
CODE OF ETHICS
OF
THE LEICHTAG FAMILY FOUNDATION
A California Nonprofit Public Benefit Corporation
Adopted on April 6, 2011

Preface

This Code of Ethics, as approved by the Board of Directors of The Leichtag Family Foundation, along with the Conflict of Interest Policy, serve as The Leichtag Family Foundation's Code of Ethical Principles.

This Code of Ethics applies to all directors, officers, employees, agents and volunteers of The Leichtag Family Foundation while they are engaged in (i) stewarding the philanthropic interests of the Leichtag Family, (ii) administering the programs and assets of the Foundation, (iii) making or monitoring grants from the Foundation, or (iv) otherwise acting on behalf of or in the name of the Foundation.

The following guidelines are provided to assist directors, officers, employees, agents and volunteers and others in interpreting and using the Code of Ethics. They are intended to guide the Foundation's representatives to act professionally, responsibly and ethically, but are not prescriptions for all possible situations. The fact that the Code of Ethics may not specifically address a particular situation should not be interpreted to relieve any representative of the personal responsibility to conduct himself or herself at all times in a legal, accountable and ethical manner.

By its nature, this list of guidelines is an evolving document. It is subject to revision in the discretion of the board of directors and may be revised to reflect practice, laws and regulations as they change. Directors, officers, employees, agents and volunteers with questions about a situation should contact that individual's supervisor, the president, or a designated ethics representative with questions.

**CODE OF ETHICS
OF
THE LEICHTAG FAMILY FOUNDATION**

**ARTICLE I
PURPOSE**

This Code of Ethics is based upon a fundamental and abiding respect for law and ethical practices and the realization that the overall interests of the Foundation, and those acting on its behalf in service to the public are best served by strict adherence to this Code of Ethics. The policy of the Foundation with respect to Conflicts of Interest, approved separately, requires that persons acting on behalf of the Foundation avoid any direct or indirect conflict or appearance of conflict between their (or their families' and associates') personal interests and the interest of the Foundation in dealing with organizations or individuals doing or seeking to do business with, or engaging or seeking to engage in charitable activities with, the Foundation. As a comprehensive statement on ethics, this Code of Ethics contemplates situations that may not rise to the level of a conflict of interest but may nevertheless present ethical dilemmas. This Code of Ethics will be regularly communicated to all directors, officers, employees, agents and volunteers of the Foundation. Every director, officer, employee, agent and volunteer is responsible for communicating this Code of Ethics to outsiders with whom he or she works and who transacts business with the Foundation. The Foundation shall make a copy of this Code of Ethics available to anyone upon request.

**ARTICLE II
DEFINITIONS**

Section 1. This Code of Ethics applies to every person acting on behalf of the Foundation. The following definitions shall apply to this Code of Ethics:

(a) "Foundation": The Leichtag Family Foundation, a California nonprofit public benefit corporation.

(b) "Representative": Every director, officer, delegate, committee or advisory board member, employee (full-time or part-time), agent, contractor, consultant, volunteer and any other person or organization acting in the name of, on behalf of, or with a fiduciary duty to the Foundation.

(c) "Associate": (1) a member of a Representative's family; (2) any organization or entity in which a Representative (or a member of a Representative's family) has an ownership interest or other material interest, including but not limited to serving on a board of directors or committee of such organization, serving on an advisory board or committee of such organization, and receiving compensation from such organization; and (3) a trust of which a Representative (or a member of a Representative's family) is a trustee, or in which a Representative or a member of his or her family has a beneficial interest.

(d) "Board": the board of directors of the Foundation.

ARTICLE III PERSONAL RESPONSIBILITY

Each Representative is responsible for compliance with this Code of Ethics and for taking steps to see that the Representatives within his or her control comply fully. The primary responsibility of each Representative is to perform the duties of his or her position in a manner best suited to promote the interests of the Foundation. Transparency, honesty, integrity, and full accountability are guiding principles for all of the Foundation's operations and activities. Each Representative will adhere to the full requirements of the law, and to this Code of Ethics, including related principles and guidelines as contained in the Conflict of Interest and personnel policies, or as may be separately adopted by the Board.

ARTICLE IV GUIDELINES

While the following guidelines are not intended to cover every situation or take the place of personal integrity, they indicate how Representatives are to conduct themselves in many cases. The absence of a specific guideline does not relieve any Representative of the responsibility for proper, legal and ethical conduct at all times. Representatives in doubt should seek guidance from the responsible staff person or the Board or an appropriate committee thereof.

