



HUDSON HIGHLANDS LAND TRUST CONFLICTS POLICY¹

Preamble. The Hudson Highlands Land Trust Inc. (“HHLT”) functions for the public benefit. HHLT’S effectiveness and credibility depend on avoiding even the appearance that it is acting for private, and not public, benefit. This policy relates to all real property transactions, stewardship activities and enforcement actions, as well as non-land financial relationships undertaken by HHLT.

Definitions

- 1.1 “*Associated Person*” means (a) any director, officer or employee of HHLT, (b) any person who has in the past two fiscal years provided, or who is in the current or following fiscal year expected to provide, financial support in excess of 5% of the HHLT’s total income, or any person not otherwise included in clauses (a) through (d) who the Board determines from time to time may, by virtue of some other fact, circumstance or relationship, have an ability to influence decisions of HHLT or have access to relevant information not available to the general public (the Board shall consider whether there exists any such Person annually in connection with its conflicts certification) (c) their spouses, and their and their spouse’s children, parents or siblings, and (d) any nominee or trust for the benefit of, or any entity controlled by, any of the foregoing.
- 1.2 “*Interest*” by any person in a Transaction means that such person stands to gain some direct or indirect financial benefit if such Transaction is consummated. Any person acting as buyer’s or seller’s agent, attorney, consultant, surveyor or banker in a Transaction (or in any other transaction or potential transaction that is related to or which in any way would be benefited by a Transaction) shall be deemed to have an “Interest”.
- 1.3 “*Transaction*” means (i) the purchase, acceptance, donation or other transfer to or from HHLT of, any fee, easement or other interest in real property, (ii) any amendment or waiver of an easement or other covenant, or settlement of any violation of any such covenant, (iii) any other transaction in which HHLT is a principal, including without limitation the purchase or sale of goods or services, making or taking of a loan or extension of credit, or other transactions where HHLT gives or agrees to give value.

¹ This document deals only with conflicts of interest. It is required by the statement of HHLT Standards and Practices, which is a separate document.

- 1.4 *“Conflict or Potential Conflict of Interest”* in respect of a Transaction means: (a) any Interest by an Associated Person in such Transaction, (b) ownership by any Associated Person of real property adjacent to or within view of the real property that is the subject of the Transaction, or (b) any other circumstance that could raise the appearance of a conflict of interest or raise any reasonable question about whether HHLT’s purpose in undertaking the transaction is a private interest and not a public benefit.
- 1.5 *“Board of Directors”* means the Board of Directors of HHLT and any committee thereof.
- 1.6 *“Independent Director”* means a director who (i) is not, and has not been within the last three years, an employee of HHLT and does not have a relative who is, or who has been within the last three years, an employee of the HHLT; (ii) has not received, and does not have a relative who has received, in any of the last three fiscal years, more than \$10,000 in direct compensation from HHLT (other than reimbursement for expenses reasonably incurred as a director or reasonable compensation for service as a director); and (iii) is not a current employee of or does not have a substantial financial interest in, and does not have a relative who is a current officer of or has a substantial financial interest in, any entity that has made payments (other than charitable contributions) to, or received payments (other than charitable contributions) from HHLT, for property or services in an amount that exceeds the lesser of \$25,000 or 2% of HHLT’s consolidated gross revenue in any of the last three fiscal years.

2. Disclosure by Staff to HHLT Board

- 2.1 *Mandatory Staff Disclosures.* Any of the following shall be noted in the written materials presented to the HHLT Board of Directors in connection with a proposed Transaction, and brought to the attention of the Board at the meeting at which such Transaction is considered: (a) any Conflict or Potential Conflict of Interest, or (b) any Interest in such Transaction by any other organization exempt under Section 501(c)(3) of the Internal Revenue Code.
- 2.2 *Reasonable Investigation by Staff.* In connection with preparing a Transaction for presentation to the HHLT Board, the staff of HHLT shall make an investigation reasonably designed to reveal any facts or circumstances that would be required by the foregoing to be brought to the attention of the Board.

3. Disclosure by HHLT Directors

- 3.1 *Duty of Director to Disclose.* Anyone with a conflict (or the appearance of a conflict) is prohibited from improperly influencing the deliberations or voting on the matter and should remove themselves from negotiations, deliberations, or votes involving the conflict and take such other action as HHLT may request.” At any meeting at which a Transaction is considered, any Director who has an Interest in such Transaction, or is aware that any Associated Person has such an Interest, or is aware of circumstances that could reasonably raise a question of whether he/she or any Associated Person

may have any Conflict or Potential Conflict of Interest, shall disclose this to the Board.

