

**Thakur Family Foundation, Inc.**  
**International Grant-Making and Activities Policy**

Effective Date: September 17, 2018

**Purpose**

Thakur Family Foundation, Inc. (the “**Foundation**”) is dedicated to making distributions for charitable, scientific, and educational purposes, including supporting qualified religious, educational, scientific, environmental, cultural, charitable, and human services foreign organizations which are the functional equivalent of United States organizations recognized as exempt from taxation under § 501(c)(3) of the Internal Revenue Code of 1986, as the same may be amended and in force from time to time (the “**Code**”).

The Foundation has prepared and adopted this Policy to specify guidance, rules and protocols that will enable the Foundation to make an “equivalency determination” that any grants made to foreign organizations will be qualifying distributions that do not require expenditure responsibility in order to avoid being a taxable expenditure. In order to make an equivalency determination, the Foundation must make a good faith determination that the grant applicant is an organization described in Section 501(c)(3) of the Code and the equivalent to a public charity described in Section 509(a)(1) or (a)(2) of the Code based in part upon the written advice of a qualified tax practitioner. The equivalency determination helps to maintain the integrity of the Foundation, preserve the trust and confidence of the Foundation’s supporters and those it serves, promote fiscal responsibility, and reduce the risk that the Foundation’s charitable assets be used for non-charitable purposes.

The Foundation has also prepared and adopted this Policy in an effort to establish procedures which are consistent with the spirit of the U.S. Department of the Treasury Anti-Terrorist Financing Guidelines and the Principles of International Charity as the same may be amended and in force from time to time. These Guidelines and Principles recommend various best practices to ensure organizations such as the Foundation comply with applicable law and ensure that their assets are not diverted to non-charitable purposes.

This Policy does not purport to cover every circumstance that the Foundation may encounter, and it does not substitute for prudent judgment or common sense. This Policy may evolve over time, with updates, changes and additions developed and adopted by the Foundation’s Board of Directors (the “**Board**”).

**Procedures**

Prior to making a grant to any foreign organizations, the Foundation will follow the procedures outlined in this Policy. Generally, the Foundation will begin by gathering information from the grant applicant sufficient to allow a qualified tax practitioner to provide the Foundation with adequate written advice. After considering this advice and

the grant request from the grant applicant, the Foundation will make a determination as to whether to issue the grant. The Foundation may enter into a written agreement with respect to the grant and will require the grantee to provide regular written reports as to the use of the grant.

### **Grant Applicant Affidavit and Financial Addendum**

The Foundation shall require all grant applicants to submit a written grant request, a written affidavit, and a financial addendum (if applicable). The written grant request will be designed to assist the Foundation in determining whether the grant applicant has the ability to accomplish the specific charitable activities funded by the grant. The Foundation may request documentation such a list of specific charitable goals the grant applicant wants to accomplish with the Foundation's funds and an adequate budget showing proposed expenditures and sufficient line items.

The written affidavit and financial addendum will be designed to assist the qualified tax practitioner in providing written advice as to whether the grant applicant would be considered equivalent to a U.S. public charity. In connection with the affidavit, the grant applicant will be required to provide copies of its organizational documents in English and the applicant's language of origin and details on the grant applicant's past, present and anticipated charitable activities and programs.

### **Compliance with Government Orders and Legislation on Terrorism**

The Foundation shall conduct a reasonable review of grant applicants to ensure they are not suspected of activity relating to the support of terrorism. The Foundation shall not enter into a relationship or provide any funds whatsoever to a grant applicant where reasonable terrorist-related suspicions are found by the Foundation to exist. Such review may include the following:

1. A reasonable search of publicly available information to determine whether the grant applicant is suspected of any activities relating to terrorism including terrorist financing or other support;
2. Verification that the grant applicant does not appear on any reasonably accessible United States government lists of persons and/or organizations suspected of supporting terrorist activities including the United States Office of Foreign Assets Control's ("**OFAC**") master list of Specially Designated Nationals (the "**SDN List**"), which list may currently be accessed at the following website: <https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>; and
3. To the extent reasonable, the full name in English, in the language of origin, and any acronym or other names used, nationality and citizenship of the grant applicant's key employees, members of its governing board or other senior management and a reasonable search of publicly available information to

determine whether any such individual is suspected of any activities relating to terrorism including terrorist financing or other support.

If the Foundation's vetting or monitoring practices lead to a finding that a grant applicant or grantee is suspected of activity relating to terrorism, including terrorist financing or other support, the Foundation shall take the following actions:

1. If the Foundation believes there is a match between the name of an individual or organization and a name on the SDN List, the Foundation shall perform further due diligence to ascertain whether the match is valid and, if necessary, shall take further reporting steps as outlined on OFAC's web site.
2. For any suspicious activity relating to terrorism, including terrorist financing or other support, which does not directly involve an SDN List match, the Foundation shall provide information to the United States Treasury through a counter-terrorist referral form available on United States Treasury's website or may consider contacting a Federal Bureau of Investigation field office.

