

Robert Toigo Foundation
CONFLICT OF INTEREST POLICY

This Conflict of Interest Policy includes the requirements of the California Corporations Code applicable to Non Profit Corporations but sets a higher standard appropriate for a Non Profit that works with the investment community and mentors students entering the financial investment industry.

Board Members and Officers are expected to use good judgment, to adhere to high ethical standards, and to conduct themselves in such a manner as to avoid any actual or potential conflict between the Board Member's or Officer's personal interests and the interests of The Robert Toigo Foundation. A conflict of interest exists when the Board Member's or Officer's loyalties or actions are divided between The Foundation's interests and the Board Member's or Officer's financial interests. Both the fact and the appearance of a conflict of interest should be avoided. A Board Member or Officer who is unsure as to whether a certain transaction, activity, or relationship constitutes a conflict of interest should discuss it with the Chair of the Board or the President for clarification.

In general, when conducting the business of The Robert Toigo Foundation, including specifically awarding fellowship awards, a conflict of interest will be presumed when a Board Member or Officer or someone with whom the Board Member or Officer has a close relationship (such as a family member or household member) serves as a trustee, director, officer, or stockholder of an affected organization or firm; has a formal affiliation or interest in an affected organization or firm; or could expect material financial gain or loss from a particular decision. Recognizing that it is not possible to describe all possible conflicts of interest that could develop, some of the more common direct conflicts from which a Board Member or Officer or someone with whom the Board Member or Officer has a close relationship should refrain include the following:

1. Accepting personal gifts or entertainment from applicants, grantees or vendors of the Foundation;
2. Using proprietary or confidential Foundation information for personal gain or to The Robert Toigo Foundation's detriment;
3. Having a direct or indirect financial interest in an activity undertaken by The Robert Toigo Foundation;
4. Using Foundation assets or labor for personal use; or
5. Representing that The Robert Toigo Foundation will give financial or other support to any outside activity, organization, or individual, unless the request for such support has already proceeded through the proper channels and has been approved.

The following cases are not exclusive but illustrate the existence or absence of a financial conflict of interest:

1. A business transaction between the Board Member or Officer and The Robert Toigo Foundation, such as an agreement by the Board Member or Officer to perform accounting services for a fee, would, as a general rule, be a conflict of interest.
2. A Board Member or Officer who is an owner of a business that performs services for The Robert Toigo Foundation for more than a nominal fee most likely has a conflict of interest even though the Board Member or Officer may not personally perform the services. A conflict of

interest exists because the Board Member or Officer shares in the profits from such fees as an owner and therefore probably has a material financial interest in any transaction with the business.

3. A Board Member or Officer who owns an insignificant number of shares in a publicly traded company whose business activities with The Robert Toigo Foundation have no significant effect on the financial performance of that company generally does not have a conflict of interest in any transaction with that company.

4. For purposes of this Policy, "Material financial interest" includes a business that is a significant source of income to the Board member or Officer (through a salary or other payments) or in which the director is an officer or owns more than a 10% interest or from which the Board Member or Officer receives a commission based upon the matter that is being considered by the Toigo Foundation.

PROCEDURES

The following procedures will apply to the resolution of any conflict of interest which cannot otherwise be avoided:

1. Any potential conflict of interest that may affect a matter under consideration shall be disclosed by the Board Member or Officer to the Board of Directors and made a matter of record as soon as the possible conflict is determined.

2. The interested Board Member or Officer shall not vote on such matter and shall not attempt to exert influence in connection with the matter.

3. The minutes of the meeting shall reflect that such a disclosure was made and the affected member abstained from voting.

4. When a Board Member or Officer serves concurrently on the board of another non-profit corporation, it shall not be deemed a conflict for that Board Member to vote on an issue before either Board involving The Toigo Foundation.

