

Chestnut Hill Conservancy
POLICY AND PROCEDURES
REGARDING CONFLICTS OF INTEREST

I. Introduction

The Conservancy's effectiveness depends upon its record of success and its reputation, and it is essential to maintain our reputation for objectivity and fairness. At the same time, it is predictable that individual members of the Conservancy's Board of Directors and other related parties may be potential participants in Conservancy transactions. It is the policy of the Conservancy to identify conflicts of interest involving the Conservancy and related parties, as well as situations that may create the appearance of a conflict of interest, and to address such conflicts and situations in a manner that will fully protect the integrity and reputation of the Conservancy, as well as related parties. The Conservancy's policy and procedures governing the identification and management of conflicts of interest are identified here. This Policy and Procedures Regarding Conflicts of Interest will be reviewed at least annually to keep the contents appropriate to the needs of the Conservancy.

II. Summary

It is the intent of the policies and procedures set forth herein to protect the Conservancy's reputation, to permit it to comply with the Land Trust Alliance ("LTA") Standards and Practices, and to help assure compliance with the U.S. Internal Revenue Service rules against private inurement and impermissible private benefit and with Pennsylvania statutes addressing conflict transactions. The Conservancy may participate in financial, land, easement and other transactions with Board members, staff and other Insiders (defined below). However, when it does so, the Conservancy shall adhere to the policies and procedures set forth herein pertaining to identification and consideration of actual or perceived conflicts of interest, and documentation of the procedures undertaken.

III. Conflict of Interest

A conflict of interest arises whenever an Insider (defined below) stands to gain a direct or indirect benefit (or create a benefit to a Related Person or organization with which they are associated) in a transaction or project under consideration by the Board or a Committee, or when that person proposes to act on any issue, matter, or transaction in which the Conservancy has an interest and in which the

Insider has an interest separate from that of the Conservancy. A conflict of interest may also arise in situations in which there is an appearance that an Insider is utilizing, for his or her own benefit (or for the benefit of a Related Person or other organization with which they are associated) material information that is proprietary to the Conservancy, is acting in his or her own interests rather than the best interests of the Conservancy, has the ability to exercise undue influence over the Conservancy's decisions, or is receiving favorable treatment by the Conservancy because of his or her status as an Insider.

IV. Insiders

A. Insiders. "Insiders" include Board members, Staff members, members of Committees, including advisory Committees, Substantial Contributors and those, such as some volunteers, consultants, former employees or similar third parties with access to Inside Information not available to the general public. In addition, Insiders include all Related Persons of an Insider.

B. Related Persons. "Related Persons" of an Insider include such Insider's spouse, such Insider's and his or her spouse's brothers, sisters, parents, children, grandchildren, great-grandchildren, as well as spouses of all the foregoing, as well as any person who is financially dependent upon such Insider or a Related Person. Any person with whom an Insider or a Related Person of an Insider shares living quarters under circumstances that closely resemble a marital relationship shall be deemed the Insider's spouse for the purposes of this definition.

C. Substantial Contributors. "Substantial Contributors" include any individual, corporation or foundation that makes a gift or pledge of \$25,000 or more at any one time or cumulatively within a five-year period prior to the occurrence of the conflict either in cash, securities, or other assets or in land, easement or bargain-sale value.

V. Insiders' Obligations

A Board member, Staff member, or member of a Committee, including any advisory Committee, who becomes aware of any actual or potential conflict of interest, or of circumstances that may appear to involve an actual or potential conflict of interest has the following obligations:

A. To disclose voluntarily to the Board, the Executive Director, or Director of Operations the existence of any actual or potential conflict of interest.

If reported to the Director of Operations or the Executive Director, that person shall report the existence of the conflict and its resolution to the Board, which may, in its discretion, take further action.

B. When requested by the Board, a Committee, or the Executive Director, to disclose fully all material information concerning the transaction or other relevant events or circumstances and his or her relationship or interest giving rise to the actual or potential conflict of interest.

C. After such disclosure, to absent him or herself from Board, Committee or Staff discussions of, and abstain from voting on any project or transaction related to the conflict of interest (including discussions relating to the conflict of interest) unless otherwise requested by the Board or a Committee to provide additional information.

D. If the person affected is a member of the Board or a Committee, and if so requested by the Board, to take a temporary leave of absence from the Board or the Committee until such time as the matter giving rise to the conflict of interest has been resolved.

VI. Procedure for Assessing and Managing Conflict

When any Conservancy transaction, contract or project involves or appears to involve a conflict of interest, the Conservancy shall proceed as follows:

A. Take all appropriate steps to determine the facts relating to the conflict, including receiving any presentation by the Insider involved (after which the Insider shall leave the meeting for the duration of the related discussion and vote).

