

CREATIVE COMMONS CODES OF CONDUCT
Approved June 25, 2005
Amended 6 July 2011

EMPLOYEE CONFLICTS OF INTEREST
WHISTLEBLOWER POLICIES
DIRECTORS and EXECUTIVE OFFICERS

Creative Commons, a Massachusetts nonprofit corporation (“CC”) with a business office in California, is committed to complying with all federal, state, and local laws and regulations, and to maintaining an environment that is free of retaliation for raising matters of legal compliance and ethical violations. CC is also committed to maintaining an atmosphere of open communication and trust between employees and management, and to promoting honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. Furthermore, the integrity of CC’s financial information is paramount. CC’s policies and practices have been developed as a guide to our legal and ethical responsibilities in order to achieve and maintain the highest business standards.

For these reasons, we must maintain a workplace where directors, employees and consultants, who reasonably believe that they are aware of conduct in violation of CC’s legal and ethical duties (including, but not limited to, questionable accounting, internal accounting controls or auditing matters, or conflicts of interest), can raise these concerns free of any harassment, discrimination or retaliation. Therefore, it is the policy of CC to encourage these persons to promptly report those concerns, anonymously or otherwise, to a member of the Audit Committee (“Audit Committee”) of CC’s Board of Directors (the “Board”) and to prohibit discrimination, retaliation or harassment of any kind against any director, employee or consultant who reports such concerns. The current members of the Audit Committee with their contact information are listed at <http://creativecommons.org/about/people/>. All reports will be taken seriously and will be promptly investigated. The specific action taken in any particular case depends on the nature and gravity of the conduct or circumstances reported and the quality of the information provided. Where any conduct in violation of CC’s legal duties has occurred, such matters will be corrected and, if appropriate, the persons responsible will be disciplined.

EMPLOYEE CONFLICTS OF INTEREST

OVERVIEW

Your decisions and actions in the course of your employment with or services to CC should be based on the best interests of CC, and not based on personal relationships or benefits. You should seek to avoid situations where your personal activities and relationships conflict, or appear to conflict, with the interests of CC, except under guidelines approved by the Board. This includes situations where you may have or appear to have an indirect conflict through, for example, a significant other or a relative or other persons or entities with which you have a relationship. A conflict may also arise when you take actions or have interests that make it difficult for you to perform your work for CC objectively and effectively. You must disclose to the Audit Committee any interest that you have that may, or may appear to, conflict with the interests of CC.

There are a variety of situations in which a conflict of interest may arise. While it would be impractical to attempt to list all possible situations, some common types of conflicts are discussed below.

OUTSIDE EMPLOYMENT

The following types of outside employment are strictly prohibited:

- employment that conflicts with your work schedule, duties and responsibilities;
- employment that creates a conflict of interest or is incompatible with your employment with CC;
- employment that interferes with the protection of CC's proprietary or confidential information;
- employment that impairs or has a detrimental effect on your work performance with CC;
- employment that requires you to conduct work or related activities on CC's property during CC's working hours or using CC's facilities or equipment; and
- employment that directly or indirectly competes with the business or interests of CC except with approval in advance by the President or Chairman of the Board.

FINANCIAL INTERESTS IN OTHER COMPANIES

You should not have a material financial interest—including an indirect interest through, for example, a relative or significant other—in any organization if that interest would give you or would appear to give you a conflict of interest with CC. If you believe that you may have a financial interest in another organization that may represent a conflict of interest with CC, it is your responsibility to bring this information to the attention of a member of the Audit Committee. If, after investigation, the Audit Committee determines that the relationship does constitute a conflict of interest with CC, you will have a period of 30 calendar days within which to terminate or modify this relationship accordingly.

TRANSACTIONS WITH RELATED PARTIES

If you have a material financial interest in a transaction between CC and a third party—including an indirect interest through, for example, a relative or significant other—you must disclose that interest, and that interest must be approved by the Audit Committee. We encourage you to seek guidance if you have any questions as to whether an interest in a transaction is significant. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to such related party.

CORPORATE OPPORTUNITIES

You may not directly or indirectly exploit for personal gain any opportunities that are discovered through the use of Organization property, information or position unless the opportunity is disclosed fully in writing to the Board or its designated committee and the Board or its designated committee declines to pursue the opportunity.

