

G&D

# Foundation

## *Compliance and Best Practices Manual*

***Rules of Governance***

Geneva Switzerland

# **G&D Foundation**

## **Compliance and Best Practices Manual**

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## I. Introduction

Since 2014, the **G&D Foundation**, headquartered in Switzerland, has been driving initiatives focused on education, vocational training, social assistance, and healthcare, all grounded in Christian principles. As part of its commitment to good governance, the Foundation has developed this **Compliance and Best Practices Manual** to ensure that its activities meet the highest ethical and legal standards at both the national and international levels.

This Manual is grounded in the Swiss legal framework applicable to foundations—particularly the Swiss Civil Code and cantonal or federal supervisory regulations—as well as in the Bylaws of the G&D Foundation. It also takes into consideration the standards commonly applied by Swiss foundation associations and other principles of responsible governance in the sector.

The **G&D Foundation** promotes effective integrity policies and transparency tools, grounded in international best practices in governance, ethics, and organizational compliance.

Adherence to sound governance practices supports the Foundation's strategic objectives as follows:

- **Mission, Vision, and Objectives:** This reinforces the Foundation's mission and vision, ensuring that its goals are achieved effectively and in line with its ethical principles.
- **Identity:** This safeguards the values that uphold the Foundation's reputation, ensuring its identity is aligned with the highest ethical and operational standards.
- **Risk Management:** This establishes a structured risk management framework that mitigates threats and enhances operational predictability.
- **Synergy Creation:** This encourages collaboration with other organizations serving the public good, enabling more efficient and sustainable partnerships that expand the Foundation's positive impact.

- **Sustainability:** This strengthens long-term sustainability by ensuring continuity of the Foundation's activities and lasting social impact.

## II. General Principles

The management of the G&D Foundation is guided by the following principles and recommendations:

### a) Efficiency and Optimization

The Foundation must pursue its objectives efficiently, ensuring that all activities faithfully reflect the founder's intent and generate the greatest possible impact.

### b) Checks and Balances

The Foundation guarantees systems are in place to balance decision-making and oversight of its activities, in compliance with applicable regulations.

### c) Transparency

The Foundation ensures the highest degree of clarity and reliability in its objectives, activities, and financial statements. All financial reporting is prepared with accuracy, consistency, and prudence, faithfully reflecting both the financial position and the allocation of resources. This commitment to transparency strengthens institutional trust, facilitates accountability, and helps prevent legal and operational risks.

### d) Compliance

The Foundation complies with Swiss law as well as relevant international standards, upholding the highest benchmarks in philanthropy, data protection, and anti-money laundering practices.

## III. Recommendations for a Sound Governance

This manual sets forth guidelines grounded in the core principles of corporate and philanthropic governance, in line with the applicable legal framework. Every member of the **G&D Foundation** undertakes to the following:

1. Observe, in the performance of their duties, all applicable laws and regulations relevant to the Foundation's activities.
2. Comply with the Foundation's bylaws, policies, and internal manuals.

3. Uphold the highest standards of ethical conduct, integrity, and institutional responsibility.

## **IV. Operational Clauses**

### **Section 1: Founding Purpose**

The founding purpose, as reflected in its articles of incorporation, guides all activities of the organization. The Board is accountable for ensuring ongoing compliance with this institutional objective.

### **Section 2: Jurisdiction**

The Foundation's legal domicile in Switzerland establishes its jurisdiction and the applicable regulatory framework. Extraterritorial provisions are respected when activities are carried out in other countries.

### **Section 3: Authority of the Board**

Among its responsibilities, the Foundation Board is empowered to issue internal regulations and quality guidelines aimed at strengthening the governance and operational capacity of the Foundation.

### **Section 4: Functions of the Board.**

The Foundation Board is responsible for:

- a) Executing the Foundation's purpose.
- b) Defining strategy and activities.
- c) Approving the annual report and budget.
- d) Appointing external auditors.
- e) Promoting the professionalization of key areas such as finance, accounting, and legal affairs.

### **Section 5: Internal Rules of the Board – Unpaid Service**

The Foundation Board regulates the procedures for the appointment and removal of its members, as set out in the Foundation's bylaws.

Board members do not receive compensation or remuneration of any kind for their service. This ensures that decisions are taken impartially and in full alignment with the Foundation's values and objectives, free from external influence or any personal interest. Additionally, the Board is tasked with

overseeing activities, ensuring compliance with established standards, and fostering the Foundation's continuous improvement.

