

## **CODE OF ETHICS FOR MEMBERS OF THE MANAGING BOARD AND COMMITTEE MEMBERS OF THE KWANMUKAN FOUNDATION**

### **A. Application**

This Code of Ethics (the “Code”) applies to all members of the Managing Board of the Kwanmukan Foundation (“Foundation”), including regular and *ex officio* members of the Managing Board (“Board members”), all members of committees of the Foundation (including for these purposes the Shihan Council), all officers, the chief executive officer, chief operating officer and chief financial officer, whether or not they are members of the Managing Board or officers (“key employees”) (all of the foregoing being an “Insider”).

### **B. Purpose**

The purpose of this Code is to educate Insiders about potential conflicts of interest, to confirm the requirement for disclosure of real or perceived conflicts of interest and to establish procedures to avoid permitting such conflicts of interest to affect the decision-making process of the Managing Board and committees. A conflict of interest exists when a private interest interferes in any way with the interests of the Foundation. All Insiders are expected to place the interests of the Foundation ahead of personal interest or gain and to avoid potential conflicts of interest or the appearance of a conflict of interest.

### **C. General Principles**

- 1. Ethical Conduct** – Insiders serve the public trust and have a clear obligation to fulfill their responsibilities in a manner consistent with the best interests of the Foundation. High standards of ethical conduct, both in fact and in appearance, must guide the Foundation’s decision-making process at all times.
- 2. General Definition** – Generally, a conflict of interest is any circumstance that potentially affects the independent, unbiased judgment of an Insider in light of his or her decision-making authority or responsibility. These circumstances can arise when an individual has personal, familial or business interests that relate to a matter under consideration by the Managing Board or a committee or the staff. A conflict of interest may also include situations in which an individual holds a position with the Foundation as well as with a corporation, partnership, trust, proprietorship, firm, association, organization or other entity (each an “entity”) seeking or having a relationship with the Foundation or the objectives or interests of which may be adverse to the Foundation. In these latter circumstances, the duties owed by the individual because of such other positions may make it difficult for the individual to act with undivided loyalty to the Foundation.
- 3. Potential Conflicts of Interest** – Many conflicts of interest are inconsequential and will have little impact on the Foundation if the individual having the conflict of interest makes appropriate disclosure and does not seek improperly to influence, and exercises restraint while participating in, decisions in which he or she has an actual or potential conflict of interest. The significance of a particular conflict of interest may depend on the role of the

Insider in the Foundation or another entity. An Insider's isolated abstention in a vote of the Board members or members of the committee may be relatively unimportant. In some cases, however, the Foundation can be disadvantaged by losing the participation of Insiders in important decisions. Therefore, Insiders should be particularly sensitive to situations in which they are offered senior leadership roles, e.g., positions as officers or members of key committees, in both the Foundation and entities which have regular and significant dealings with the Foundation.

#### **D. Identifying Conflicts of Interest**

- 1. Presumed Conflict of Interest** – An Insider is considered to have a conflict of interest when the Insider or a “family member” (spouse, brother, sister, or lineal descendants or ancestors or the spouse of such descendants or ancestors), or any other family member or family member's spouse, if living in the same household as the Insider):
  - a. Has any personal, business or organizational interest or affiliation that is Foundation-related, such as serving as a trustee, director, officer, employee or partner or owning greater than thirty-five percent (35%) of the voting stock or controlling interest in any entity that does business with the Foundation.
  - b. May receive a personal, business or organizational benefit – apart from that conferred on the Foundation - from knowledge of confidential Foundation information, or from an action contemplated to be taken by the Foundation.

In analyzing any particular situation, the Insider, in addition to following the technical rules, should avoid any situation or relationship which, if known to the public, would have the appearance of impropriety or the potential to embarrass the Foundation.

- 2. Questions and Process** – Any Insider who is uncertain whether he or she has a potential conflict of interest in any matter or who desires assistance in interpreting and construing the terms of this policy may seek advice from the Director of the Foundation. Any Insider may request that the determination of whether a conflict of interest exists be made by the Managing Board, which determination shall be final and conclusive. Consistent with the duty to disclose to the Foundation important relevant information known to an Insider, if an Insider perceives the existence of an actual or potential conflict of interest involving another Insider which has not been disclosed to the Managing Board or the affected committee, the Insider perceiving the existence of such actual or potential conflict shall immediately notify the Director.

#### **E. Disclosure and Abstention from Voting.**

If an Insider has an actual or potential conflict of interest, such Insider shall abstain from voting on any matter that involves such actual or potential conflict of interest. In addition to the foregoing, an Insider should refrain from attempting to influence any decision of the Managing Board or committee or any member thereof on any matter which may involve an actual or potential conflict of interest for such Insider except under the following circumstances:

- a. Board members or committee members may express their views at the Managing Board or committee meetings after disclosing at the time of such expression material facts giving rise to the actual or potential conflict of interest.
- b. Before any vote or other action taken on any matter in which an Insider has an actual or potential conflict of interest, the disinterested Board members or committee members shall be accorded an opportunity to discuss the matter outside of the presence of any Insiders who have an actual or potential conflict of interest and any votes shall be taken outside of the presence of any Insiders and no such Insiders shall be counted in determining the quorum for the meeting.
- c. The minutes of the meeting shall record the disclosure of the conflict of interest, the Insider's abstention from consideration of the matter and the determination, if made, that the transaction is in the Foundation's best interest.

#### **F. Limitation on Gifts**

Insiders shall not knowingly receive any pecuniary gain or accept anything of value, including, without limitation, payments, gifts, loans or entertainment, from vendors, contractors, or other entities who have proposed or have existing business relationships with the Foundation, other than gifts of nominal value (\$75.00 or less).

#### **G. Confidential Information**

An Insider must never use information received while serving the Foundation if the personal use of such information would be detrimental in any way to the Foundation. Insiders shall not share with third parties confidential information obtained in the course of their duties. This includes the briefing materials prepared in advance of meetings, minutes of meetings, or discussions which may occur at meetings.

#### **H. Implementation**

To implement this policy, Insiders will be expected to submit annual reports on forms prepared by the Foundation. All reports shall be maintained in confidence and access shall be limited to persons who have a reasonable need to know the contents thereof, except (1) when it is generally known or available to the public; (2) when, after consultation with the Insider, including members of committees that are not committees of the Managing Board, the Foundation's best interest would be served by disclosure; or (3) when the Insider desires to participate in any Managing Board or committee discussion or deliberation regarding any matter that is the subject of a conflict of interest, in which case, disclosure shall be a prerequisite to such participation. These reports will be collected and reviewed by a member(s) of the Managing Board selected by the Managing Board, and such member(s) shall advise the Managing Board of any material conflicts of interest disclosed. The Managing Board shall resolve any actual or potential conflicts of interest.

Notwithstanding the annual disclosure, any Insider who has an actual or potential conflict of interest with respect to a matter coming before the Managing Board or any committee should make disclosure to the Director of the Foundation or, in the case of committee members, to the Chair of the applicable committee, in writing in advance of any Managing Board or committee action; provided, however, that in the event there is no identified individual to whom disclosure can be made who, to the knowledge of the Insider proposing to make such disclosure, does not also have a conflict of interest with respect to the matter giving rise to such disclosure, then disclosure should be made to the Managing Board or applicable committee as a whole.

**I acknowledge that I have received, read, and understand the Code of Ethics of the Kwanmukan Foundation aka International Kwanmukan. I understand that failure to comply with the policy could result in disciplinary action up to and including termination of membership and positions held within this organization.**

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Name (please print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date