



New York Foundation Conflict of Interest and Related Party Transaction Policy

1. Trustees and staff owe a duty of loyalty to the New York Foundation (the "Foundation") and must act in good faith and in the Foundation's best interests, rather than in their own interests or the interests of another person or entity, and must comply with applicable legal requirements. The purpose of this Conflict of Interest and Related Party Transaction Policy (this "Policy") is to set forth certain procedures and requirements for reviewing, considering and taking actions in connection with conflicts of interest and related party transactions and to facilitate compliance by the Foundation with applicable law in this area.
2. Trustees and staff of the Foundation play active roles in the community and are involved with a wide spectrum of not-for-profit organizations and for-profit corporations. Potential conflicts of interest, or the appearance of conflicts, will inevitably arise. It is the Foundation's policy to deal with these conflicts openly and fairly, through the adoption of, and adherence to, this Policy.
3. A conflict of interest may exist where a Trustee or a staff member has a direct or indirect relationship, obligation or interest, whether personal, business or voluntary in nature, that may either impair, or appear to impair, the independence or judgment of the Trustee or staff member in the exercise of his or her duties to the Foundation.
4. Conflicts of interest may include but are not limited to the following: Trustees or staff being employed by, or doing business with, organizations applying for, or receiving, a grant from the Foundation; Trustees or staff serving as trustees, directors or uncompensated officers of such organizations; immediate family, household members or other relatives of Trustees or staff serving such organizations in a similar capacity; Trustees or staff, or their immediate family, household members or other relatives, serving as an officer, trustee, director, partner, employee or controlling stockholder of an organization with which the Foundation has a business relationship.
5. A Trustee or staff person is required to disclose any possible or apparent conflict of interest, prior to the making of a related grant or business decision, to the Audit Committee (the "Audit Committee") of the Board of Trustees (the "Board"), or, if the Audit Committee is not then active, to the Board itself. If uncertain about whether certain facts or circumstances rise to the level of required disclosure, the Trustee or staff person should feel free to discuss the matter preliminarily with any member of the Audit Committee. The Board or Audit Committee shall review all required disclosures and determine how to resolve the conflict of interest for purposes of the related grant or business decision. Any such determination shall be by not less than a majority vote of the Trustees or committee members present at the meeting.

6. Trustees or staff with a possible or apparent conflict of interest in a related grant or business decision under review shall not be present at or participate in deliberations or voting on the matter, and must not attempt to influence improperly the deliberation or voting on such matter. However, any such person may be called upon to participate and provide information relevant to the grant or business decision determination prior to the commencement of deliberations or voting thereon.
7. The minutes of the Board or the Audit Committee, as the case may be, shall document the existence of the possible or apparent conflict of interest and the resolution thereof. As appropriate, such documentation may contain (i) the names of the persons who disclosed or otherwise were found to have an actual or possible conflict of interest, (ii) the nature of the conflict of interest, (iii) relevant details of the Board's or Audit Committee's deliberations, including any alternatives to the proposed grant or business decision or other factors considered, and (iv) a record of the steps taken in connection with the resolution of the conflict of interest, including any votes taken in connection with the proposed grant or business decision.
8. In the event the Foundation, a Trustee or a staff person in error enters into or otherwise participates in a conflict of interest transaction that requires pre-approval pursuant to this Policy, such transaction shall promptly upon discovery of such error be presented to the Board or the Audit Committee for its review, which, in turn, shall consider, as appropriate, whether to (i) ratify such transaction, (ii) direct the rescission or modification of the transaction, (iii) take any disciplinary action, and/or (iv) make changes to the Foundation's controls and procedures in connection with such error.
9. Absent Board approval in compliance with this Policy, Trustees should not financially profit from a business or other relationship with the Foundation. Even under those circumstances where such activities are permitted by this Policy (and applicable law), financial relationships between Trustees and the Foundation are generally discouraged. However, if a financial relationship is to be considered, the procedures set forth below for consideration of a Related Party Transaction must be followed.
10. No staff person who may receive compensation from the Foundation may be present or participate in any Board or committee deliberation or vote regarding such person's compensation. However, any such person may be called upon to participate and provide information relevant to the compensation determination prior to the commencement of deliberations or voting thereon.
11. Trustees and staff persons shall not use privileged information gained in the course of service at the Foundation for personal benefit or gain or for the benefit or gain of his or her immediate family, household members or other relatives or related parties. Trustees and staff may use investment information

gained in the course of service at the Foundation provided that such information is not marked or orally identified as confidential and the Trustee or staff member is not otherwise acting on material non-public information. Generally, the identity of (as opposed to a particular manager's position in) a given stock, fund or other instrument is not confidential. Nonetheless, Trustees and staff persons should avoid making personal investments in a stock, fund or other instrument so identified if that investment, because of illiquidity, small capitalization or other reasons, might adversely affect the price at which the Foundation purchases or sells for itself or the Foundation's ability otherwise to make such an investment.