### **Section 6: Governance of the Board**

The G&D Foundation Board serves as the organization's supreme decision-making and strategic body, operating independently and with full institutional responsibility in keeping with the Foundation's bylaws and applicable Swiss law. In exercising its autonomy, the Board defines its internal organization, establishes operational mechanisms, and adheres to principles of integrity, impartiality, and accountability.

Under this scenario, the Board's governance encompasses the full range of actions and processes through which it directs, oversees, and supervises the Foundation. This includes establishing clear institutional policies, preventing conflicts of interest, and promoting transparent and sustainable management practices.

The Board safeguards and upholds the consistency of the Foundation's mission, provides strategic leadership aligned with its founding values, and ensures professional management. Effective governance strengthens institutional legitimacy, enhances operational predictability, and amplifies the Foundation's long-term positive impact.

### **Clause 7: Roles of the President**

The President leads the Foundation and represents it before third parties, ensuring cohesion between the Board and the operational team. The President embodies the Foundation's institutional values, safeguards continuity, and ensures fulfilment of its mission, in line with the bylaws and the guiding principles of good governance and legality.

## **V. Integrity and Transparency Policies**

The G&D Foundation fosters a working and management environment built upon integrity, with strict policies against corruption and any conduct that could imply undue influence. The Foundation's rules in this area are as follows:

**a) Anti-Bribery Rules.** The G&D Foundation enforces a zero-tolerance policy toward any form of bribery or attempt to improperly influence decision-making. Board members, employees, and partners are strictly

prohibited from offering, receiving, or accepting gifts, favours, or any other type of incentive that could compromise the impartial performance of their duties.

**b) Prevention of Undue Influence.** Any action that could involve undue influence or manipulation of decisions for personal or third-party benefit is strictly prohibited. This includes preventing conflicts of interest in the management of funds, as well as in the selection of beneficiaries and projects.

**c) Zero Tolerance for Irregular Conduct.** The Foundation upholds a zero-tolerance stance toward any irregularity or act that compromises the transparency and legality of its activities. Any suspicion of misconduct will be investigated, and immediate corrective measures will be taken, including termination of contracts and, where appropriate, cooperation with legal authorities.

**d) Consistency and Traceability.** All Foundation businesses are conducted in compliance with principles of legality, traceability, and institutional accountability, ensuring regulatory alignment in each jurisdiction where it operates. This commitment guarantees effective consistency between the Foundation's values and its operational practices. Every donation, agreement, or institutional initiative must be supported by documented, auditable procedures aligned with the Foundation's mission.

This alignment between values, rules, and practices constitutes a structural pillar of the governance system, strengthening organizational resilience, mitigating risks, and generating a legitimate, verifiable, and lasting social impact, in line with international best practices in compliance, institutional ethics, and responsible governance.

**e) Sound Corporate Practices.** The Foundation operates under principles of clear and accurate communication of its actions, encouraging adherence to corporate best practices. All operations, decisions, and accountability reports must be transparent, accessible, and subject to both internal and external review. This includes the obligation to document all significant decisions and to maintain precise, detailed records of all transactions and funded projects.

## VI. Grant making Procedures

### Eligibility of Projects

The G&D Foundation implements a rigorous process of evaluation and selection of projects before granting donations. The steps include:

**a) Eligibility:** Applicants undergo a background review to verify their capacity to implement the proposed project efficiently and in compliance with the Foundation's rules and standards.

**b) Information Request:** Applicants must submit a detailed report outlining the project's purpose, expected impact, funding needs, and timelines. This document is evaluated to ensure alignment with the Foundation's guidelines and objectives.

**c) Grant Agreement:** Once a project is approved, the donation is formalized through a **Grant Agreement**, a binding bilateral contract that sets forth the recipient's obligations and the terms governing the use of funds. The agreement includes mechanisms for monitoring and audit.

**d) Monitoring and Accountability:** Grant recipients must provide periodic reports detailing both the financial application of funds and the effective execution of the project. This includes supporting documentation for expenditures as well as an evaluation of the project's impact in the beneficiary areas.

### e) Final Report – Statement of Compliance and Use of Funds

Upon completion of the grant or project, beneficiaries must submit a **Final Report**, which formally certifies compliance with agreed objectives. This serves as a key instrument to ensure traceability, verification, and transparency in the application of funds. The Final Report reinforces oversight and prevention mechanisms, enables the formal closing of the grant record by both parties, and serves as a relevant precedent to assess impact and document the Foundation's historical compliance with its mission.

