

PENNINGTON BIOMEDICAL RESEARCH FOUNDATION CODE OF CONDUCT AND ETHICS

1. **Introduction:** This Code of Business Conduct and Ethics (the “Code”) sets forth the policies and ethical standards for the conduct of business of Pennington Biomedical Research Foundation (the “Foundation”). Officers, directors, and employees are expected to comply with the applicable sections of the Code while acting on behalf of the Foundation. These policies should be applied in good faith with reasonable business judgment to facilitate the achievement of the Foundation’s operating and financial objectives within the framework of the law and ethical standards set forth in this Code. These policies were reasonably designed to deter wrongdoing and to promote:

- a. Honest and ethical conduct, including the ethical handling of actual apparent conflicts of interest between personal and professional relationships.
- b. Avoidance of conflicts of interest, including disclosure of any material transaction or relationship that reasonably could be expected to give rise to such a conflict.
- c. Compliance with applicable governmental laws, rules, and regulations.
- d. The prompt internal reporting of violations of the code to an appropriate person or persons.
- e. Accountability for adherence to the code.

Conduct that is not in compliance with these policies is subject to disciplinary action, up to and including termination. Failure to comply with the legal requirements discussed in this Code can also subject you and the Foundation to criminal and civil penalties, monetary damages, and regulatory sanctions.

2. **Compliance With Laws, Rules, and Regulations:** All directors, employees and officers of the Foundation must fully comply with the letter of, and the spirit of, all laws, rules, and regulations that are applicable to the Foundation’s business.

3. **Conflict of Interest:** The purpose of the conflict of interest standards is to protect the integrity of the Foundation's decision-making processes, the donors' confidence in the Foundation and the general image of the Foundation. Importantly, these standards also are intended to protect the reputation and honor of the Foundation's Board of Directors, Officers, and/or Committee Members ("Volunteers") as well as the Foundation's staff ("Staff").

It is acknowledged and desired that Volunteers and Staff have many relationships, interests, and memberships. The Foundation's conflict of interest standards serve to provide guidelines to Volunteers and Staff in areas or in situations that potentially may

affect or compromise the integrity and independence of the Foundation's decision-making processes, confidence in the Foundation and/or the Foundation's reputation. Such situations frequently also are sensitive or uncomfortable for the individuals involved.

- a. **Standard:** The standard of behavior is that all Volunteers and Staff shall scrupulously avoid any conflict of interest, or the appearance of any conflict of interest, between the volunteer's personal, professional and business interests, and the interests of the Foundation. This standard of behavior includes avoiding conflicts, benefits, gains, or undue influence for the Volunteer's and Staff's personal or professional benefit and, also, for the benefit of the volunteer's family (whether or not in the household), employer, and close friends and business associates. What is required is a careful adherence to and compliance with both the letter and the spirit of the conflict of interest policy and standards. The Volunteers and Staff are to act for and in the best interests of the Foundation, independent and impartial from external or personal interests and considerations.
- b. **Disclosure by Staff:** In the course of employment as a member of the Staff, each member of the Staff is to disclose any direct or indirect interests in a transaction or decision that potentially could be a conflict of interest with the interests of the Foundation; e.g., whenever the member of the Staff, family or close associates will receive a benefit or gain, or an opportunity or potential for benefit arises, or an opportunity for unfair influence arises, or an opportunity for detriment or harm to the Foundation or for benefit or gain to a third party at the Foundation's expense arises. If in doubt about a relationship or interest, members of the Staff should declare an actual or potential conflict. This will prevent tainting the decision and the reputation and integrity of the Foundation and its volunteers and staff.
- c. **Disclosure by Volunteers:** Upon election or appointment, each Volunteer is to make a disclosure of interests, memberships, relationships, arrangements, investments and holdings that potentially could result in a material conflict between the volunteer's personal, professional or business interests—or those of the Volunteer's immediate family or employer—and the interests of the Foundation.

The disclosure shall be provided to the Chief Executive Officer, or his/her designee, and shall include an accurate and complete written list prepared by each Volunteer of his or her principal business activities, as well as offices and board or other fiduciary positions held in other charitable and business organizations. The Disclosure may be made electronically or by means of the disclosure form attached hereto as Exhibit A. Once the disclosure is made by a Volunteer, annually thereafter, the Chief Executive Officer shall provide each Volunteer

with a copy of his or her current disclosure form and each such Volunteer shall make any additions or deletions to the disclosure form, as may be appropriate, and return the updated disclosure form to the Chief Executive Officer.

In the course of the Foundation meetings or activities, a Volunteer is to disclose any direct or indirect interests in a transaction or decision that potentially could be a conflict of interest; e.g., whenever the Volunteer, family, employer or close associates will receive a benefit or gain, or an opportunity or potential for benefit arises, or an opportunity for unfair influence arises, or an opportunity for detriment or harm to the Foundation or for benefit or gain to a third party at the Foundation's expense arises. If there is any doubt about a relationship or interest, the Volunteers should declare an actual or potential conflict. This will prevent tainting the decision and the reputation and integrity of the Foundation and its Volunteers and Staff.

