

SUNLIGHT GIVING

CONFLICT OF INTEREST POLICY

Article I. Purpose

The purpose of this Policy for dealing with actual, potential, or perceived conflicts of interest is to avoid the situation, or the perception, that directors, officers, employees, and contractors of Sunlight Giving (the “Foundation”) have used their positions to engage in any transaction or arrangement that might inappropriately benefit their private interests, or that might result in impermissible “self-dealing” as defined by Section 4941 of the Internal Revenue Code (the “Code”). For purposes of this Policy, employees and contractors doing work for the Foundation who the Board determines shall be subject to this Policy shall be referred to collectively as “employees.” Directors, officers, and employees should interpret and apply this policy to achieve these purposes. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

Article II. Conflicts Covered by this Policy

For purposes of this Policy, a conflict of interest exists whenever the interests or concerns of any director, officer, or employee may be seen as competing with the best interests of the organization. Conflicts tend to occur:

- A. where a director, officer, or employee has a financial interest, either directly or through a business or family relationship, in a decision of the Board of Directors or any action by the Foundation; and
- B. where a director, officer, or employee has a conflict of loyalties even if he or she has no personal financial interest in the decision or action to be taken.

Article III. Procedures

1. **Duty to disclose all conflicts and potential conflicts.** All material facts concerning any situation that might be viewed as a conflict should be disclosed to the Board of Directors by the director, officer, or employee concerned. Where doubt exists regarding whether a conflict exists or appears to exist, the matter must be resolved by the Board of Directors.
2. **Procedures necessary to approve any conflict.** In order to assure that persons who have a conflict of interest will not have influence over the Foundation regarding business transactions involving themselves, no director, officer, or employee may be present for a vote by the Board of Directors on any decision or action by the Foundation which would directly or indirectly benefit such director, officer, or employee. Such director, officer, or employee may, however, answer questions or respond to requests, at a meeting or otherwise, for factual information needed for the Board of Directors to make an informed decision.
3. **Additional procedures necessary to approve a conflict involving a material financial interest.** The Board of Directors shall not approve any transaction to which the Foundation

would be a party and in which a director, officer, or employee of the Foundation has a material financial interest unless and until the Board of Directors has specifically and in good faith determined after reasonable investigation (including a review of the terms upon which other comparable organizations enter transactions or arrangements similar to the one under consideration) that:

- a. the Board is aware of all material facts concerning the transaction and the director, officer, or employee's interest in the transaction;
 - b. the Foundation is entering into the transaction for its own benefit;
 - c. the transaction is fair and reasonable as to the Foundation; and
 - d. the Foundation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.
4. **Self-Dealing.** Notwithstanding the other provisions of this Policy, in determining whether to approve a conflict, the Board of Directors shall take into account the rules applicable to private foundations regarding self-dealing under Section 4941 of the Code, which are described further in Appendix A hereto. These rules prohibit certain transactions directly or indirectly between a foundation and its directors, officers, key employees, and substantial contributors, or members of their families, and also prohibit transactions that may result in an economic benefit to these people because of their ownership or beneficial interest in a business entity. If a prohibited self-dealing transaction occurs, excise taxes may be imposed. All directors, officers and key employees are required to disclose to the Foundation in advance any transaction that could potentially violate these rules. If a determination is made that a transaction would be a self-dealing transaction, it will be prohibited.
5. **Recordkeeping.** With respect to any Board discussion or decision involving matters covered by this Policy, the minutes of the Board meeting at which such discussion or decision take place must reflect in detail the Board deliberations and the voting process, specifically indicating the director, officer, or employee whose situation was considered; the nature of the potential conflict of interest; any potential alternative arrangements; and that the affected director, officer, or employee was not present in the room, either during the discussion or for the vote. In addition, any market data or information considered by the Board in approving or disapproving a proposed transaction covered by this Policy must be attached to the minutes of the Board meeting at which such consideration took place.
6. **Annual Distribution of this Policy.** A copy of this Policy must be furnished annually to all incumbent and incoming directors and officers of the Foundation, as well as current employees. Each director, officer, and employee shall annually sign a statement that affirms that he or she has received a copy of this Policy; has read and understands the Policy; and has agreed to comply with this Policy.
7. **Periodic Reviews.** The Foundation must conduct periodic reviews to ensure that all compensation arrangements, partnerships, joint ventures, and other transactions involving directors, officers, or employees are reasonable, reflect arm's length bargaining, and further charitable purposes, and do not result in unreasonable benefit to the directors or officers or any other private shareholder or individual. When conducting these reviews, the Foundation

may, but need not, use outside advisors. Any use of outside advisors, however, shall not relieve the Board of Directors of its responsibility for conducting the periodic reviews.

ANNUAL CERTIFICATION STATEMENT

I certify that I have received a copy of the Conflict of Interest Policy for Sunlight Giving, have read and understand the Policy, agree to comply with the Policy, and understand that Sunlight Giving is a charitable organization 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.

In signing this Statement, I have considered not only the literal expression of the Policy, but its intent. Except as stated below, I do not, to the best of my knowledge, have a conflict of interest (including, for the avoidance of doubt, any transaction or arrangement that may constitute self-dealing under Section 4941 of the Internal Revenue Code) that may be seen as competing with the interests or concerns of Sunlight Giving, nor does any member of my family, or any organization to which my family or I have an allegiance, have such a competing concern.

I certify that the above information set forth in this statement and attachments, if any, is true and correct to the best of my knowledge. If any situation should arise in the future that may create a conflict of interest, I will promptly and fully disclose the circumstances to the Board of Directors.

Print Name & Title: _____

Signature: _____

Date: _____

CONFLICT OF INTEREST POLICY APPENDIX A

Federal Self-Dealing Regulations of the Internal Revenue Code

Section 4941 of the Internal Revenue Code (the “Code”) and related 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 directors and officers of the Foundation and individuals having powers or responsibilities similar to directors and officers (“Foundation Managers”), “substantial contributors” (as defined below), family members¹ of a Foundation Manager or substantial contributor, and any corporation, partnership, trust or estate in which a Foundation Manager, substantial contributor or any family member of a Foundation Manager or substantial contributor has more than 35% of the voting power, profits interest or beneficial interest.

A “substantial contributor” includes any person who contributed or bequeathed a total amount of more than \$5,000 to the Foundation if such amount is more than 2% of the total contributions and bequests received by the Foundation from its creation through the close of the tax year of the Foundation in which the contribution or bequest is received.

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 Charitable Trust 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; or
- Agreement by the Foundation to make any payment of money or other property to a U.S. government official.

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.

¹ “Family member” includes a Foundation Manager’s spouse, parents, children, grandchildren and spouses of children and grandchildren.