## VII. Compliance with Swiss and International Regulations

### Anti-Money Laundering (AML) and Compliance Processes

The G&D Foundation applies a comprehensive compliance system consistent with Swiss law and international standards on **Anti-Money Laundering (AML)**, ensuring full regulatory compliance and transparency across all financial and asset-related operations. This framework includes the following Anti-Money Laundering and Counter-Terrorist Financing (AML/CFT) policies and mechanisms:

- a) AML/CFT Prevention.** AML refers to the body of laws, regulations, and procedures designed to prevent and combat money laundering. These measures aim to identify, trace, and halt financial activities intended to conceal the illicit origin of funds. AML/CFT procedures include customer identity verification, transaction monitoring, and the filing of suspicious activity reports. Compliance is mandatory for institutions, with the purpose of safeguarding the integrity of the financial system, preventing and detecting crime, and protecting the economic and reputational stability of sound organizations.
- b) KYC Policy – Know Your Customer.** The G&D Foundation enforces a **KYC policy** to verify the identity, source of funds, and background of donors, grantees, and vendors, ensuring that resources originate from and are directed toward legitimate sources. The process includes the collection of identification documents, tax certifications, and background checks.
- c) Risk Mapping.** Risk maps are prepared to identify jurisdictions and beneficiaries that may present heightened risks of money laundering or illicit activities. These maps provide early warnings of potential threats and inform the design of mitigation strategies.
- d) Verification of Operations and Transactions.** Verification mechanisms ensure that all transactions are transparent and fully documented. This includes both internal and external audits to oversee the proper use of funds.
- e) Enhanced Due Diligence (EDD).** For high-risk cases, the Foundation applies additional verification measures, including detailed reviews of activities, transactions, and beneficiary or vendor backgrounds. EDD is triggered in jurisdictions subject to international sanctions or armed conflict, in accordance with FATF and UN listings, or in cases involving Politically

Exposed Persons (PEPs), complex structures, or refusal to provide essential information. EDD involves rigorous checks to exclude links to illicit activities and to ensure traceability and legality of funds.

**f) Jurisdictional Risk Assessment.** The Foundation evaluates the jurisdictions in which it operates to identify potential risks associated with regulatory compliance, money laundering, or corruption. International sanction lists and local regulations are used to determine risk levels.

**g) Transaction Monitoring.** Transactions are monitored and analysed to detect suspicious activity that may indicate money laundering or terrorist financing.

**h) Enhanced Controls.** Additional safeguards are applied to transactions involving PEPs, including senior-level approval requirements, reinforced monitoring, and express disclosure of sources of wealth.

**i) Reporting.** All suspicious transactions or activities must be reported to the competent authorities, as required by law.

**j) Recordkeeping.** Accurate records of client information, transactions, and suspicious activity reports must be maintained for the legally required period.

**k) Training.** Regular AML training is provided to all relevant personnel to ensure awareness and compliance with applicable AML regulations and internal procedures.

## **VIII. Statement of Integrity and Transparency Policies**

The G&D Foundation reaffirms its commitment to integrity and transparency in all its activities. Every action, donation, and project is carried out with due diligence, ethical standards, and in compliance with applicable laws in Switzerland and in the jurisdictions where the Foundation operates.

The Foundation ensures that its policies and procedures are reviewed on a regular basis to confirm their alignment with legal developments and international best practices.

This declaration underpins the specific preventive measures established in this Manual, serves as a cross-cutting principle, and directs all actions toward

a management model that is ethical, transparent, and aligned with the most rigorous international compliance standards.

## **IX. Alignment with Applicable Regulations and Continuous Improvement**

The G&D Foundation is committed to keeping its **Compliance and Best Practices Manual** up to date and aligned with the applicable laws in Switzerland and in the jurisdictions where it operates. This commitment involves the following measures:

- a) **Periodic review of controls and procedures** to ensure that the manual reflects the latest legal, regulatory, and international best practice developments in governance.
- b) Implementation of **corrective measures** to mend deficiencies and optimize internal processes where necessary.
- c) Application of **risk mitigation** strategies, identifying and managing potential operational, legal, and reputational risks that could impact the Foundation's mission and sustainable development.

## **X. Conclusion**

The implementation of this **Compliance and Best Practices Manual** is designed to ensure the sustainability and positive impact of the **G&D Foundation**'s activities in its areas of work. The Foundation promotes integrity and transparency in every action, aspiring to excellence not only in the goals achieved but also in the means employed to achieve them. These principles are especially relevant in the Foundation's philanthropic initiatives. The G&D Foundation invites all members, collaborators, donors, and beneficiaries to actively commit to these principles, contributing to the ethical and robust development of the organization.

G&D Foundation