National Military Family Association, Inc.
Board of Governors Code of Ethics
Approved by the Board of Governors, May 27, 2022

I. INTRODUCTION

The National Military Family Association, Inc. (the “Association”) is a non-profit 501c(3) organization that is operated to fight for benefits and programs that strengthen and protect uniformed services families and that reflect respect for their service. It is the obligation of the Board of Governors (the “Board”) to ensure its members (the “Governors”) follow the highest ethical standards. To demonstrate leadership in the maintenance of those standards, the Board hereby promulgates and adopts this Code of Ethics for Governors to provide guidance in discharging individual responsibilities.

No code of ethics or statement of policy can spell out the appropriate moral conduct and ethical behavior for every situation that Governors will confront. However, while invested with the special trust and confidence of the Association, each Governor must rely on his or her own good judgment in applying the principles outlined in this Code.

II. RESPONSIBILITIES

Each Governor has a fiduciary obligation on behalf of the Association, which encompasses at least two distinct duties – the Duty of Care and the Duty of Loyalty.

1. **The Duty of Care**
   To fulfill the Duty of Care, each Governor should be reasonably informed, participate in Board decisions, and do so in good faith, with the care of an ordinarily prudent person in similar circumstances.

   The Duty of Care presumes that each Governor will attend meetings on a regular basis in accordance with the Bylaws and the Articles of Incorporation, be informed about the workings of the Association, and exercise independent judgment. In exercising independent judgment, Governors must always act on behalf of the whole Association, and not any particular constituency group.

   A Governor may rely on information from regular sources whom the Governor reasonably regards as trustworthy. While the Bylaws provide that the Executive Director “is the chief staff executive and responsible for the day-to-day operations of the organization,” the Board nonetheless retains overall policy responsibility for the Association’s operations and activities. In order to discharge this responsibility properly, Governors have full access to any the Association records and documents that they may require.

2. **The Duty of Loyalty**
   The Duty of Loyalty requires Governors to exercise their authority in the interest of the Association, rather than in their own interest or the interest of another entity or person. This duty primarily relates to three areas: (a) conflict of interest, (b) financial conflict, and (c) confidentiality.

   (a) **Conflict of Interest**

   In the event that a Governor has interests that are in conflict with those of the Association, the Duty of Loyalty requires that the Governor be conscious of the potential for such conflicts and act with candor and care in dealing with such situations.

A possible conflict of interest exists:

(1) When a Governor or a close relative is an officer, Governor, employee, proprietor, partner, trustee, or paid consultant of an organization that could be said in a business context to be "in competition with" the Association by offering one or more products or services similar to a product or service offered by the Association.

(2) When a Governor or a close relative is an officer, governor, director, employee, proprietor, partner, trustee, or paid consultant of an organization that seeks to do business with the Association.

(3) When a Governor or a close relative has an interest in an organization that is in competition with a firm seeking to do business with the Association, if the Governor's position gives him or her access to proprietary or other privileged information that could benefit the firm in which he or she has an interest.

(b) **Financial Conflict**

Before a Governor engages in a transaction which he or she reasonably should know may be of interest to the Association, the Governor should disclose the transaction to the Board in sufficient detail and adequate time to enable the Board to evaluate the propriety of the transaction.

(c) **Confidentiality**

A Governor should not disclose the Association's confidential, proprietary, or privileged information to third parties, including members of the Association. What constitutes the Association confidential, proprietary, or privileged information for this purpose is a question of fact to be determined in each case, largely on the basis of the nature of the information and whether it is already known by the public.

3. **Gifts or Business Courtesies**
A business courtesy is a gift, favor, gratuity, or entertainment given to an individual Governor from a person or firm with whom the Association maintains or may establish a business relationship and for which fair market value is not paid by the recipient. A Governor should limit giving or receiving gifts, favors, gratuities, or entertainment to only what is acceptable in a normal business context, and should never give or receive gifts, favors, gratuities, or entertainment in a way that might create, or be perceived to create, an obligation to or from another.

4. **Political Activity**
Internal Revenue Service guidance authorizes the Association, on a limited basis, to lobby, that is, to "review proposed legislation that may affect veterans," to "testify before governmental bodies with respect to such legislation," and to "inform members about proposed legislation." The Association may also propose legislation and assist Members of Congress and their staffs in drafting proposed legislation.

The Association, however, may not engage in partisan activity, which is defined as intervening directly or indirectly in any political campaign on behalf of or in opposition to any candidate for public office.

A Governor therefore must take a leave of absence from the Association when engaged in any partisan political activity and must not use his or her status as an Association Governor or the Association's name, property (including mailing lists), or facilities to further a particular political candidate or campaign.

5. **Use of Association Property**
A Governor may use the Association property only in the furtherance of the Association business. The use of resources negligible in value is excepted.

III. ADMINISTRATION

1. **Disclosure Statement**
Upon assuming office and annually thereafter, each Governor shall file a Disclosure Statement with the Association Corporate Secretary, and shall retain a copy of this Code of Ethics. The statement shall disclose any foreseeable conflicts that the Governor may recognize, and shall disclose other information necessary or helpful to administer the Code of Ethics. Such statement shall be retained in confidence by the Corporate Secretary during the period of the Governor's service on the Board.

A Governor is responsible for ensuring that the information in his or her Disclosure Statement remains current, and must promptly apprise the Corporate Secretary in writing of any information that materially affects the accuracy or completeness of his or her Disclosure Statement.

The Corporate Secretary shall review all Disclosure Statements annually, and after each review shall report to the Board in Executive Session any ethical concerns.

2. **Handling a Conflict of Interest That Arises at a Meeting**
A Governor should be sensitive to any interest he or she may have in a decision to be made by the Board of Governors and, insofar as possible, recognize such interest prior to the discussion or presentation of such a matter before the Board. When a Governor has an interest in a transaction being considered by the Board, the Governor should disclose the conflict before the Board takes action on the matter. The Governor shall refrain from voting on any such transaction, and may be asked not to participate in deliberations concerning it or use personal influence in any way. The Governor's presence may not be counted in determining the quorum for any vote with respect to any the Association business transaction in which he or she has a possible conflict of interest.

If a Governor in good faith fails to recognize a conflict, the Governor, when it is recognized, shall report that failure to the Chairman of the Board, who shall take appropriate action to prevent continuation of the conflict and mitigate past action to the extent reasonable. The matter shall then be referred to the Board of Governors for review and recommendation.

3. **Infringement of Code of Ethics**

(a) A Governor who is unsure about the applicability of the Code of Ethics in a particular situation or has questions is encouraged to consult with the Corporate

Secretary. In such event, the Governor must recognize that the Corporate Secretary's responsibility is to the Association, and not to the Governor.

(b) Upon receipt of information regarding a possible infringement of the Code of Ethics, the Corporate Secretary shall promptly notify the Chairman of the Board and the Governor who is the subject of the possible infringement. The Corporate Secretary shall then investigate the matter with due diligence and the utmost discretion, and shall provide ample opportunity for due process for all parties concerned.

(c) Upon completing the investigation, the Corporate Secretary shall make recommendations to the Board for appropriate action. These recommendations may include, but are not limited to, dismissal of the allegation, remedial action, or removal from office pursuant to the Bylaws.