- d. **Abstention by Interested Volunteer:** Once a disclosure has been made, the Volunteer disclosing the conflict ("Interested Volunteer") shall refrain from any discussion of the transaction or decision in the particular committee, group, or task force. Further, the Interested Volunteer shall physically leave the meeting for the duration of that discussion. The volunteer is to abstain from voting on the issue. Such abstention from discussion and voting is to be documented appropriately. Besides abstention from discussion at the meeting, the Interested Volunteer shall refrain from discussing the issue or otherwise appearing to influence the outcome with other volunteers, committees or groups, or with staff. The objective is that the Interested Volunteer shall have abstained from discussion, voting, and any other aspect of influencing or participating in the decision-making process.
- e. **Implications:** An Interested Volunteer with potential conflicts of interest generally is not barred from membership on committees, participation in activities, or service as a member of the Board of the Foundation. An Interested Volunteer is barred from the decision-making process and related discussions, and must leave the meeting during the discussion of the matter. An Interested Volunteer's employer generally is not automatically barred from any financial transactions or business dealings with the Foundation. An Interested Volunteer must disclose the direct or indirect interest, abstain from all related discussions, actions to influence, and voting. In some cases, it may be necessary or desirable to bar a particular transaction with the Interested Volunteer's employer or interested party to safeguard against an actual or perceived conflict and thereby protect the integrity of the Foundation and the Interested Volunteer. An Interested Volunteer may not always be able to completely avoid the perception of a conflict of interest or unfair benefit. An Interested Volunteer must

act prudently in every case to avoid actual conflicts of interest, undue influence or unfair benefit, and also to make every reasonable effort to avoid a perception thereof. To accomplish this, an Interested Volunteer will exercise good judgment, and act reasonably and prudently. Further, an Interested Volunteer will provide timely, full and complete disclosure of actual or potential conflicts, abstain from discussion, influencing activities and voting, and provide adequate supporting documentation as necessary.

- f. **Gifts and Honoraria:** Volunteers and Staff while acting in the capacity a Foundation representative or volunteer shall not solicit or accept for their personal, professional or business gain gifts, gratuities, honoraria, entertainment, favors or other goods or services from current or prospective vendors and/or providers of services of the Foundation, unless it (a) is not a cash gift, (b) is consistent with customary business practices, (c) is not excessive in value, (d) cannot be construed as a bribe or payoff, (e) will not make the Volunteer or Staff member feel obligated to repay the donor with corporate business, and (f) does not violate any law or regulation.
- g. This does not prohibit Volunteers in their personal or professional capacity, or their employers, from having relationships with the same organizations or persons who are current or prospective vendors and/or providers of services of the Foundation. In such instances, the volunteer shall take all prudent and reasonable measures to distinguish actions and decisions made personally, professionally, or business-wise from the volunteer's relationship or position in the Foundation.
- h. **Legal Committee:** Procedural or substantive questions regarding conflict of interest should be referred directly to the Legal Committee.

4. **Confidentiality:** It is the Foundation's policy to ensure that the operations, activities, and business affairs of the Foundation and business associates are kept confidential. All officers, directors, and employees must handle confidential or proprietary information about the Foundation or its associates in strict confidence and not discuss it with outsiders. Officers and employees are also responsible for the internal security of such information.

5. **Opportunities:** Employees, officers, and directors are prohibited from taking for themselves personally any opportunities that are discovered through the use of Foundation property, information, or position without the consent of the Board of Directors, and may not use Foundation property, information, or position for improper personal gain or compete with the Foundation directly or indirectly.

6. **Communications:** It is the Foundation's policy that no interview, press release, speech, or other contact with anyone regarding the Foundation, especially the

media, is to be made by any officer, director, or employee without the approval of the President and Chief Executive Officer.

7. **Fair Dealing:** The Foundation seeks to compete fairly and honestly and expects each officer, director, and employee to endeavor to deal fairly and in good faith with its suppliers, competitors, officers, employees, and others. No officer, director, or employee shall take unfair advantage of anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation, fraudulent behavior, or any other unfair practice.

8. **Accounting Complaints:** The Foundation's policy is to comply with all applicable financial reporting and accounting regulations applicable to the Foundation. If any employee or officer of the Foundation has concerns or complaints regarding questionable accounting or auditing matters of the Foundation, he or she is encouraged to submit those concerns or complaints (anonymously, confidentially or otherwise) to the Audit Committee of the Board of Directors (which will, subject to its duties arising under applicable law, regulations and legal proceedings, treat such submissions confidentially). Such submissions should be directed to the Audit Committee by contacting the Treasurer.

