

CENTER FOR NATURAL LANDS MANAGEMENT

CONFLICT OF INTEREST POLICY

First Adopted June 23, 2006 via Resolution 101-06

Revised July 23, 2009 via Resolution 156-09

Preamble

Center for Natural Lands Management's effectiveness depends upon maintaining the highest levels of credibility, confidence, and trust with the communities it serves and all parties with whom it works. It is essential to protect the organization's reputation for objectivity and fairness by identifying and appropriately dealing with actual, potential, and perceived conflicts of interest.

All persons associated with the Center are reminded that the decisions and activities of the board of directors and staff, whether or not addressed in this policy, are governed by an overriding requirement of honesty, good faith, and fiduciary responsibility for the organization and to the communities it serves.

Policy

The Center of Natural Lands Management (Center) policy is to identify and avoid or manage real or perceived conflicts of interest. A conflict of interest exists when a "covered person" (as defined below) proposes to act on any issue, matter, or transaction in which the Center has an interest and the covered person also has an interest separate from the best interest of the Center. A conflict of interest also exists in situations in which a covered person is utilizing inside information that is proprietary to the Center for his/her/its benefit, is acting in his/her/its own interests rather than the best interests of the Center, has the ability to exercise undue influence over Center decisions, or is receiving favorable treatment by the Center because of his/her/its status as a covered person.

Even the appearance of a conflict of interest is to be avoided.

Inside Information is any material information that is identified as confidential and proprietary, pertaining to the business and affairs of the Center, whether related to a specific transaction or to matters pertaining to the Center's interests, activities, and policies.

A "related organization" is any organization in which a covered person directly or indirectly: (a) owns or controls 5% or more of any voting security; or (b) is a director, executive officer, executor, administrator, trustee, beneficiary, controlling partner, or otherwise serves in a fiduciary capacity or holds a substantial beneficial interest; or (c) has legal or *de facto* power to control the election of a majority of directors; or (d) has legal or *de facto* power to exercise a controlling influence over the management or policies. "Organization" includes a corporation, partnership, trust, estate, joint venture, and unincorporated affiliation

of any kind as well as public boards and commissions and not-for-profit organizations.

Purpose

The purpose of this policy is to protect the Center's interests when it is contemplating entering into a transaction or arrangement that might benefit the private interests of a covered person (as that term is defined below) and to ensure that the mission of the Center for Natural Lands Management is fulfilled using its highest ethical values. This policy is intended to supplement but not replace any applicable California law, or the law of any other state in which the Center operates, governing conflicts of interest applicable to nonprofit public benefit corporations. The Center's mission is:

To conserve native species, their habitats and functioning ecosystems in perpetuity;

To own and/or manage lands in an ecologically beneficial manner consistent with local, state and federal environmental laws and with science-based stewardship;

To promote the conservation values of such lands through education;

To promote and facilitate uses of such lands by the public that preserve the conservation values; and

To cooperate with public and private entities in their efforts to protect native species and their habitats for the public benefit.

Covered persons

This policy applies to all employees, Board Directors, major donors, other insiders (and each their close relatives) and related organizations (together, "covered persons").

A "close relative" is spouse, child (natural or adopted), parent and step-parent, in-laws, grandchild, grandparent, brother or sister of an employee, Board Director, or major donors, and any person with whom an employee, Board Director, or major donor shares living quarters under circumstances that closely resemble a marital relationship or who is financially dependent upon the employee, Board Director, or major donor.

A "major donor" (substantial contributor) is an individual, corporation, or foundation that makes a charitable gift or pledge of \$100,000.00 or more at any one time or cumulatively within a 5 year period prior to the occurrence of the conflict. Such charitable gifts or pledges include cash; appreciated securities or other financial instruments; and land or easements (including bargain-sale value).

“Other Insiders” are individuals, such as former Board Directors, volunteers, or former employees who, by virtue of their involvement with the Center, either have access to inside information that could place them within a conflict situation or could give the appearance of such persons having the ability to unduly influence the Center. Depending on the facts and circumstances, an independent contractor or agent may be an "other insider" where that person or entity has access to inside information.

Duty

Board Directors have fiduciary duties of good faith, due care, and loyalty to the Center. Employees, Board Directors, and other insiders have a duty to always serve the best interests of the Center, and to avoid actions that may subject the Center to legal liability or public criticism.

Conflicts include any situation where a covered person (1) financially benefits (whether direct or indirect remuneration as well as gifts or favors that are substantial in nature) from an action taken by the Center (self-dealing); or (2) has opposing or competing loyalties due to other business or personal relationships (opposing or competing loyalties).

Conflict Disclosure

Where there is potential for an actual or apparent conflict of interest (including by a close relative), an employee, Board Director, or other insider has a duty to immediately disclose the situation to the Board.

Recusal

A Board Director who believes his/her participation in a Center action would result in a conflict of interests should not vote or participate in that action, and generally should recuse himself/herself from discussion on the issue, other than to provide objective information.

Covered (natural) persons are prohibited from participating in the selection, award, or administration of any third party contract or subcontract if a real or apparent conflict exists. An individual who believes his/her participation in such activity would result in a conflict of interest should recuse himself/herself from such participation during the pendency of such real or apparent conflict.

Condition of Association

Adhering to this Conflict of Interest Policy is a condition of association or employment with the Center, whether as an employee, Board Director, volunteer, independent contractor, or agent. Violations may be grounds for dismissal from employment, severance from the Board, termination of contract, or disassociation.

Exceptions

There are no exceptions to this policy.

Guidelines

The Executive Director shall ensure that any necessary implementing guidelines, including guidance on (a) potential conflict disclosure procedures, (b) hiring individuals who are close relatives of covered persons, contracting for products or services with covered persons, (c) purchases or charitable gifts of interests in land or sales of interests in land to covered persons, (d) whether a covered person serving on public and/or private boards, commissions, or councils transacting business with the Center may have a potential adverse interest, (e) use of insider information by a covered person, (f) procedures for reviewing and managing conflicts, (g) identifying and preventing organization conflicts of interest, (h) facilitating major donor disclosure of information on potential conflicts, and (i) monitoring and enforcing compliance with this policy.