

# THE ROCKEFELLER FOUNDATION

## CODE OF CONDUCT

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This Code of Conduct is designed to guide the trustees, officers and staff of The Rockefeller Foundation in the performance of their duties and the operations of the Foundation, and sets out the Foundation's conflicts of interest and related policies. It begins from the premise that the Rockefeller Foundation—created to “promote the well-being” of humanity—is a public trust. As a charitable organization, and in pursuit of our philanthropic mission, we have always striven to uphold the highest standards of probity, integrity and fairness in all of our dealings. This means that all of us must ensure, for ourselves and our colleagues:

1. individual compliance with the spirit as well as the letter of the law governing private foundations, and
2. careful and thoughtful adherence to a strict code of ethical behavior.

Each one of us at The Rockefeller Foundation holds a position of trust. Any deviation from these standards can only serve to undercut the good name of the Foundation, and the good work done, now and in the past, by ourselves and our grantees.

One further introductory word: what follows are the most important rules of conduct in these areas currently foreseen. New questions may arise, new issues may be confronted. But compliance with the letter of this Code is a minimum, not a maximal requirement. Anyone who has doubts about whether any contemplated or proposed conduct complies with the spirit of this Code is urged to consult with the Office of the General Counsel. Every effort will be made to preserve the confidentiality of such discussions, and in no event will there be retaliation for any good faith discussion or report of a possible violation of this Code. Indeed, the most important rule in these matters is: When in doubt, ask.

### **General Rules**

This Code is applicable, unless otherwise indicated, to the conduct of all trustees, officers and staff of the Foundation, as well as non-trustee members of the Finance Committee (“Foundation Personnel”).

All Foundation Personnel owe the Foundation a duty of loyalty, and a duty to the Foundation to avoid conflicts, real or apparent, between the interests of the Foundation and their personal interests. All Foundation Personnel must remain conscious of the potential for such conflicts, and act with candor and care in such situations.

The Foundation's activities must be conducted according to the highest standards of objectivity and integrity and exclusively in furtherance of the Foundation's charitable program. Except for program staff (including the president, and also including other employees the president may designate from time to time for a particular purpose), or

as otherwise indicated herein, all Foundation Personnel shall refrain from promoting or otherwise advocating for any current or potential grantee organization or grant. Any relevant information which such persons seek to provide should be provided through the President. Trustees are provided with a form of letter they may use in responding to a request that the trustee consider a proposal for Foundation funding or promote its consideration by Foundation staff.

All Foundation Personnel should make prompt disclosure to the Office of Grants Management (in the case of grants, including Foundation-administered Projects) or the Office of the General Counsel (in the case of administrative, business or investment operations) or the President (in the cases of the Director of Grants Management or the General Counsel) of any situations of which they are aware in which their personal interests might be or become in conflict with the interests of the Foundation. This disclosure shall include:

Any case in which he or she or a "related party" (spouse or domestic partner, parent, sibling, child, or other family member or individual with whom there is an intimate personal relationship) has:

- A substantial personal interest in the transaction, including the receipt of salary or other payment, in whole or in part, as part of a Foundation grant or other payment;
- A significant financial relationship with any organization involved in the transaction; or
- A position as trustee, director, officer, employee, or major donor in any organization involved in the transaction.

Except for nominal gifts (generally \$25 or less) or social invitations that do not obligate the recipient and that are in keeping with the highest business ethics, Foundation Personnel or their immediate families (i.e., those living in their households) may not accept payments of any kind (including payments for services rendered, commissions, gifts, entertainment, loans, services or promises of future benefits) from any grantee, potential grantee, service supplier or other organization with which they are aware the Foundation does business or which is seeking to do such business with the Foundation. Travel and other expenses of Foundation Personnel related to Foundation business will be paid by the Foundation, except in instances where no conflict of interest is evident and with approval of the General Counsel, or in the case of the General Counsel, with the approval of the President.