Section 1. Personal Financial Interests: Without prior disclosure and a decision thereon as outlined in Article V, and subject to the Conflict of Interest Policy requirements, no Representative shall personally or through any Associate have a direct or indirect financial interest or investment in any business enterprise which is doing or seeking to do business with the Foundation (unless that financial interest is in the equity securities of a publicly-owned corporation regularly traded in the open market), including the receipt of any grants, fellowships, contributions or payments from the assets of the Foundation.

(a) A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

(1) An ownership or investment interest in any entity with which the Foundation has a transaction or arrangement;

(2) A compensation arrangement with any entity or individual with which the Foundation has a transaction or arrangement; or

(3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Foundation is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

(b) A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Board or committee determines that a conflict of interest exists after full disclosure and consideration.

Section 2. Gifts, Entertainment or Other Favors:

(a) No Representative or Associate shall solicit or accept gifts, cash, travel or lodging, unreasonable entertainment, loans or any other gifts or favors from persons doing business with the Foundation, including suppliers of goods or services, other than those of such nominal value (less than \$25) that they cannot be regarded as placing the Representative under any obligation to the donor. Any payments (such as honorariums or participation fees) received by staff members for services related to Foundation employment shall be assigned to the Foundation.

(b) **Giving Gifts or Entertaining:** Foundation funds or other assets shall not be used for improper payments to those doing or seeking to do business with the Foundation. This prohibition covers direct payments or indirect payments through third parties, and reimbursement of Representatives for improper payments by them. However, Representatives may give gifts to or entertain others at Foundation expense if such gifts, favors or entertainment are of limited value and consistent with accepted practices and are not in contravention of applicable law and generally accepted ethical standards.

Section 3. Fundraising. The Foundation is, generally, a grant-making and not a fundraising entity. To the extent the Foundation might be considered as engaging in fundraising (including, for example, making a matching-grant in support of an operating charity), Foundation Representatives engaged in such activities shall conduct themselves in a manner that complies with laws and reflects credit upon the Foundation. In conducting these activities, Representatives shall:

(a) Not engage in activities that conflict with their fiduciary, ethical and legal obligations to the Foundation, its collaborators and the donors to all of them.

(b) Not exploit any relationship with a collaborator, donor, prospect, volunteer or employee for the benefit of the Representative.

(c) Ensure all solicitation materials are accurate and correctly reflect the Foundation's mission and relationship to any other persons or entities involved.

(d) Endeavor to ensure proper stewardship of philanthropic contributions, including timely reports on the use of such funds.

Section 4. Employment:

(a) Representatives who are Foundation employees shall not engage in outside employment which prevents them from completing their work, scheduled hours or performance of Foundation assignments. Before a Representative accepts employment with any organization or any person with which the Foundation does business, that Representative shall submit in writing a description of the work assignment, the remuneration and expected duration of the work assignment to the responsible staff person or the Board or an appropriate committee thereof, who will decide if there is a conflict of interest by responding in writing to the Representative.

(b) No Associate of any Representative shall be a full or part-time employee of the Foundation if such employment is inconsistent with the Foundation's Conflict of Interest Policy.

Section 5. Documentation: Appropriate documentation in the books and records of the Foundation, including Board minutes where appropriate, concerning any question which may arise under or any interpretation which may be made of this Code of Ethics is encouraged as a protection to the Representative and the Foundation.

Section 6. Confidentiality. Representatives have access to information that, if revealed to outsiders, could be damaging or sensitive to the Foundation, other Representatives, or collaborators or donors, harmful to the best interests of the Foundation, or even create legal liability. Information provided to Representatives may concern personnel, financial, contractual, membership, or legal matters, and is confidential and intended for use in decision-making and governance. Generally, any matters not publicized by the Foundation should be viewed as confidential. Representatives should never give confidential Foundation information to people outside of the Foundation who have no need to know. Information will be held in the strictest of confidence and shall not be divulged to any outside party without prior written authorization of the president of the Foundation.

Section 7. Conduct in the Workplace. One of the Foundation's most important resources is the staff -- the women and men whose commitment, passion, creativity, talent, and energy help the Foundation fulfill its mission. The Foundation is committed to providing an open, safe, inclusive, and respectful work environment, free of discrimination and harassment. The Foundation holds itself and its Representatives to high standards and grants others the same respect, cooperation, and trust it wishes for itself. The Foundation encourages a teamwork approach which affords its Representatives an opportunity to grow professionally, have job satisfaction, and be productive contributors for the benefit of society.

(a) **Performance Expectations.** Representatives should come to work each day ready to perform their duties ethically and in a way that is in line with the Foundation's mission and that serves and adds value for the Foundation's sponsors, collaborators, donors and volunteers. Each person should protect the Foundation's assets and its good name.

