[**Excerpted from the Bylaws of Sample Land Trust:**]

ARTICLE **[#]**

CONFLICT OF INTEREST POLICY

Section 1. Purpose. The purpose of the conflict of interest policy is to protect the Corporation’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an “Interested Person” (as defined in Section 2 (“Definitions”) of this Article X), or might result in a possible “excess benefit transaction,” as defined in Section 4958 of the Internal Revenue Code of 1986, as amended from time to time. This policy is intended to supplement (but not replace) any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section 2. Definitions.

A. Interested Person. Any director, officer, committee member, member of the Board of Advisors, employee, agent, major donor (individuals, corporations, or foundations that gift or pledge $5,000 or more at any one time or $10,000 or more in a 5-year period), those with access to information about the Corporation not available to general public (such as volunteers, independent contractors, former employees, consultants), and close relatives of the aforementioned, who has a direct or indirect “financial interest,” as defined in subsection B below, is an Interested Person.

B. Financial Interest. An Interested Person has a financial interest if the person has, directly or indirectly, through business, investment, or family: (i) an ownership or investment interest in any type of property or entity with which the Corporation has, or is contemplating, a transaction or arrangement; (ii) a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or (iii) a potential ownership or investment interest in, or compensation arrangement with, any type of property, entity or individual with which the Corporation is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Section 3 of this Article, an Interested Person who has a financial interest has a conflict of interest only if the Board of Directors or appropriate committee determines that a conflict of interest exists or may exist.

Section 3. Procedures.

A. Duty to Disclose. In connection with any actual or possible conflict of interest, the Board shall require an Interested Person to disclose the existence of the financial interest and give such Interested Person the opportunity to disclose all material facts to the Board of Directors and members of committees with powers and authority delegated by the Board of Directors considering the proposed transaction or arrangement.

B. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the Interested Person, the Board of Directors or committee shall require the Interested Person to leave the meeting while the determination of a conflict of interest is discussed and voted upon. The directors or committee members thereupon shall determine if a conflict of interest exists.

C. Procedures for Addressing the Conflict of Interest.

1. The Board may permit an Interested Person to make a presentation at the Board of Directors or committee meeting, but, after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

2. The President or committee shall, if appropriate, appoint a disinterested person or committee to consider and recommend alternatives to the proposed

transaction or arrangement.

3. After exercising due diligence, the Board of Directors or committee shall determine whether the Corporation 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.

4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances that would avoid producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation’s best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the Board of Directors shall make its decision as to whether to enter into the transaction or arrangement.

D. Violations of the Conflicts of Interest Policy.

1. If the Board of Directors or committee has reasonable cause to believe that an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.

2. If, after hearing the Interested Person’s response, and after making further investigation as warranted by the circumstances, the Board of Directors or committee determines that the Interested Person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Section 4. Records of Proceedings. The minutes of the Board of Directors and all committees with powers delegated to it by the Board of Directors shall contain:

A. The names of the Interested Persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest exists, and the Board of Directors’ or committee’s decision as to whether a conflict of interest, in fact, existed.

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

Section 5. Compensation. No director of the Corporation shall receive compensation, directly or indirectly, from the Corporation in his or her capacity as a director; provided, however, as authorized in Article II (“Board of Directors”), Section 14 (“Compensation”) of these Bylaws, a director may be reimbursed for certain out-of-pocket expenses and may receive reasonable compensation from the Corporation for services rendered to the Corporation in any other capacity. An officer may be paid reasonable compensation in such amount and on such terms and conditions as approved by majority vote of the directors present and voting at any meeting of the Board of Directors.

Section 6. Interested Person Transaction. An Interested Person may be interested in a contract or transaction to which the Corporation is a party to the extent permitted by applicable law and the Land Trust Standards and Practices.

Section 7. Annual Affirmations. The Board shall require each director, committee member, member of the Board of Advisors, and employee to annually sign a statement which shall affirm that such person:

A. has received a copy of this conflicts of interest policy;

B. has read and understands the policy;

C. has agreed to comply, has complied, and is in compliance with the

policy;

D. shall disclose to the Board of Directors the existence of a financial interest in connection with any actual or possible conflict of interest; and

E. understands that the Corporation is a charitable organization and, in order to maintain its federal tax exemption, it must engage solely in activities which

accomplish one or more of its tax-exempt purposes.