### **Compliance with Laws**

While the obligations under this Code are not limited to the mandates of law, the Federal Internal Revenue Code and Treasury Regulations prohibit the Foundation from engaging in acts of "self-dealing" with "disqualified persons." Disqualified persons with respect to the Foundation are defined by the Internal Revenue Code to include trustees and officers of the Foundation ("Foundation Managers"), family members of Foundation Managers (spouse, ancestors, lineal descendants and spouses of lineal descendants), and any corporation, partnership, trust or estate in which a Foundation Manager or any family member of a Foundation Manager (as described above) has more than 35 percent of the voting power, profits interest or beneficial interest. Self-dealing

transactions involve:

- sale, exchange, or leasing of property;
- lending of money or other extension of credit;
- furnishing of goods, services or facilities;
- payment of compensation or reimbursement of expenses; or
- transfer to, or use by or for the benefit of, a disqualified person of the income or assets of the Foundation.

All disqualified persons are required to disclose in advance any transaction that could potentially violate these Regulations. (See Appendix for a fuller description of the Regulations.)

All Foundation Personnel must obey the applicable laws, rules and regulations of the United States, and of the State of New York, and other states in which they conduct the business of the Foundation. All Foundation Personnel engaged in Foundation business outside of the United States must obey the applicable laws of countries in which they do business, and respect local culture and values while operating within the strictures of such laws and this Code. All applicable trade agreements, including U.S. trade laws, must be honored and observed, including the U.S. Foreign Corrupt Practices Act and Regulations promulgated or enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury.

### **Disclosure and Management of Real and Possible Conflicts**

Upon disclosure of a possible conflict of interest or “self-dealing” the General Counsel will determine whether the transaction is prohibited under this Code or the IRS’s self-dealing rules. In cases where the possible conflict or self-dealing involve the General Counsel, this determination shall be made by the President. In cases where the possible conflict or self-dealing involve the President or a trustee, the determination shall be made by the Trusteeship Committee.

The presence of a conflict of interest does not preclude the Foundation from any transaction or arrangement but rather requires careful scrutiny and thorough consideration by the appropriate disinterested persons to determine whether the transaction or arrangement is in the best interests of the Foundation. In cases not involving the President or any trustee, this determination may be made by the President. In other cases, it must be made by the Trusteeship Committee. In no event, of course, may the Foundation or any Foundation Personnel engage in self-dealing as defined pursuant to the Internal Revenue Code.

In instances where the Trusteeship Committee reviews a possible conflict or self-dealing, the staff will provide a brief memo to the Committee with relevant information, such as fit within program strategy and involvement of Foundation Personnel. The Foundation person whose relationships give rise to the discussion may not be present for or participate in the discussion or consideration of such a matter, except if asked for information. The Committee will not evaluate the substance of the proposed transaction *per se* but rather whether it is or is not within the prohibition on self-dealing, fits within the Foundation's overall program strategy and is in the best interests of the Foundation, notwithstanding the disclosed relationship. The Committee may decide that the

proposal or transaction should not go forward. If the Committee determines that the relationship should not preclude consideration of the proposed transaction, the proposal will then be reviewed and approved or declined in accordance with the Foundation's standard procedures.

### **Special Rules Governing Investment Activities**

The Foundation will not normally engage the services of or invest directly in organizations in which any Foundation Personnel have an active ownership interest (defined as an ownership interest material to either the Foundation person or the organization in question) or holds a board position. This does not preclude Foundation employees serving on an advisory panel of such an organization, provided that they do so representing the Foundation.

Foundation Personnel shall comply with all laws and regulations relating to the use and communication of material non-public information. This shall include the duty not to trade while in possession of, nor communicate, material non-public information in breach of a duty otherwise, or if the information is misappropriated.