ELECTION OR APPOINTMENT TO PUBLIC OFFICE

You may serve in an elected or appointed public office provided that the position does not create or appear to create a conflict of interest.

GUIDANCE AND APPROVALS

Evaluating whether a conflict of interest exists, or may appear to exist, requires the consideration of many factors. You are encouraged to seek guidance and approval in any case where you have any questions or doubts. CC may at any time rescind prior approvals to avoid a conflict of interest, or the appearance of a conflict of interest, for any reason deemed to be in the best interest of CC.

WHISTLEBLOWER/FINANCIAL CONTROLS

As a nonprofit entity, the integrity of CC's financial information is paramount. CC's financial information guides the decisions of the Board of Directors and is relied upon by the public. If you have any questions or concerns regarding the financial controls in place, we encourage you to seek guidance from the President or the Audit Committee.

REPORTING AND INVESTIGATION

If you have reason to believe that you have become aware of any conduct covered by this policy, you must immediately report those facts to your supervisor or to a member of the Audit Committee. You may then be requested to document your report in writing. If you later believe that you have been subject to discrimination, retaliation, or harassment for having made a report under this policy, you must immediately report those facts to your supervisor, the President, the Chief Executive Officer, or a member of the Audit Committee. It is imperative that you bring the matter(s) to CC's attention promptly, so that any concern of discrimination, retaliation, or harassment can be investigated and addressed promptly and appropriately.

You may also report your concerns ANONYMOUSLY by sending an anonymous letter to any member of the Audit Committee or by sending an email to <audit@creativecommons.org>.

All complaints under this policy will be promptly and thoroughly investigated, and all information disclosed during the course of the investigation will remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law. All employees and supervisors have a duty to cooperate in the investigation of reports of any conduct covered by this policy. In addition, an employee will be subject to disciplinary action, including the termination of their employment, if the employee fails to cooperate in an investigation or deliberately provides false information during an investigation. If, at the conclusion of its investigation, CC determines that a violation of policy has occurred, CC will take remedial action commensurate with the severity of the offense. This action may include disciplinary action against the accused party, up to and including termination. Reasonable and necessary steps will also be taken to prevent any further violations of policy.

Discrimination, Retaliation or Harassment

CC strictly prohibits any discrimination, retaliation or harassment against any person who reports conduct in violation of CC's legal and ethical duties (including questionable accounting or auditing matters, or the reporting of fraudulent financial information) based on the person's reasonable belief that such misconduct occurred. CC also strictly prohibits any discrimination, retaliation or harassment against any person who participates in an investigation of such complaints.

Any complaint that any directors, managers, supervisors, consultants or employees are involved in discrimination, retaliation or harassment related to the reporting or investigation of conduct in violation of CC's legal duties will be promptly and thoroughly investigated in accordance with CC's investigation procedures. If a complaint of discrimination, retaliation or harassment is substantiated, appropriate disciplinary action, up to and including discharge, will be taken.

Additional Enforcement Information

In addition to CC's internal complaint procedure, personnel should also be aware that certain federal and state law enforcement agencies may be authorized to review legal compliance, including reviewing questionable accounting or auditing matters, or potentially fraudulent reports of financial information. CC's policies and practices have been developed as a guide to our legal and ethical responsibilities to achieve and maintain the highest business standards. Conduct which violates CC's policies will be viewed as unacceptable under the terms of employment at CC. Certain violations of CC's policies and practices could even subject CC and/or the individual employee(s) involved to civil and/or criminal penalties. Before issues or behavior can rise to that level, employees are encouraged to report questionable accounting or auditing matters, suspicion of fraudulent financial information, or discrimination, retaliation or harassment related to such reports. Nothing in this policy is intended to prevent any person from reporting information to the appropriate agency when that person has reasonable cause to believe that the violation of a federal or state statute or regulation has occurred.

Modification

CC can modify this policy unilaterally at any time without advance notice. Modification may be necessary, among other reasons, to maintain compliance with state and federal regulations and/or to accommodate organizational changes within CC.

