, standing alone, is 2 percent or less.

Required Disclosure.

To avoid violations of the excess business holdings rules, the Foundation’s officers and Trustees must provide information about his or her ownership and the ownership of his or her Family Members and Disqualified Entities of investments in which the Foundation has a 6 percent or greater ownership stake⁵ annually in Part C of the Foundation’s Disclosure Statement (attached as **Appendix B**) and update the disclosure as necessary from time to time.

Consideration and Disposition.

Upon learning that a proposed Transaction may violate the excess business holdings rules, the General Counsel will determine the appropriate course of action.

⁴ In general, a business does not include an investment fund. However, the excess business holdings rules “look through” an investment fund and attribute the fund’s holdings to the Foundation and its Disqualified Persons.

⁵ The Foundation will provide officers and Trustees with a list of its investments that meet this criterion. The 6% threshold may change based on the Foundation’s investment portfolio in a given year and legal assessment of excess business holding requirements.

B. Other Specific Rules for Investment Activities.

Overview.

The Foundation applies other specific rules to address and avoid Conflicts of Interest that are specific to the investment context. These rules are supplemental to the procedures in the Policy and intended as non-exhaustive guidance.

Who Is Covered?

The following specific rules apply to Investment Persons, and may apply to other Covered Persons who are involved in Foundation investments.

What Is Covered and Required Procedures

Placement Fees and Other Benefits. An Investment Person may not receive a placement fee or other identifiable benefit as a result of a Foundation investment.

Co-Investment Situations. No Investment Person or his or her Family Members or Disqualified Entities (as such terms are defined in the definition of “**Disqualified Persons**”) may receive, directly or indirectly, an identifiable benefit (e.g., reduced management fee or opportunity to participate at a reduced minimum) that other investors do not receive as a result of an actual or potential co-investment with the Foundation.

Investment Opportunities Not Generally Available. Investment and Finance Staff may not participate in any limited partnership or other investment opportunity (i) which is not generally available or known to the public, and (ii) in which the Foundation has made or is considering making an investment, or which has been suggested by a current or prospective investment manager as a potential Foundation investment. Investment and Finance Staff may not purchase, directly or indirectly, any equity security in an initial public offering, except through a blind-pool investment vehicle over which he or she has no discretion.

Relationships with Publicly Traded Companies. Investment Persons must comply with all applicable laws and regulations relating to the use (e.g., trading) and communication of material non-public information regarding a publicly traded company. In that regard, an Investment Person who is an insider (e.g., an officer or a member of the board) of a publicly traded company may not participate in any Foundation discussion or decision about an investment related to that publicly traded company, and no Investment Person should reveal material non-public information regarding a publicly traded company to other Investment Persons, Trustees or other representatives of the Foundation, including at any meeting of the Board or Investment Committee.

Confidentiality. In the course of carrying out his or her duties as a member of the Investment and Finance Staff or as a member of the Investment Committee, an Investment Person may acquire confidential information about the financial assets of the Foundation, including its investments. Consistent with the obligations of Covered Persons generally (see Section VI. of the Policy), an Investment Person must keep such information confidential and must not use the information for his or her private advantage or for purposes other than carrying

out his or her Foundation duties. This confidentiality obligation applies to an Investment Person indefinitely, including after his or her affiliation with the Foundation ends, unless the information becomes publicly known through no fault of the Investment Person.