Real or apparent "front running" of the Foundation's transactions is prohibited. "Front running" is defined as the knowing execution of a personal transaction by any Foundation Personnel prior to execution of a related Foundation transaction, irrespective of whether execution of the personal transaction affects the Foundation transaction or the Foundation person was actively involved in the execution of the Foundation transaction.

Foundation employees are required to obtain approval from the General Counsel prior to any investment in an IPO from a company in which the Foundation, or a limited partnership in which the Foundation has invested, holds an equity or debt interest. Secondary public offerings by publicly-traded companies in which the Foundation owns less than 10% of the equity are excluded from this rule.

### **Other Rules Governing Particular Activities**

Books and records. It is essential to the successful operation of the Foundation that the integrity of our books and records be resolutely maintained. The responsibility for this does not rest exclusively with accounting or other financial personnel – it is shared by us all. Accordingly,

- No Foundation fund, asset or liability which is not fully and properly recorded on the Foundation's books and records shall be created or permitted to exist;
- No transaction shall be effected and no payment shall be made on behalf of the Foundation with the intention or understanding that the transaction or payment is other than as described in the documentation evidencing the transaction or supporting the payment;
- All employees shall comply with the Foundation's accounting principles, procedures and controls, and no false, artificial or misleading entries in any books or records of the Foundation shall be made for any reason whatsoever;

- No employee will issue or authorize anyone else to issue any Foundation document that is false or misleading;
- No employee will knowingly accept and treat as accurate any false or misleading document prepared by a person not employed by the Foundation; and
- No employee will knowingly make any false or misleading statements to our external or any internal auditors. Indeed, when questioned by any auditor, all employees should be fully forthcoming.

Matching gifts, because they are not considered grants by the Foundation, are not subject to the conflicts of interest rules set out herein. However, the rules set out in this Code other than those governing conflicts of interest, such as those concerning the accuracy of books and records and those concerning compliance with laws and regulations, are fully applicable to the Foundation's Matching Gift Program.

Nonprofit board or committee memberships, teaching assignments, consultancies. The following guidelines should be followed by Foundation employees in responding to invitations to serve on boards or committees or undertake teaching assignments or consultancies that are extended because of the individual's Foundation affiliation:

- Except in exceptional circumstances approved in advance by the President, Foundation employees are prohibited from serving on the boards of – or in similar management capacities with – current or prospective grantees. If an organization on whose board a staff member sits becomes a Foundation grantee or service provider, the employee may be required to resign from that board, subject to the President's determination.
- A project must be appropriate for Foundation involvement and present an opportunity to contribute to objectives that are consistent with the Foundation's mission.
- A request for approval to undertake such an assignment should be made in writing to the staff member's immediate supervisor and their supervising Vice President or equivalent (i.e. a staff member reporting directly to the President), or to the Chief Operating Officer. The request should describe any relationship between the organization and the Foundation and any real or potential conflict of interest that might arise; the service to be performed and its relationship to the Foundation's work; any expected benefit to the Foundation or the employee; the amount of time that will be required and any possible cost to the Foundation.
- In almost no case may a full-time Foundation employee accept honoraria or payment for such services. A request for an exception to this policy should be made at the time the employee requests approval to accept the assignment.
- Acceptance of travel expenses for such services may be appropriate if there is no Foundation grant or potential grant in question, with approval of the staff member's supervising Vice President or equivalent. In many instances, however, an outside assignment will be closely enough related to official duties that travel expenses should be paid by the Foundation.

Papers and speeches. Any speech to be made or paper to be written by an employee that will reflect the Foundation's view, or, that will include the employee's title or Foundation affiliation even though no official communication is intended, must be approved by the employee's immediate supervisor and supervising Vice President or equivalent prior to presentation or submission. If no official communication is intended, that fact should be noted in a comment or footnote. In matters of possible public controversy, the Vice President or equivalent involved should consult with the Director of Communications before granting approval.