- 3.2 *Disclosure to be Minuted.* Any such disclosure shall be noted by the Secretary of the meeting in the minutes.

4. Recusal

- 4.1 *Mandatory by Director.* If any Director (or person who is an Associated Person by virtue of a relationship with such Director) has an Interest in, or any other Conflict or Potential Conflict of Interest in respect of, a Transaction, then such Director shall recuse himself or herself from the Board's discussion and vote with respect to such Transaction.
- 4.2 *Permissive by Board.* In addition, the Board may, on its own motion (by majority vote of all Directors present other than the Director in question), determine that any Director shall be excluded from the Board's discussion and/or vote with respect to any Transaction because of a Conflict or Potential Conflict of Interest with respect to such Director. The Chairman of the Board, at his or her discretion, may also determine that any Director shall be excluded from the Board's discussion and/or vote with respect to any Transaction because of a Conflict or Potential Conflict of Interest with respect to the such Director.
- 4.3 *Approval by Majority of Disinterested Directors.* If any Director has recused himself or herself, or been so excluded, then the Transaction (subject to any other requirements of the by-laws or applicable law) shall require the approval of a majority of the Directors present and not so recused or excluded.
- 4.4 *Recusal to be Minuted.* The Secretary of the meeting shall record in the minutes that a Director has recused him or herself, or has been excluded by the Board, from any discussion and/or vote.
- 4.5 *Finding of Public Benefit.* In each case where a Conflict or Potential Conflict of Interest has been identified with respect to a Transaction, the staff shall present to the Board, if practicable in advance of the relevant meeting, a reasonably detailed description of the conservation and other public benefits of the Transaction, in accordance with the HHLT Conservation Easement Policy Statement. At the relevant meeting, the Board shall discuss, and if necessary amend and supplement, such statement, and shall, if they approve the Transaction, also approve a specific finding (i) describing in reasonable detail the conservation and other public benefits of the Transaction, (ii) describing the ways in which the Transaction will advance the mission of HHLT, (iii) determining that it is fair to HHLT and (iv) describing any benefit to any Associated Person and determining that such benefit is incidental to the primary purpose of such Transaction. Such finding shall be minuted with the records of the relevant meeting.

5. Disclosure to Funding Sources

- 5.1 *Disclosure of Material Conflicts.* Any material Conflict or Potential Conflict of Interest that has been disclosed to the Board of HHLT in connection with a

Transaction shall also be disclosed to any person being requested to provide a material grant or contribution to HHLT in connection with such Transaction, together with a statement of the basis for the Board's determination that the purpose for such Transaction is public benefit.

6. Confidentiality and No Personal Benefit

6.1 *Confidentiality.* Each Director and employee of HHLT shall preserve the confidences of the organization, and shall not disclose to others Transactions pending or under consideration except (a) disclosure by staff in the ordinary course of, and for purposes of, the work of HHLT, or by Directors for such purpose following consultation with staff, (b) disclosure of Transactions following public announcement by HHLT of closure of such Transaction, and (c) as otherwise required by law.

6.2 *No Use of Confidential Information for Personal Benefit.* Without limiting the generality of the foregoing, no Associated Person shall use confidential information, to secure any pecuniary or other economic benefit for himself or herself or for any other Associated Person.

6.3 *No Use of HHLT Relationship for Personal Benefit.* Without limiting the generality of the foregoing, no Associated Person shall use his or her relationship with HHLT to secure any pecuniary or other economic benefit for himself or herself or any other Associated Person. This does not preclude a Director from listing his or her membership on the HHLT board in personal resumes or other types of c.v.'s or profiles.

7. This Policy

7.1 *New Directors and Staff.* Each Director and employee of HHLT shall be given a copy of this policy. Prior to the initial election of any Director, the candidate will be required to read the policy, and complete and sign the HHLT Conflicts Acknowledgement Statement, which will then be provided to the Nominating Committee for review.

7.2 *Annual Reminder.* Not less frequently than annually, at the annual meeting of HHLT or otherwise, the content of this policy shall be orally summarized for the Board and each Director and employee shall be asked to sign a statement acknowledging that he or she is familiar with, and agrees to abide by, this policy.

7.3 *Disclosure of Policy.* This policy may be provided upon request to any person with whom HHLT engages or proposes to engage in a Transaction, to any person providing funding to HHLT, to any regulator or public official, and, in the discretion of the staff, to any other person requesting it.