**CREATIVE COMMONS CODES OF CONDUCT FOR
DIRECTORS/EXECUTIVE OFFICERS**

ARTICLE I

Purpose

The purpose of the conflict of interest policy is to protect the interest of **Creative Commons**, a Massachusetts nonprofit corporation (“**CC**”), when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an executive officer or director of CC or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

ARTICLE II

Definitions

1. Interested Person. Any director of the board of directors (the “**Board**”), executive officer, or member of a committee authorized by the Board (a “**Committee**”), who has (a) a direct or indirect Financial Interest (as defined below) or (b) is a common director between CC and the entity with which a proposed transaction or arrangement is to occur, is an “**Interested Person**”.

2. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

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

A Financial Interest is not necessarily a conflict of interest. Under **Article III, Section 2**, a person who has a Financial Interest has a conflict of interest unless the Board decides that a conflict does not exist.

It shall not be deemed a conflict of interest if the director or officer has a financial interest in (a) another 501(c)(3) organization that is providing funds to CC or (b) a private foundation or other listed organization that is making a “qualified distribution” to CC as that term is defined in Internal Revenue Code §4942(g).

ARTICLE III

Procedures

1. Duty to Disclose. In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts to the directors and members of Committees considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists. After disclosure and discussion of the Financial Interest and all material facts to the Board or Committee, the director or executive officer (i) may voluntarily choose to abstain from discussion and vote upon the matter that potentially could be a conflict of interest, or (ii) shall leave the meeting while the determination of a conflict of interest is discussed and voted upon by the remaining disinterested directors of the Board; provided that, if the disclosure is made at a Committee meeting then the matter will be deferred until the Board may review and make an appropriate determination or the disinterested directors of the Committee will make such determination pursuant to **Section 3(e)** below.

3. Procedures for Addressing the Conflict of Interest.

- (a) An Interested Person may make a presentation at the Board or Committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- (b) The chairperson of the Board or Committee shall, if appropriate, appoint a disinterested person or Committee to investigate alternatives to the proposed transaction or arrangement.
- (c) After exercising due diligence, the Board or Committee shall determine whether CC can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- (d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in CC's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
- (e) A determination of a transaction or arrangement in CC's best interests by a majority vote of members of the Audit Committee may be allowable if (i) the Audit Committee is acting as the Board would pursuant to subsection (d) above; and (ii) the Board ratifies the transaction at the next Board meeting by a majority vote of disinterested directors. *(Amended 6 July 2011)*
- (f) Notwithstanding the aforementioned procedures, the Board may not at any time constitute more than forty-nine percent (49%) of Interested Persons as directors.

4. Violations of the Conflicts of Interest Policy.

- (a) If the Board or Committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- (b) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or Committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.
- (c) No director or officer shall be indemnified by CC if he or she has been determined to have acted in bad faith, was deliberately dishonest, or gained unlawful personal advantage.

ARTICLE IV
Records of Proceedings

The minutes of the Board and all Committees shall contain:

1. The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest, its terms and all material facts including any actions taken by the Interested Person, any action taken to determine whether a conflict of interest was present, and the Board's or Committee's decision as to whether a conflict of interest in fact existed.

2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, the comparability data relied upon and a description of how it was obtained, and a record of any votes taken in connection with the proceedings.

ARTICLE V ***Compensation***

1. A voting member of the Board who receives compensation, directly or indirectly, from CC for services is precluded from voting on matters pertaining to that member's compensation.

2. No executive officer receiving compensation from CC, directly or indirectly, is allowed to serve on any Compensation Committee.

3. The compensation of all officers and directors shall be approved annually by a majority of the entire Board in advance. Any such compensation if paid by an affiliate of CC (any organization controlled by, in control of, or under common control with CC) must also be ratified by the entire Board.

ARTICLE VI ***Annual Statements***

Each director, executive officer and member of a Committee shall annually sign a statement which affirms such person:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands CC is charitable 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.

ARTICLE VII ***Periodic Reviews***

To ensure CC operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, which may include competent survey information, and such compensation and benefits are the result of arm's length bargaining.

2. Whether partnerships, joint ventures, and arrangements with management organizations conform to CC's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

ARTICLE VIII
Use of Outside Experts

When conducting the periodic reviews as provided for in **Article VII**, CC may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.