Rights in materials (including speeches, articles and visual works, regardless of the form in which they are reproduced) that are created by an employee acting within the scope of his or her employment do not belong to the employee. No Foundation employee may, therefore, accept an honorarium or payment for them without the prior approval of the General Counsel, or, in the case of the General Counsel, the President. Employees may accept payment for the use of materials if they have not been prepared within the scope of their employment, have not been funded or subsidized by the Foundation, and do not result directly or indirectly from Foundation expenditures.

Corporate boards. Employees are permitted to serve and to receive compensation for service on up to two private corporate boards, unless the board of trustees approves other arrangements. Such service is subject to advance approval by the President or, in the case of the President, by the board chair. (All time spent preparing for and attending meetings of corporate boards must be charged to the employee's vacation or personal time.)

Each employee serving on a corporate board is expected to be alert to the emergence of possible conflicts of interest and to bring them to the attention of the General Counsel, or, in the case of the General Counsel, the President. In the case of the President, such conflicts will be reviewed by the Trusteeship Committee.

Honorary degrees and other awards. If an employee is designated to receive an honorary degree, prize or other major award because of, or that makes reference to, his or her Foundation affiliation, approval to receive the honor and of the language to be used in the designation must be sought in writing from the President, through the individual's supervising Vice President or equivalent, or the Chief Operating Officer.

### **Distribution and Annual Acknowledgement**

The Office of Human Resources will provide a copy of this Code to all new employees at the time of their hiring; each will be required to read this Code, and to attest in writing that they have done so. The Secretary will similarly provide a copy to all new Trustees, who will be required to make a similar attestation. All current Foundation Personnel will be required, at the time this Code is first promulgated in this form to read it and so attest. All Foundation Personnel will be asked to update their disclosure statements filed in connection with this Code at least once a year, and more often as circumstances warrant. All Foundation employees will be required to attest once each year that they have read this Code, and remain in compliance with it.

The Rockefeller Foundation takes this Code, and these policies and procedures, very seriously. The matters addressed herein are sufficiently important that any lapse in judgment within the areas covered here may be considered serious enough to warrant discipline up to and including dismissal.

## APPENDIX

### Requirements Under the Self-Dealing Regulations of the Internal Revenue Code

The Internal Revenue Code (the "Code") and Treasury Regulations prohibit the Foundation from engaging in acts of "self-dealing" with "disqualified persons." Disqualified persons with respect to the Foundation are defined by the Code to include trustees and officers of the Foundation ("Foundation Managers"), family members of Foundation Managers (spouse, ancestors, lineal descendants and spouses of lineal descendants), and any corporation, partnership, trust or estate in which a Foundation Manager or any family member of a Foundation Manager (as described above) has more than 35 percent of the voting power, profits interest or beneficial interest.

Disqualified persons are prohibited from entering into the following types of transactions under the self-dealing regulations:

- Sale, exchange, or leasing of property between the Foundation and any disqualified person;
- Lending of money or other extension of credit between the Foundation and a disqualified person, other than the lending of money by a disqualified person to the Foundation without interest or other charge, so long as the loan proceeds are used exclusively for charitable purposes;
- Furnishing of goods, services or facilities between the Foundation and a disqualified person, other than the furnishing of goods, services or facilities by a disqualified person to the Foundation without charge so long as the goods, services or facilities are used exclusively for charitable purposes;
- Payment of compensation or reimbursement of expenses by the Foundation to a disqualified person, other than the payment of compensation and the payment or reimbursement of expenses by the Foundation to a disqualified person for personal services that are reasonable and necessary to carrying out the exempt purposes of the Foundation, so long as the compensation, payment, or reimbursement is not excessive;
- Transfer to, or use by or for the benefit of a disqualified person of the income or assets of the Foundation.

Prior to entering into any contract or other transaction involving a disqualified person, the Foundation must consider whether the contract or transaction would result in a violation of the prohibition against self-dealing. In making this determination, it is irrelevant whether a particular act or transaction would result in a benefit or a detriment to the Foundation.