

**CREATIVE COMMONS CODE OF CONDUCT FOR
DIRECTORS AND EXECUTIVE OFFICERS**

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I. OVERVIEW

Creative Commons (“**CC**”) is a Massachusetts nonprofit corporation that develops, supports, and stewards legal and technical infrastructure that maximizes digital creative, sharing, and innovation. In pursuit of this mission, CC is committed to upholding the highest legal, ethical, and moral standards. CC carefully observes all applicable laws and regulations and holds all individuals associated with the organization, including members of CC’s Board of Directors (“**Board**”) and executive officers, to the highest standards of personal and professional integrity.

II. APPLICABILITY

The standards articulated in this Code of Conduct are applicable to all CC directors of the Board and executive officers.

III. GENERAL POLICY STATEMENT

Serving as a member of the Board or as an executive officer of CC is a privilege, and those who represent the organization in these critical positions have a responsibility to maintain the highest standards of honesty, integrity, professionalism, and loyalty. Each director and executive officer is expected to support CC’s mission and serve CC’s best interests as explained in this Code of Conduct.

IV. EXPECTATIONS FOR PERSONAL AND PROFESSIONAL INTEGRITY

CC’s directors and executive officers are expected to act in accordance with professional standards, as well as with honesty, integrity, openness, accountability, and a commitment to excellence. They are expected to exercise sound judgment to support CC’s mission and serve CC’s best interests.

As an organization, CC strives to maintain a working environment that values respect, fairness and integrity. Each director and executive officer of CC must act in accordance with these values by treating colleagues, employees, volunteers, and others with whom they interact on behalf of CC with dignity, civility, and respect. If directors or executive officers have concerns about

CC, they are expected to raise them in an appropriate and constructive manner that complies with the organization's standards for reporting as described in this Code of Conduct.

CC's directors and executive officers must ensure that their activities support the organization and take care to avoid conduct that would compromise public confidence in CC and its mission. Directors and executive officers are expected to represent the organization and its mission with professionalism and in a manner that is in the best interests of CC. CC expects that its directors and executive officers will maintain a shared commitment to core values and an expectation of professional, ethical conduct as representatives of the organization.

V. CONFLICTS OF INTEREST

A. Purpose

Directors and executive officers have fiduciary duties to CC that include the requirement to act in the best interest of CC, rather than in furtherance of their personal interest or gain. The purpose of the conflict of interest policy is to protect the interest of 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.

B. Definitions

Interested Person. Any director of 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**".

Financial Interest. 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 CC has a transaction or arrangement,
2. A compensation arrangement with CC or with any entity or individual with which CC has a transaction or arrangement, or
3. 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. A person who has a Financial Interest as defined in this policy 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).

C. **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. Directors and executive officers should consider whether it is appropriate to raise any actual or possible conflict on more than one occasion under the circumstances.
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 Chair 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.

D. Violations of the Conflicts of Interest Policy

1. 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.
2. 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.
3. 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.

E. 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.

F. 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.

G. 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 that accomplish one or more of its tax-exempt purposes.

H. 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.

I. Use of Outside Experts

When conducting the periodic reviews as provided for in this conflict of interest policy, 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.

VI. PROCEDURES FOR REPORTING CONCERNS

Maintaining the highest legal, professional, and ethical standards is a core value of CC. All CC activities must accordingly be conducted in compliance with all applicable laws and regulations. CC expects that directors and executive officers will be familiar and comply with any laws, regulations, rules, policies, and procedures that apply to their areas of responsibility. Additionally, 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.

If a director or executive officer becomes aware of information that reasonably leads him or her to believe that financial or other impropriety or misconduct may be occurring within CC, he or she should immediately bring these concerns to the Chair of the Audit Committee of the Board or CC's General Counsel, who shall thereupon promptly inform the Chair of the Board and CEO absent a potential conflict or other reason to delay informing. When reporting such concerns, directors and executive officers must provide appropriate detail so that the Audit Committee can adequately discharge its duties, which include appropriate investigation and resolution of concerns. Directors and executive officers are expected to maintain applicable standards of professionalism and civility when reporting any such concerns.

VII. CONFIDENTIALITY

CC is committed to operating with openness and transparency in furtherance of its mission. However, CC also recognizes that maintaining confidentiality of information when appropriate is critical to effective governance of the organization. This is particularly true for information that is sensitive, proprietary, personal, or relates to employment, legal, or financial matters of the organization.

Directors and executive officers are expected to maintain CC's confidential information consistent with their duty of loyalty to the organization. Such information may only be used in connection with the director or executive officer's role within CC and may not be shared with any third party except with the written prior consent of CC or as required by law. Directors and officers should treat the content of all Board meetings as confidential (except that which is noted in the official minutes as not confidential) unless otherwise indicated or after approved by the Chair of the Board, the Chief Executive Officer, or the General Counsel, or unless subject to disclosure under applicable law. Directors and officers remain bound by these confidentiality obligations after their service to CC concludes.

Any questions regarding this confidentiality policy should be directed to CC's General Counsel.