(b) **Inclusiveness and Diversity.** In all aspects of its operations and employment practices, it is the policy of the Foundation to provide equal opportunity without regard to an individual's age, color, national or ethnic origin, race, religion, marital status, sexual orientation, disability, or veteran status. This policy includes, but is not limited to, the Foundation's activities and practices in hiring, training, compensation, benefits, promotions, terminations, and business and community relations. Employees and candidates for employment with the Foundation are considered solely on the basis of their ability to perform the requirements of their position, with due consideration given to experience and growth potential. All staff members are required to support this policy.

Discriminating against any Representatives or any person with whom the Foundation has business on the basis of race, sex, age, disability, citizenship, national origin, color, sexual orientation, pregnancy, religion, military status, or any other legally protected status

is not permitted. This applies to all areas of employment including hiring, training, advancement, compensation, benefits, counseling, and termination.

(c) Freedom from Discrimination and Workplace Harassment. Harassment in the workplace on the basis of any legally protected status is strictly prohibited and will not be tolerated. Unwelcome advances, such as requests for sexual favors and other verbal or physical conduct of a sexual nature, may be forms of sexual harassment. In addition, conduct that may create an uncomfortable situation, such as inappropriate comments, jokes, intimidation, or physical contact, may be forms of workplace harassment. Each person should be sensitive to these issues and avoid any actions or words that might be interpreted by another as harassment.

(d) Cooperation. The Foundation is committed to quickly and effectively resolving issues that are brought to its attention. From time to time it may become necessary to conduct investigations into an alleged issue. All Representatives must cooperate fully in these investigations and maintain the utmost confidentiality. Failure to do so could result in disciplinary action.

(e) Protection and Proper Use of Foundation Assets. Representatives should protect the Foundation's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Foundation's continued success. All Foundation assets should only be used for legitimate Foundation business and charitable purposes.

(f) Whistleblower Policy. As beneficiaries of the public trust and stewards of the legacy of its founders, Lee and Toni Leichtag, the Representatives of the Leichtag Family Foundation should represent the pinnacle of sound financial, auditing and foundation management standards and practices. As such, Representatives must comply with the laws and regulations applicable to private foundations and must faithfully implement the Foundation's policies and procedures. This is particularly true with regard to matters and controls that affect the Foundation's finances, audits, and governance.

(1) For these purposes, Representatives are responsible to report to the Board any circumstance of which that they have actual knowledge or a reasonable good faith belief that the Foundation's internal controls, auditing functions, accounting systems, or governance policies are compromised or threatened. The Board has adopted and management has implemented the following procedure to effectively implement such safeguards.

(2) Procedure for Reporting Financial Auditing, or Governance Improproprieties.

(i) Should any Representative know, or have a reasonable belief, that persons associated with the Foundation plan to engage, or have engaged, in illegal or unethical conduct in connection with the finances or other aspects of the Foundation's operations, that Representative should immediately file a written complaint with the president. Representatives may submit complaints on a confidential, anonymous basis. If the complaint concerns the president or the complainant is not comfortable reporting it to the president, he or she should notify the chairman of the Board or the chairman of the Audit Committee.

(ii) Examples of such improprieties include the following, which is not an all-inclusive list:

- a. Supplying false or misleading information on the Foundation's financial documents, including the tax return (IRS Form 990-PF);
- b. Providing false information to or withholding material information from the Foundation's auditors;
- c. Violations of the Conflict of Interest policy;
- d. Self-dealing, private inurement and private benefit (i.e., Foundation assets being used for personal gain or benefit);
- e. Payment for services or goods that are not rendered or delivered or in unreasonable or excessive amounts,
- f. Embezzlement; or
- g. Planning, facilitating or concealing any of the above.

(iii) Reports may be submitted in writing or verbally, and should contain sufficient information to substantiate the concern and allow an appropriate investigation to begin. Reports may be submitted anonymously or not. All reports will be received and acted upon in confidence to the maximum extent possible given legal requirements and the need to gather facts, conduct an effective investigation, and take necessary corrective action.

(iv) Following investigation, the Foundation will take such appropriate remedial and disciplinary action as it deems justified by the circumstances, including possibly terminating board membership or employment, seeking restitution, removal from office, or criminal prosecution.

(3) The Foundation will not tolerate retaliation, whether direct or indirect, against any Representative or other person who makes a good faith report or who cooperates with an investigation of a complaint. Notwithstanding the prior sentence, the Foundation reserves the right to take appropriate disciplinary action, including termination or removal from office, when the Foundation concludes that such action is warranted.

