

AFFILIATE CONFLICT OF INTEREST AND ETHICS POLICY

OF

THE RISING FOUNDATION

A California Nonprofit Public Benefit Corporation

ARTICLE I. INTRODUCTION AND PURPOSE

The Rising Foundation (the “Corporation”) requires its Affiliates to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. The Board of Directors (the “Board”) of the Corporation, recognizing that it is entrusted with resources devoted to charitable purposes, has adopted this Affiliate Conflict of Interest and Ethics Policy (the “Policy”). The purpose of this Policy is to protect the Corporation’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a potential Affiliate. The Corporation strives to avoid conflicts of interest to ensure that it continues to operate in accordance with its tax-exempt purpose. Further, this Policy ensures the Affiliate does not receive compensation through its representation of the Corporation in any Grant Request proposal. This Policy is intended to supplement but not replace any state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

ARTICLE II. DEFINITIONS

Section 1. Duty of Affiliate. Affiliates are individuals not directly a part of the Corporation yet are empowered to represent the Corporation in certain circumstances. Conflicts of interest can place personal interests at odds with the fiduciary “duty of loyalty” owed to the Corporation. The duty of loyalty requires that a director, manager, principal, officer, or member of a committee with governing board-delegated powers (each, an “Interested Person”), refrain from using his or her position for personal gain, and avoid acting on issues in which his or her personal or financial interests could conflict with the interests of the Corporation.

Section 2. Direct and Indirect Conflicts of Interest. Conflicts of interest arise from personal relationships or from a financial interest. Conflicts can arise either directly or indirectly. A direct conflict can arise where an Interested Person has a personal or financial interest in any matter involving the Corporation or has a financial or agency relationship (i.e., is a director, officer, manager, partner, associate, trustee or has a similar agency relationship) with an entity involved in a transaction or other business with the Corporation. An indirect conflict can arise where someone related to an Interested Person by business affiliation, or a “Family Member” (spouse, parents-in-law, ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses of brothers, sisters, children, grandchildren, and great-grandchildren) of the Interested Person has dealings with the Corporation.

By way of example, an Interested Person has a financial interest if such person has, directly or indirectly, through business, investment or a Family Member:

- (a) an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
- (b) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or
- (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

Section 3. Potential and Actual Conflicts of Interest. Acts that mix the personal or financial interests of an Interested Person with the interests of the Corporation are indicative of a conflict of interest. Not every potential conflict is an actual conflict, however. An Interested Person who has a financial interest in a matter involving the Corporation may have a conflict of interest requiring application of the mitigating procedures described in this Policy only if the appropriate party designated in Article III, Section 3 decides that such a potential conflict of interest is actual or material. However, acts that even have the appearance of a conflict of interest can be damaging to the reputation of the Corporation. Consequently, the Corporation seeks to avoid potential and actual conflicts of interest, as well as the appearance of conflicts.

Section 4. Activities that May Present a Conflict of Interest. The following is a non-exclusive list of the types of activities that may present a conflict of interest and should be disclosed in accordance with Article III.

- (a) **Adverse Interest.** Participation by an Interested Person in decisions or negotiations related to a contract, transaction or other matter between the Corporation and: (i) the Interested Person; (ii) an entity in which the Interested Person or a Family Member of such person has financial interest; or (iii) an entity with which the Interested Person has an agency relationship.
- (b) **Competing Interests.** Competition by an Interested Person, either directly or indirectly, with the Corporation in the purchase or sale of property or property rights, interests, or services, or, in some instances, competition directly for the same donor or external resources.
- (c) **Use of Resources.** Use of the Corporation's resources (for example, staff, contracts, donor lists, or name) for personal purposes of the Interested Person or a Family Member of such person.

- (d) **Inside Information.** Disclosure or exploitation by an Interested Person of information pertaining to the Corporation's business for the personal profit or advantage of such person or a Family Member of such person or a person/entity with whom the Interested Person has an agency relationship.

Section 5. Disclosure. The primary obligation of any person subject to this Policy who may be involved in a conflict of interest situation is to bring it to the attention of those designated under the disclosure procedures in Article III so that the potential conflict can be evaluated and addressed. An Interested Person should not make the decision about whether a conflict of interest exists unilaterally.

ARTICLE III. DUTIES AND RESPONSIBILITIES

Section 1. Activities This section defines the activities and responsibilities as an Affiliate of the Corporation.

- (a) Perform the activities of an Affiliate as outlined in the Affiliate Program description.

Section 2. Duty to Self-Disclose. An Affiliate shall make an appropriate disclosure of all material facts, including the existence of any financial interest, at any time that any actual or potential conflict of interest or ethical question arises. This disclosure obligation includes instances in which an Affiliate who knows of the potential for a self dealing transaction as described in Section 4. It also includes instances in which the Affiliate plans to attend a meeting of the represented organization.

ARTICLE IV. COMPENSATION

Section 1. No affiliate shall receive compensation, direct or indirect, as the result of their activities in introducing an organization to the Corporation.

ARTICLE V. CODE OF ETHICS

Section 1. Code of Ethics. In conducting business and activities which are connected with the Corporation, an Interested Person shall follow these guidelines:

- (a) **Ethical Conduct.** Be honest and ethical in his or her conduct, including ethical handling of actual or apparent conflicts of interest between personal and professional relationships. An Interested Person should not engage in activities which have or may have the appearance of impropriety or conflict of interest, or that may call into question the actions or integrity of the Corporation, or of the Interested Person as he or she relates to the Corporation.
- (b) **Legal Compliance.** Comply with applicable laws and regulations, including the California Nonprofit Integrity Act of 2004, and report his or her concerns to the

appropriate person listed in Article III if it appears that any other director, officer, employee or contractor of the Corporation is not complying with applicable laws or regulations with respect to the Corporation's business.

- (c) **Confidentiality.** Maintain the confidentiality of all internal information about the Corporation, including its donors, clients and beneficiaries, except when authorized or otherwise legally obligated to disclose such information.
- (d) **Fair Dealing.** Deal fairly with the Corporation's staff, donors, volunteers, beneficiaries and suppliers.
- (e) **Protect Assets.** Protect and ensure the proper use of the Corporation's assets, including, its name, goodwill, donor community and reputation.
- (f) **Personal Influence.** Be mindful of the interaction between his or her relationships inside and outside of the Corporation, and not allow inappropriate personal influence over the affairs of the Corporation.
- (g) **Commitments.** Do not "speak for" the Corporation or make or imply commitments by the Corporation without proper internal authorization and communication.
- (h) **Loans.** The Corporation should not make loans to Interested Persons except to induce persons who have been offered a position to join the Corporation, as approved by the Board.

AFFILIATE

CONFLICT OF INTEREST AND ETHICS POLICY

SCHEDULE 1: CONFLICT OF INTEREST DISCLOSURE FORM

The undersigned, as an Affiliate of the The Rising Foundation (the “Corporation”), acknowledges that:

1. he or she has received a copy of the Affiliate Conflict of Interest Policy (the “Policy”);
2. he or she has read and understands the Policy;
3. he or she has agreed to comply with the Policy;
4. he or she understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes; and
5. the following on-going relationships and interests may present a conflict of interest: *(disclosures should address current affiliations, as well as past affiliations for the prior two years, and should include all of the following: the undersigned’s employer, all corporations (nonprofit and for-profit) of which the undersigned is a board member or officer, and the names of such of the undersigned’s Family Members or business affiliates or any other relationships the undersigned has which the undersigned believes may present a potential conflict)*

Name: _____

Title: _____

Signature: _____

Date: _____