



Dear Present and Future Board Members of the XYZ Foundation:

The new foundation's Articles of Incorporation contain elements my intentions in creating the foundation. However, there are also certain principles related to the foundation that are important to me. This letter outlines those principles and should be viewed as a further expression of my intent. As such, I hope that members of the board will give serious consideration to these principles in all their actions on behalf of the foundation into the future.

The foundation was created to embody and give expression to two fundamental precepts of my faith tradition. The first precept - "To whom much is given, much is expected." - is a principle that is at the heart of all my philanthropy. The members of the family understand the many blessings we have received. Moreover, we are aware of our responsibility to share those blessings. I hope succeeding generations of the XYZ family embrace this responsibility by seeking to create opportunities for those in need to overcome poverty.

The second precept is summed up in the Oriental proverb: "Give a person a fish and they eat for a day. Teach a person to fish and they eat for life." My preference has been to support organizations that address root causes through education and research, and those that promote and/or create systemic change.

These two principles and the light of my spiritual beliefs and values have guided my philanthropy.

- I have an abiding belief in the value of an entrepreneurial spirit, and I hope the foundation will operate on that belief. It is that spirit that I saw so well illustrated in the family business; I believe it can have similarly salutary effects on philanthropy.
- I would hope the foundation could make transformational investments: relatively large gifts that allow institutions and programs to seize the opportunity to demonstrate meaningful improvement and growth in defined and measurable ways.
- In selecting grantees and social investment partners, I hope the foundation will favor organizations with proven track records of efficiency, effectiveness, and commitment to the communities of interest they serve or represent.
- It is very important to me that the foundation's board and staff are committed to absolute integrity in service to the people, projects, and organizations they support. The board should adopt a Code of Ethics that will ensure that the foundation, staff, agents and consultants, will at all time act in the public interest, avoid conflicts of interest, and honor the donor's intent. In addition, projects and organizations supported by the foundation will be expected to operate in a manner consistent with high moral and ethical principles.

- The Articles of Incorporation call for a majority of the board to be members of the XYZ Family. I would like the board to seriously consider the family's recommendations and suggestions for new board members. In any event, the board should use its best judgment in choosing the most qualified and interested members of the family.
- Non-family board members should be chosen based on their wisdom, integrity and experience and they should be individuals who share the family's social values and principles.

It is my wish that the foundation's giving always reflect the decision and judgments of the entire board, and that there not be a formal or informal "partitioning" or division of the annual grants budget among board members.

I hope this letter is a helpful reflection of my values, principles, and passions. From whatever vantage point I might have in the future, I thank you for your efforts in helping to make the world a better place.