

Westmoreland Sanctuary, Inc.

CONFLICT OF INTEREST POLICY

This conflict of interest policy ("Conflict Policy") of Westmoreland Sanctuary, Inc. (the "Corporation") has been adopted by the board of directors (the "Board") and is applicable to all current and former (within the last five years) directors, officers, as well as employees, volunteers, independent contractors, substantial contributors, and others who have the ability to exercise substantial influence over the Corporation ("Covered Persons").

A. General. All directors, officers and staff owe a duty of loyalty to the Corporation. The duty of loyalty requires that they exercise their powers in good faith and in the best interests of the Corporation, rather than in their own interests or the interests of another entity or person.

Conflicts between the interests of the Corporation and the personal or financial interests of a Covered Person may arise from time to time. Some conflicts of interest are illegal or may subject the Corporation or its directors and officers to liability. Some conflicts of interest may be legal, but also unethical or may create an appearance of impropriety. Some conflicts of interest may be in the best interests of the Corporation so long as certain procedures are followed. This Conflict Policy is designed to assist the directors, officers and others in the Corporation in identifying conflicts of interest and in handling them appropriately.

Neither the Corporation nor any Covered Person shall enter into any transaction or arrangement that involves an actual, potential, or apparent conflict of interest except in compliance with this Conflict Policy.

B. Conflict of Interest. A conflict of interest arises whenever the interests of the Corporation come into conflict with a competing financial or personal interest of a Covered Person or an affiliated party (as defined below), or otherwise whenever a Covered Person's personal or financial interest could be reasonably viewed as affecting their objectivity or independence in fulfilling their duties to the Corporation.

While it is not possible to anticipate all possible conflict situations, conflicts of interest typically arise whenever a Covered Person, or any affiliated party has (directly or indirectly):

1. a compensation arrangement or other interest in a transaction with the Corporation;
2. a compensation arrangement or other interest in or affiliation (subject to *de minimis* exceptions) with any entity or individual that: (a) sells goods or services to, or purchases goods or services from, the Corporation; (b) competes with the Corporation; or (c) the Corporation has, or is negotiating, or contemplating negotiating, any other transaction or arrangement;
3. used his or her position, or confidential information or the assets of the Corporation to his or her (or an affiliated party's) personal advantage or for an improper or illegal purpose;
4. solicited or accepted any gift, entertainment, or other favor where such gift might create the appearance of influence on the Covered Person (other than gifts of nominal value, which are clearly tokens of respect and friendship unrelated to any particular transaction);
5. acquired any property or other rights in which the Corporation has, or the Covered Person knows or has reason to believe at the time of acquisition that the Corporation is likely to have, an interest;
6. an opportunity related to the activities of the Corporation that is available to the Corporation or to the Covered Person, unless the Board has made an informed decision that the Corporation will not pursue that opportunity;

7. been indebted to the Corporation, other than for amounts due for ordinary travel and expense advances; or
8. any other circumstances that may, in fact or in appearance, make it difficult for the Covered Person to exercise independence, objective judgment or otherwise perform effectively.

C. *Affiliated Party.* The phrase "affiliated party" means a member of the Covered Person's family (including spouses (and their siblings), lineal ancestors and descendants, spouses of lineal descendants, siblings (and their spouses and children), and domestic partners), or any entity in which the Covered Person (or any affiliated party) is a director, officer, or has a beneficial interest of more than 5%.

D. *Disclosure of an Actual, Potential or Apparent Conflict of Interest.*

1. Conflict identification and analysis can be difficult and, therefore, Covered Persons and other staff are at all times expected to err on the side of caution and bring to the attention of the Executive Director, the Corporation's legal counsel, the President or Chair of the Executive Committee, all material facts of any matters that may involve conflicts of interest or be perceived by others to raise questions about potential conflicts even if the person does not believe that an actual conflict exists. Disclosures should be made in advance, before any action is taken on the matter by the Covered Person or other staff.
2. In addition, each Covered Person who currently serves as a director or officer, or as an employee, volunteer or independent contractor, or who is currently a substantial contributor, or any person who currently has the ability to exercise substantial influence over the Corporation shall complete a Conflicts of Interest Questionnaire (attached) each year of their affiliation with the Corporation, disclosing any actual, potential or apparent conflicts, and affirming that they have read, understand, and have and will continue to adhere to this Conflict Policy. They shall also submit a new Questionnaire disclosing any relevant change in circumstances promptly following such change in circumstances. The Questionnaires shall be reviewed by the Executive Committee (excluding, for the avoidance of doubt, any member of the Executive Committee that is a Covered Person with an actual, potential or apparent conflict of interest but solely with respect to such conflict of interest).