9. **Financial Books, Records and Reports:** All financial reports and records, including timesheets, check requests, expense reports, variance reports, income statements, etc., must be accurate, timely and prepared in accordance with law and the Foundation's internal controls. No false or misleading entry should be made in any books or records of the Foundation for any reason whatsoever. Unrecorded or "off the books" funds or assets of the Foundation shall not be maintained. Always record transactions in the proper accounting period. Creating, or attempting to create, false income or delaying or prepaying invoices to meet budget goals is a violation of this Code. All errors and adjustments in the books and records should be promptly corrected and recorded when discovered. All estimates and accruals must be supported by appropriate documentation and be based on good faith judgment. Officers and employees should report any violation of this Section 9 as provided for in Section 8 above.

10. **Improper Influence Over Auditors:** All officers, directors, and employees are prohibited from taking any action, or failing to take any action, to fraudulently influence, coerce, manipulate, or mislead any of the Foundation's auditors during their review or audit of the Foundation's financial statements, and related books and records, for the purpose of rendering the financial statements false or materially misleading. Specifically prohibited actions include, but are not limited to, improperly influencing the auditor to:

- a. issue or reissue an inappropriate audit report on the Foundation's financial statements due to material violations of Generally Accepted Accounting Principles (GAAP) or other professional or regulatory standards;

- b. not perform audit, review, or other procedures required by GAAP or other professional standards;
- c. not withdraw as appropriate a previously issued audit report; and
- d. not communicate matters to the Foundation's audit committee.

Such conduct is prohibited even if it does not succeed in affecting the auditors' review or audit. Improper influence would include, but is not limited to:

- e. directly or indirectly offering or paying bribes or other financial incentives, including offering future employment or contracts for non-audit services;
- f. providing an auditor with inaccurate or misleading accounting, financial, or legal analysis, records, or information;
- g. threatening to cancel or canceling existing non-audit or audit engagements if the auditor objects to the proposed accounting; and
- h. seeking to have a partner removed from the audit engagement because the partner objects to the proposed accounting.

11. **Protection and Proper Use of Foundation Assets:** All employees and officers are expected to protect the Foundation's assets to which they have access and ensure their efficient use. Any suspected incident of fraud or theft should be immediately reported for investigation. Foundation equipment should not be used for non-Foundation business. Incidental personal use that occurs in the course of carrying out Foundation business may be permitted. The obligation of employees to protect the Foundation's assets includes its proprietary information. This includes intellectual property such as trademarks, designs, databases, records, unpublished financial data and reports, and business and marketing plans. The Foundation strictly prohibits corruptly altering, destroying, mutilating, or concealing a record or document with the intent to impair an official proceeding, or corruptly obstructing, influencing, or impeding an official proceeding.

12. **Reporting Illegal or Unethical Behavior:** Employees who have information regarding a possible past or future violation of this Code should consider bringing such information first to his or her immediate supervisor or department head except that violations involving senior officers of the Foundation should be addressed to the Audit Committee of the Board of Directors. Management is responsible for maintaining a workplace environment that encourages open communication regarding compliance with this Code. However, if an employee is not comfortable reporting actual or possible violations of the Code to his or her supervisor, the employee should report the information to the Audit Committee of the Foundation. It is the Foundation's policy that retaliation against employees for good faith reporting of misconduct by others is not allowed. Employees also can be assured that the Foundation will not discharge, harass, or otherwise discriminate against employees who provide evidence of fraud.

13. **Political Participation:** The Foundation will make no political contributions or payments to political parties or candidates. Officers and employees should feel free to participate in the political process on their own time. Employees and officers may likewise make political contributions on a personal or individual basis and may participate in political action committees on a voluntary basis. When an employee expresses views on public or political issues at civic meetings, they should make it clear that they are speaking as individuals and avoid giving any appearance that they are speaking as Foundation representatives unless they have been authorized to speak for the Foundation.

Code of Conduct and Ethics Acknowledgement and Agreement

I acknowledge that I have read and understood the Pennington Biomedical Research Foundation Code of Conduct and Ethics. I agree to conduct myself during my service with the Pennington Biomedical Research Foundation in accordance with the Code of Conduct and Ethics. Further, I will take initiative to notify the appropriate officers or members of the Board of Directors if I become aware of a Code of Conduct and Ethics violation on the part of another employee of the Foundation. I understand that a violation of the Code of Conduct and Ethics could result in disciplinary action, up to and including termination.

Acknowledged and Agreed to by _____ Date: _____, 2016.

EXHIBIT A
DISCLOSURE STATEMENT

INSTRUCTIONS: IDENTIFY THE ORGANIZATION IN WHICH YOU ARE A PARTNER, OFFICER, BOARD MEMBER, OR PRINCIPAL OWNER AND PROVIDE APPROPRIATE DETAIL IN THE SPACE BELOW:

NAME OF ENTITY POSITION NATURE OF ORGANIZATION ADDRESS OF ORGANIZATION

1.

2.

3.

4.

5.

NAME (PRINT): _____

SIGNATURE: _____

DATE: _____