(4) In order to ensure dissemination and understanding of this policy, the president is charged with ensuring appropriate initial and following up training of Representatives and Associates.

Section 8. Stewardship. Representatives manage the Foundation's funds and resources prudently and serve as responsible stewards of its assets. They further:

(a) spend an adequate amount on administrative expenses to ensure effective accounting systems, internal controls, and competent staff, as well as other expenditures critical to professional management;

(b) compensate staff, and any others who may receive compensation, reasonably and appropriately;

(c) prudently draw from endowment funds consistent with donor intent and to support the public purpose of the Foundation;

(d) ensure that all spending practices and policies are fair, reasonable, and appropriate to fulfill the mission of the Foundation; and

(e) ensure that all financial reports are factually accurate and complete in all material respects, and are signed-off on by the chief executive officer, secretary and treasurer.

Section 9. Approach to Grant Making. The Foundation seeks high-quality programs that advance its philanthropic goals. It enjoys collaboration with its grantees and seeks to work with them in supportive, collegial relationships. The Foundation recognizes the importance of collaborating with other foundations to build joint, diverse programs and to leverage its funding with that of other foundations, corporations and governmental bodies to make positive change. The Foundation makes both project and general support grants. It does not generally fund individuals. Moreover, the Foundation is committed:

(1) to respect those seeking grant monies by demonstrating promptness, courtesy, responsiveness and objectivity in assessing how their grant requests meet the Foundation's philanthropic goals;

(2) to communicate honestly and directly with those seeking support from the Foundation or its Representatives; and

(3) to demonstrate both accountability to and support for the Foundation's grantees after a grant is made.

Section 10. Measuring Success. The Foundation is committed to measuring its effectiveness, where possible and within reasonable costs, to ensure high quality in the Foundation's grant making and other processes and to chart its progress in pursuing its goals. The Foundation measures its effectiveness:

(a) to establish benchmarks for continuous improvement;

(b) to communicate the value of its work – and its grantees' work – to encourage other potential collaborators and donors to join the Foundation in supporting particular groups and causes; and

(c) to provide information about its performance as a way of being accountable to the public (which subsidizes its efforts through tax exemption).

ARTICLE V CONFLICT DISCLOSURE AND DECISION

Section 1. The Foundation recognizes that situations may occur in which a Representative has an outside affiliation or an interest in a present or proposed transaction which might be in conflict with, or have the potential to be in conflict with, or be perceived as being in conflict with the interests of the Foundation. When such situations arise, a Representative shall make full disclosure in writing to the responsible staff person or the Board of appropriate action in the manner set forth in the Foundation's Conflict of Interest Policy, or obtain an opinion of no conflict as set forth in subsection 2.

Section 2. A decision on any potential or actual conflict shall be made by the Board or an appropriate committee thereof. The Board (or committee) shall use appropriate means at its disposal in order to render a decision, which means should include a review by an unbiased disinterested person or group. If the immediately responsible person or group decides that an unacceptable conflict does or would exist, then an opinion shall be so rendered and any necessary action shall be taken by the responsible person or group, which action may include where appropriate, dismissal, recall or other appropriate action with respect to the Representative involved, or relocation, rescission or termination of a contract, return of monies, or other appropriate remedial action.

Section 3. When any such actual, potential or perceived conflict of interest is relevant to a matter requiring action by the Board or a committee, the interested person shall call it to the attention of the Board (or committee) and such Representative shall not vote on the matter.

Section 4. Except as directed otherwise by the president, any Representative having a conflict decision rendered shall retire from the room and outside the hearing of the Board (or committee) meeting. Under no circumstances shall the Representative participate in the final deliberation or decision regarding the matter under consideration. However, the Representative shall provide the Board or committee with any and all relevant information.

Section 5. The minutes of the meeting of the Board or committee shall reflect that the actual or potential or perceived conflict of interest was disclosed and that the interested person was not present during the final discussion or vote and did not vote. When there is a doubt as to whether a conflict of interest exists, the matter shall be resolved by a vote of the Board (or its committee) excluding the person concerning whose situation the doubt has arisen.

ARTICLE VI DISSEMINATION

A copy of this Code of Ethics shall be furnished to each Representative who is presently serving the organization, and such Representative shall sign an acknowledgment of having received, read, understood and agreed to follow the principles laid out herein. This policy shall be reviewed annually for the information and guidance of all Representatives. Any new Representative shall be advised of the policy upon undertaking the duties as a Representative of the Foundation and shall also sign the aforesaid acknowledgment.

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