Section 8. Periodic Reviews. In order to ensure the Corporation operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted by the Board of Directors. The periodic reviews shall, at a minimum, include the following subjects:

A. Whether compensation arrangements and benefits relating to Interested Persons 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 the Corporation’s written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further the Corporation’s charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction;

C. Such other matters as the Board of Directors shall deem relevant under the applicable circumstances.

Section 9. Use of Outside Experts. When conducting the periodic reviews as provided for in Section 8 of this Article, the Corporation may, but need not, retain independent expert advisors; provided, however, that the retention of such experts shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

ARTICLE **[#]**

CONFIDENTIALITY AND FIDELITY POLICY

Section 1. Confidentiality Policy. No Interested Person (as hereinabove defined in Article X (“Conflict of Interest Policy”)) shall discuss with or otherwise disclose to third parties information regarding the property, operations or, generally, the affairs of the Corporation except when engaged in the conduct of the proper business of the Corporation. For purposes of this Article, all information that is not a matter of public record, or not otherwise authorized by the Board of Directors or the President to be disclosed to the public, shall be considered strictly confidential. In furtherance, and not in limitation, of this policy, the Board of Directors agrees and shall use its best efforts to ensure that following shall apply to all Interested Persons:

A. The statements, views and positions of Interested Persons regarding the operations or affairs of the Corporation shall not be discussed with or otherwise disclosed to third parties. In addition, the resolutions, decisions and other business of the Board of Directors, officers or committees with powers delegated by the Board of Directors shall not be disclosed to third parties without the prior authorization of the Board of Directors or the President.

B. The Corporation’s property, operations and general affairs, including its books and records (including all documents, reports, records, data, financial easements, statements, property and membership lists, minutes and related materials) shall not be discussed or otherwise disclosed to third parties. In furtherance of this non-disclosure policy, information regarding donors, donations, pending grants, investments, ownership rights, easements, contracts and agreements entered into by the Corporation, policies of the Corporation, financial information and business records of the Corporation shall be treated as strictly confidential by all Interested Persons.

C An Interested Person shall not sell, trade or exchange information about the Corporation’s donors or potential donors.

D. An Interested Person shall not disclose information regarding a donor or potential donor or a donation or potential donation without the prior, written approval of the Board of Directors and such donor or potential donor.

Section 2. Fidelity Policy. In addition to his or her fiduciary duties under applicable law, no Interested Person shall take or refrain from taking any action that would be detrimental to the best interests of the Corporation.

Section 3. Duty to Disclose Other Board Membership. Each Interested Person shall annually disclose to the Corporation’s Board of Directors his or her service as a member of the Board of Directors or as an officer of any other land trust or other charitable organization with similar purposes, whether within or without the State of Connecticut.

Section 4. Annual Affirmations. Each Interested Person annually shall sign a statement which affirms such person:

A. has received a copy of this confidentiality and fidelity policy;

B. has read and understands the policy;

C. has agreed to comply, has complied, and is in compliance with the

policy; and

D. shall disclose to the Board of Directors his or her service as a member of the Board of Directors or as an officer of any other land trust or other charitable organization with similar purposes, whether within or without the State of Connecticut.

Amended on: **[DATE]**

**ANNUAL AFFIRMATION REGARDING CONFLICT OF INTEREST**

**AND CONFIDENTIALITY AND FIDELITY POLICIES**

I am an officer, board member, employee, agent, or committee member of **Sample Land Trust** (“**SLT**”). I have a copy of **SLT**’s Bylaws, as amended and I have read ARTICLE **[#]** thereof, which sets forth **SLT**’s Conflict of Interest Policy, and ARTICLE **[#]** thereof, which sets forth **SLT**’s Confidentiality and Fidelity Policy.

I hereby affirm that I:

1. have received **SLT**’s Conflicts of Interest Policy and its Confidentiality and Fidelity Policy (collectively, the “Policies”) as the Policies are set forth in ARTICLE **[#]** and ARTICLE **[#]** of the Bylaws;
2. I have read ARTICLE **[#]** and ARTICLE **[#]** of the Bylaws and understand the Policies;
3. have agreed to comply, and have complied, and am in compliance with the Policies, and shall disclose to the Board of Directors (1) the existence of a financial interest in connection with any actual or possible conflict of interest (as described in ARTICLE **[#]** of the Bylaws), and (2) my service as a member of the Board of Directors, or as an officer or paid employee or independent contractor of any other land trust or charitable organization of similar purposes as **SLT**, whether within or without the State of Connecticut; and
4. understand that **SLT** is a charitable organization, and in order to maintain its federal tax exemption, must engage solely in activities which accomplish one or more of its tax exempt purposes.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Print Name)

Dated: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_