12. Absent Board approval in compliance with this Policy, staff persons will not (i) engage in outside employment or self-employment (e.g., consulting) where such employment would constitute a conflict of interest, (ii) use Foundation time or resources for non-Foundation work or for personal or private gain, (iii) give Foundation business to a firm in which he or she or another staff person (or former staff person within the prior year) has a personal or financial interest, or (iv) advise the Foundation to undertake expenditures from which he or she or another staff person (or former staff person within the prior year) expects to gain financially.
13. The Foundation, absent Board approval in compliance with this Policy, shall not consider a grant application from any organization that presently employs any member of the Board if it is submitted during the tenure of that Trustee or within one year after their tenure has ended.
14. Prior to initial election and annually thereafter, each Trustee must submit to the Secretary of the Foundation a signed written disclosure statement identifying, to the best of such Trustee's knowledge, (i) any entity of which the Trustee is an officer, director, trustee, member, owner (either as a sole proprietor or a partner or through another material ownership interest) or employee, and with which the Foundation has a relationship and (ii) any transaction in which the Foundation is a participant and in which the Trustee may have a conflicting interest. The statement shall also affirm that the Trustee has received a copy of the Policy, has read and understood the Policy and has agreed to comply with the Policy. The Secretary shall provide copies of all completed disclosure statements of the Trustees to the Chair of the Audit Committee, or, if the Audit Committee is not then active, to the Chair of the Board of Trustees.
15. All information provided or produced in complying with or enforcing this Policy may be shared with the Trustees and Executive Director of the Foundation, but otherwise shall be kept confidential unless the Chair of the Board, in consultation with the Executive Committee members, determines that the Foundation's best interest would be served by disclosure. However, such disclosure should be made only after first informing those concerned, to the extent reasonably possible under the circumstances.

16. A Related Party Transaction (as defined below) is a form of a conflict of interest, for which New York not-for-profit law specifies certain heightened consideration and approval requirements. Accordingly, Trustees and staff of the Foundation shall comply with the following prescribed procedures with respect to any Related Party Transaction:
- a. For the purposes of this Policy, the term “Related Party Transaction” shall mean a transaction, agreement or other arrangement in which a Related Party has a financial interest and in which the Foundation is a participant. A Related Party shall disclose in good faith to the Board or an authorized committee thereof the material facts concerning his or her interest.
 - b. For the purposes of these procedures, a Related Party is (i) any Trustee, officer or “key employee” (as defined under applicable New York not-for-profit law) of the Foundation or any affiliate of the Foundation; (ii) any relative of any Trustee, officer or key employee of the Foundation or any affiliate of the Foundation; or any entity in which any of the individuals named in clauses (i) and (ii) of this subparagraph b has a Thirty-Five Percent (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 Five Percent (5%).
 - c. Prior to entering into a Related Party Transaction, the Board or an authorized committee thereof shall (i) consider alternative transactions to the extent available, (ii) approve the Related Party Transaction by not less than a majority vote of the Trustees or committee members present at the meeting, and (iii) contemporaneously document in writing the basis for the approval by the Board or authorized committee of the Related Party Transaction, including the consideration given to any alternative transactions.
 - d. The Board or authorized committee may approve a Related Party Transaction only if the Board or committee determines that such transaction is fair, reasonable and in the best interests of the Foundation at the time of such determination.
 - e. No Related Party may participate in deliberations or voting related to a Related Party Transaction. However, such Related Party may be called upon to participate and provide information relevant to the Related Party Transaction determination prior to the commencement of deliberations or voting thereon.
 - f. In addition to the foregoing, certain types of transactions between the Foundation and a Related Party or certain other so-called “disqualified persons”, which may or may not themselves be Related Party Transactions as defined herein, may constitute prohibited “self-dealing”

under Section 4941 of the Internal Revenue Code of 1986, as amended. Accordingly, in determining whether or not to approve a Related Party Transaction, the Board or authorized committee should also take into account the restrictions regarding self-dealing under Section 4941. Self-dealing transactions include, but are not limited to, (i) a sale or exchange, or leasing, of property, (ii) lending of money or otherwise extending credit, (iii) furnishing of goods, services or facilities, (iv) payment of compensation (including expenses) for personal services if the services are not reasonable and necessary to carry out the foundation's exempt purpose or the compensation is excessive, (v) a transfer to, or use by or for the benefit of, a disqualified person of the income or assets of (including guaranties given by) a foundation, or (vi) an agreement by the foundation to make a payment of money or other property to a government official.

17. The Board is responsible for providing oversight of the adoption and implementation of, and compliance with, this Policy. Only Trustees who are "Independent Directors" (as defined under applicable New York not-for-profit law) are permitted to participate in any deliberation or vote on matters relating to the adoption and implementation of, and compliance with, this Policy. The Board may delegate to the Audit Committee, or any other committee comprised solely of Trustees who qualify as Independent Directors, the adoption and implementation of, and compliance with, this Policy, and/or the review and approval of any one or more specific conflicts of interest or Related Party Transactions.