E. *Evaluation of an Actual, Potential or Apparent Conflict of Interest.* The Executive Committee will evaluate conflict disclosures and make other necessary inquiries to determine the extent and nature of any actual or potential conflict of interest and, if appropriate, investigate alternatives to the proposed transaction or arrangement. The Committee shall report to the disinterested members of the Board for resolution. After disclosure of the potentially conflicting interest and all material facts, and after answering any questions, the interested person shall recuse himself or herself from deliberations and voting relating to the matter and shall refrain from attempting to influence other decision-makers relating to the matter. However, as a member of the Board or committee, an interested director may be counted in determining the establishment of the quorum at a meeting relating to the matter.

F. *Resolution of an Actual, Potential or Apparent Conflict of Interest.* The Corporation may enter into a transaction or other arrangement in which there is an actual or potential conflict of interest only if at a duly held meeting of the Board a majority of those directors (if a quorum is present at such time) who have no interest in the transaction or arrangement approve the transaction or arrangement after determining, in good faith and after reasonable inquiry, that:

1. Entering into the transaction or arrangement is in the best interests of the Corporation, while considering the Corporation's mission and resources, and the possibility of creating an appearance of impropriety that might impair the confidence in, or the reputation of, the

- Corporation (even if there is no actual conflict or wrongdoing);
2. The transaction or arrangement in its entirety, and each of its terms, are fair and reasonable to the Corporation;
 3. After consideration of available alternatives, the Corporation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances;
 4. The transaction or arrangement furthers the Corporation's mission and charitable purposes; and
 5. The transaction or arrangement is not prohibited under state law and does not result in private inurement, an excess benefit transaction or impermissible private benefit under laws applicable to tax exempt organizations.

G. *Records of Conflict Disclosures and Proceedings.* The minutes of the Board or any committee meeting during which a potential or actual conflict of interest is disclosed or discussed shall reflect the name of the interested Covered Person, the nature of the conflict, and details of the deliberations of the disinterested directors (such as documents reviewed, alternatives considered, comparative costs or bids, market value information and other factors considered in deliberations) and the resolution of the conflict including any ongoing procedures to manage any conflict that was approved. The interested person shall only be informed of the final decision and not of particular directors' positions. In addition, certain related party transactions are required to be disclosed in the notes to the Corporation's audited financial statements and its annual federal tax filing on Form 990.

H. *Compliance.* If the Board, the Executive Committee, or the President has reasonable cause to believe that a Covered Person has failed to comply with this Conflict Policy, they may make such further investigation as may be warranted in the circumstances and if they determine that a Covered Person has in fact failed to comply with this Conflict Policy, they shall take appropriate action which may include removal from office or termination.

I. *Amendment.* This Conflict Policy may be amended only by a majority of the entire Board.

Conflicts of Interest Questionnaire

Have you engaged in any of the following? Do you know if any affiliated party or any other Covered Person has or engaged in any of the following? (There is no need to list matters that have already been disclosed, evaluated, and resolved.)

	YES	NO
1. a compensation arrangement or other interest in a transaction with the Corporation;		
2. a compensation arrangement or other interest in or affiliation (subject to <i>de minimis</i> exceptions) with any entity or individual that: (a) sells goods or services to, or purchases goods or services from, the Corporation; (b) competes with the Corporation; or (c) the Corporation has, or is negotiating, or contemplating negotiating, any other transaction or arrangement;		
3. used his or her position, or confidential information or the assets of the Corporation to his or her (or an affiliated party's) personal advantage or for an improper or illegal purpose;		
4. solicited or accepted any gift, entertainment, or other favor where such gift might create the appearance of influence on the Covered Person (other than gifts of nominal value, which are clearly tokens of respect and friendship unrelated to any particular transaction);		
5. acquired any property or other rights in which the Corporation has, or the Covered Person knows or has reason to believe at the time of acquisition that the Corporation is likely to have, an interest;		
6. an opportunity related to the activities of the Corporation that is available to the Corporation or to the Covered Person, unless the Board has made an informed decision that the Corporation will not pursue that opportunity;		
7. been indebted to the Corporation, other than for amounts due for ordinary travel and expense advances; or		
8. any other circumstances that may, in fact or in appearance, make it difficult for the Covered Person to exercise independence, objective judgment or otherwise perform effectively.		

If yes, to any of the above please describe the relevant facts (attach a separate sheet if necessary):

The answers to the foregoing questions are stated to the best of my knowledge and belief. I also acknowledge that I have received, read and understood the Conflict of Interest Policy of the Corporation and agree that I have and will continue to abide by such policies.

Additionally, I understand that in order to maintain its federal tax exemption the Corporation must engage primarily in activities that accomplish one or more of its tax exempt purposes.

Date: _____

Signature: _____

Printed Name: _____