B. After exercising due diligence and prior to authorizing or approving the transaction, the Board or Committee shall determine whether the Conservancy 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. The President of the Board or Chair of the Committee may appoint a disinterested person or Committee to investigate alternatives to the proposed transaction or arrangement.

C. If a more advantageous transaction or arrangement that would not give rise to a conflict of interest is not reasonably available, the Board or Committee

may approve the transaction or arrangement after specifically finding, by vote of a majority of the disinterested members (1) that the transaction or arrangement is in the Conservancy's best interests, (2) that it is for the Conservancy's own benefit, (3) that its terms are fair and reasonable, and (4) that it is approved with the Board or Committee's full knowledge of its benefit to the person with the actual or perceived conflict of interest. Evidence of these findings should appear in the minutes of the Board or Committee, as should a notation that the affected person was absent for the related discussion and vote.

D. As to transactions in which no Conservancy Board or Committee member has an actual or potential conflict of interest, but another Insider has an actual or potential conflict of interest or circumstances exist that may appear to involve such an actual or potential conflict of interest, following the disclosures by the Insider outlined above, the Conservancy representative receiving the disclosures shall work with the Insider to develop an appropriate course of action to be recommended to the Executive Director in the case of Staff members or Volunteers and to the President in all other cases. Each such recommendation will describe the particular activity in question that gives rise to the actual or potential conflict of interest, the reasons supporting the proposed course of action, and any special circumstances surrounding the situation. The Executive Director or the President shall have the authority, in his or her discretion, to take action to resolve the matter as he or she deems appropriate. The Executive Director or President may elect to refer the matter to the Executive Committee or the full Board for a decision. The Executive Director, President or Governance Committee, as applicable, shall report the disposition of the matter to the Board.

VII. Violations of the Conflict of Interest Policy

If the Board or Committee has reasonable cause to believe a Board, Committee, or Staff member has failed to disclose an actual or potential conflict 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. If, after hearing the member's response, and after making any further investigation warranted by the circumstances, the Board or Committee determines that the member has failed to disclose an actual or potential conflict of interest, it shall take appropriate disciplinary and corrective action.

VIII. Records of Proceedings

The Conservancy shall document, in the minutes of the Board and all Committees or otherwise as appropriate, the existence of each disclosed actual or potential conflict, or of circumstances that may appear to involve such an actual or potential conflict, and the actions taken to assess and manage such conflict. Records shall contain:

A. The names of persons who disclosed or otherwise were found to have an interest giving rise to an actual or potential conflict of interest, the nature of the interest, 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 existed in fact.

B. The names of the persons who were present for discussions and votes relating to the transaction or arrangements, the content of the discussion, including any alternatives to the proposed transactions or arrangements, and a record of any votes taken in connection with the proceedings.

IX. Compensation; Private Inurement; Loans

A. No Board member shall receive compensation for services, either directly or indirectly, from the Conservancy, except as provided in Section VI.

B. The Conservancy shall not confer any monetary or material in kind benefits upon Insiders, except as provided in Section VI.

X. Adherence to Policy; Annual Statement

A. Adhering to this Policy is a condition of association with the Conservancy as a Staff member, volunteer, Board or Committee member. Violations of the Conflict of Interest Policy and Procedure may be grounds for dismissal as a Staff member or volunteer or severance from the Board or Committee.

B. Board members and Staff members must read this Policy at the outset of their tenure with the Conservancy, and shall be notified of and familiarize themselves with any amendments to this Policy. This Policy will be discussed at all orientation sessions for new employees and Board members. There may be certain volunteers who, because of their level of involvement in the Conservancy's

business, or because of their access to material confidential or proprietary information of the Conservancy, are covered by this Policy and must be fully informed of its contents.

C. Each Conservancy Staff member, Board member and member of a Committee with Board-delegated powers shall annually sign a statement which affirms that such person:

1. Has reviewed a copy of this Policy;
2. Understands the Policy;
3. Agrees to comply with the Policy;
4. Knows of no conflicts requiring disclosure; and
5. Understands that the Conservancy is a charitable organization,

and, in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

XI. Periodic Reviews

To ensure that the Conservancy 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:

A. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.

B. Whether partnerships, joint ventures, and arrangements with management organizations conform to written policies, are properly recorded, reflect reasonable investments or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

C. When conducting the periodic reviews, the Conservancy 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.

Adopted by the Conservancy Board of Directors on: September 28, 2009

Revised by the Conservancy Board of Directors on: September 27, 2010;
December 8, 2014; March 18, 2019

For the Board of Directors:

A handwritten signature in cursive script, appearing to read "Eileen Javers", written over a horizontal line.

Print name and title:

EILEEN JAVERS, PRESIDENT

6/17/19