5. For any matter in which the Board Member or Officer has a material financial interest, the following additional procedures shall apply prior to entering into the transaction, pursuant to Section 5230-5239 of the California Corporations Code:

(a) The Board of Directors determines in good faith that The Toigo Foundation will enter into the transaction for its own benefit;

(b) The Board of Directors determines in good faith that the transaction is fair and reasonable to The Toigo Foundation; and

(c) The Board of Directors determines in good faith after reasonable investigation that The Toigo Foundation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

6. If the transaction is to be considered for approval by a committee of the Board of Directors, the following shall apply:

(a) It was not reasonably practicable to obtain approval of the full Board of Directors prior to entering into the transaction; and

(b) The Board of Directors, after determining that the conditions of sections 5(a) and (b), above, were satisfied, ratifies the transaction at its next meeting following approval by the committee by a vote of a majority of the Board Members then in office without counting the vote of the interested Board Member.

7. DISCLOSURE OF BUSINESS RELATIONSHIPS AMONG DIRECTORS

As part of the continuing effort of the Foundation, it has been determined that business relationships between Directors of the Foundation that exist which are not in the ordinary course of business should be disclosed to Board of Directors. The existence of such a relationship does not constitute a conflict of interest under this Policy or the California statutes. This Disclosure Policy applies only to Directors of the Foundation.

The Directors of the Foundation are naturally drawn primarily from the financial investment industry since the mission of the Foundation is to increase diversity in this industry. Business relationships between entities commonly arise in the normal course of business the financial industry. These business relationships include investments by public and private pension funds in investment funds and financial advisors working for pension funds and for investment funds generally and in regard to specific acquisitions and dispositions of business investments. It is also common for these relationships to be governed by confidentiality agreements. Business relationships that occur in the normal course of business do not need to be disclosed.

If two or more Directors enter into a business relationship with each other that is not in the normal course of their businesses, they should report the existence of the relationship and its general nature to the Executive Director and this should be reported to the Board. If a Director has a question as to whether a business relationship is outside the normal course of business he or she may consult with the Foundation's legal counsel on a confidential basis. Directors will be asked on an annual basis whether they have any business relationships with other Directors that are outside the normal course of business.

The following definitions apply to this Disclosure Policy:

A "business relationship" between two persons includes (but is not necessarily limited to) the following types of relationships:

One person is employed by a sole proprietorship owned by the other person or by an organization of which the other person is a director, trustee, officer, key employee or greater-than-35% owner.

One person is transacting business with the other, directly or indirectly, in one or more contracts of sale, leases, licenses, loans, service arrangements or other transactions involving transfers of cash or property valued in excess of \$10,000 in the aggregate during the year. An indirect transaction is a transaction by one person with an organization of which the other person is a director, trustee, officer, key employee or greater-than-35% owner.

The two persons are each a director, trustee, officer or greater-than-10% owner in the same business or investment entity.

A "business relationship" does not, however, include the following:

"Ordinary course of business exception": a transaction between two persons or entities in the ordinary course of either party's business and on the same terms as are generally offered to the public; and "privileged relationship exception": a relationship between attorney and client.

8. Any person who has knowledge of any action or conduct that appears contrary to these Conflict of Interest Policies and Procedures shall report the same to the President of The Toigo Foundation or the Chair of the Board of Directors.

9. These Conflict of Interest Policies and Procedures shall apply to the members of a committee of the Board of Directors as if each committee member were a Board Member.

10. Each Board Member and Officer shall be advised of the Conflict of Interest Policy and Procedures prior to commencement of the Board Member's or Officer's term of office. Each Board Member shall upon taking office and annually thereafter execute a form indicating they are familiar with the Conflict of Interest Policy and indicating any conflict that exists as of that time.

11. If a Board Member or Officer or someone with whom a Board Member Officer has a close relationship (such as a family member or household member) has or has had, a financial, employment, or personal relationship with an applicant, grantee or vendor to The Toigo Foundation, the Board Member or Officer must disclose this fact in writing to the Corporate Secretary.