### **Written Advice of Tax Practitioner**

After collecting the written grant request, written affidavit, and financial addendum (if applicable) and conducting due diligence related to support of terrorism, the Foundation shall provide this information to a qualified tax practitioner for his or her review. A qualified tax practitioner is an attorney or CPA licensed within the United States. The Foundation will request that the qualified tax practitioner provide written advice to the Foundation as to whether the grant applicant is an organization described in Section 501(c)(3) of the Code and equivalent to a public charity described in Section 509(a)(1) or (a)(2) of the Code in accordance with Revenue Ruling 2017-53. In the course of review, the qualified tax practitioner may request additional information regarding the grant applicant and may request the assistance of local / foreign counsel.

The Foundation may generally rely on written advice for a period of up to two years after the advice is provided. Thereafter, if the Foundation desires to provide a grant to the grant applicant, the Foundation will have the grant applicant complete an affidavit update and will seek new written advice from the qualified tax practitioner.

### **Grant Issuance and Grant Agreement**

After reviewing the written advice of the tax practitioner and any additional documentation on grant applicants, the Board shall make a formal determination, in a manner consistent with the Foundation's Bylaws and this Policy, as to whether the Foundation will issue a grant to a grant applicant. The Board shall determine the method in which the grant will be made.

As a condition to the issuance of a grant or other financial assistance, the Foundation may require the grant applicant to enter into a grant agreement or otherwise certify in writing the following:

1. it is in compliance with all laws, statutes, regulations and other applicable authority restricting United States persons and organizations from dealing with any individuals or entities subject to OFAC sanctions and that it does not, and shall not, be involved with any individuals or entities in violation of or subject to OFAC sanctions.
2. That it will not do anything forbidden to be done by organizations which are qualified to receive deductible contributions under Section 170(c)(2) of the Code and/or organizations which are recognized as exempt from taxation under Section 501(c)(3) of the Code.
3. That it acknowledges that that the Foundation retains full control over any funds provided to the grant applicant, that the Foundation exercises sole and absolute discretion of the funds' use, and that the Foundation retains the right to discontinue funding at any time.

### **Monitoring and Reports**

The Foundation shall require grantees to maintain a reasonable account of receipts and expenditures for possible examination by the Foundation. The Foundation shall reasonably monitor all approved funding to foreign charitable organizations through measures such as written reports furnished by the responsible person(s) of each grantee. Written reports shall be submitted in reasonable frequency as determined by the Corporation, but in no event less frequently than annually within thirty days of the end of the calendar year.

Based on the Foundation's experience with each grantee and other relevant circumstances, the grantee may be required to furnish interim reports, which shall reflect the progress achieved on a project or projects, identify any programmatic or administrative problems, and describe the use of the funds and compliance with the terms of any written grant agreement.

The grantee may also be required to furnish a final report which accounts for all funds dispersed by the Foundation and adequately documents the use of such funds in furtherance of the Foundation's charitable purposes. All annual and any interim or final reports shall become a permanent record of the grantee's project accomplishments and demonstrate that the Foundation has taken the necessary steps to ensure its funds have not been improperly deviated to non-charitable activities.

The Foundation may also perform routine, on-site inspections of grantees, to the extent deemed necessary by the Foundation (taking into account factors such as the size of

the grant, cost of the inspection, and the particular risk of diversion or abuse of charitable funds).

In the event that questions emerge as to the use of funds, the Foundation will take reasonable measures to investigate before taking further action. Upon discovery of the grantee's misuse of charitable resources, the Foundation shall reasonably seek the prompt correction of such misuse. Notwithstanding, the Foundation reserves the right, in its sole and absolute discretion, to reject any grant application as well as the right to discontinue funding at any time.

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**Acknowledgement of Officers and Directors**

I hereby acknowledge that I have received and read a copy of the International Grant-Making and Activities Policy of Thakur Family Foundation, Inc. (the “**Foundation**”). I understand and agree to comply with the International Grant-Making and Activities Policy and I understand that the Foundation is a tax-exempt charitable organization and that in order to maintain its federal tax exemption, the Foundation must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

I further acknowledge that I am aware that my participation in conduct that violates the Foundation’s International Grant-Making and Activities Policy or applicable laws can subject me to disciplinary action, which could include, as applicable, removal from the Foundation’s Board of Directors, removal as an officer of the Foundation, dismissal and/or termination.

Name/ Title (PRINT): \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_