

ADOPTED
January 18, 2018

WESTMORELAND SANCTUARY

Investment Policy

Adopted January 12, 2018

1 Scope

The purpose of this policy is to set forth the investment goals and objectives of the Westmoreland Sanctuary Endowment (the “Endowment”). The policy will serve to:

- Establish investment objectives and articulate the mission and goals of the Westmoreland Sanctuary (the “Sanctuary”).
- Set forth guidelines for managing the Endowment consistent with the Sanctuary’s long term goals and ongoing financial requirements. The policy should consider asset class limitations and allocation targets in establishing its risk tolerance.
- Allow for the delegation of day to day investment decisions to an asset management professional. The policy should establish a standard for evaluating and appointing an outside asset manager.
- Establish a standard for such outside asset manager to report to the Board of Directors of the Sanctuary (the “Board”) on a regular basis.
- Comply with all applicable fiduciary requirements, laws, rules and regulations.

The policy should serve to enhance the Sanctuary’s ability to achieve its stated mission:

To acquire, establish and maintain for the free use, enjoyment and appreciation of the public, a tract or tracts of land including woodland and streams as a nature sanctuary or sanctuaries to promote nature appreciation, preservation and conservation generally for the present and future benefit and enjoyment of the public.

2 Investment Objectives

The Westmoreland Sanctuary should pursue an investment strategy in respect of the Endowment that is consistent with its dual goals of current income and long term capital preservation. The Sanctuary will generally rely on income from the Endowment to fund a material portion of its operating budget. While the long range goal is to limit Endowment portfolio withdrawals to 4% per annum, higher withdrawals may be required in any given year. These income requirements, along with the goal of long term capital preservation, suggest a mix of fixed income and equities securities.

3 Roles and responsibilities

The Board is responsible for the financial stewardship of the Sanctuary and its assets, including the Endowment portfolio. In managing the financial assets of the Sanctuary, the Board will act in good faith and with the care an ordinarily prudent person in like position would exercise under similar circumstances. When making investment and management decisions, the Board shall

consider the Sanctuary's mission, as well as the reason for the Endowment. The Board may delegate investment decisions to the Audit, Spending & Investment Committee, and, to the extent so delegated, references in this Policy to the Board may also be understood to be references to such committee. Specific duties of the Board include:

- Appointment of and oversight of an outside investment manager.
- Decisions on target asset allocation among broad categories such as fixed income and equity securities.
- Decisions on specific purchases or sales of investments to achieve certain financial goals of the Sanctuary.
- Approval of disbursements from the Endowment portfolio to the operating account consistent with approved budgets.

4 Standard of Care

In making decisions regarding management and investment of the Endowment's financial assets, the Board, as required by applicable law, shall consider the following factors, if relevant:

- (1) general economic conditions;
- (2) the possible effect of inflation or deflation;
- (3) the expected tax consequences, if any, of investment decisions or strategies;
- (4) the role that each investment or course of action plays within the overall investment portfolio of the Endowment;
- (5) the expected total return from income and the appreciation of its investments;
- (6) other resources of the Sanctuary;
- (7) the needs of the Sanctuary and the specific Fund to make distributions and to preserve capital; and
- (8) an asset's special relationship or special value, if any, to the purposes of the Sanctuary.

The Board shall not make management and investment decisions regarding an individual asset in isolation, but rather in the context of the Endowment's portfolio of investments as a whole and as part of an overall investment strategy having risk and return objectives reasonably suited to the Endowment and the Sanctuary. The Board shall make reasonable efforts to verify facts relevant to the management and investment of the Endowment assets and may incur only costs that are appropriate and reasonable in relation to the assets, the purpose of the Sanctuary and the skills available to the Sanctuary.

Within a reasonable time after the Sanctuary's receipt of a gift of property or other financial assets, the Board shall make and carry out decisions regarding retaining or disposing of the property, or the rebalancing of the Endowment portfolio in order to ensure compliance with the

purposes, terms, and distribution requirements of the Sanctuary (including the diversification requirements and other aspects of this policy) as necessary to meet other circumstances of the Sanctuary and the requirements of applicable law, subject to any restrictions imposed by the terms of the gift.

5 Evaluation of Outside Asset Managers

The Board may elect to hire an outside asset manager to oversee day to day investment activities (to the extent not prohibited by the terms of any gift instrument). The Board will act in good faith and with the care an ordinarily prudent person in like position would exercise under similar circumstances in (i) selecting, continuing or terminating any external agent (including assessing the agent's independence, including any conflicts of interest such agent has or may have; (ii) establishing the scope and terms of the delegation, including the compensation to be paid; and (iii) monitoring the agent's performance and compliance with the scope and terms of the delegation. The evaluation of an asset manager should include:

- Demonstration of an established track record that has produced returns consistent with the stated risk tolerance.
- An understanding on the part of the manager of the Sanctuary's mission statement as well as its long and short term financial needs.
- Fees or commissions consistent with market standard.
- Flexibility to specify specific investment criteria or prohibitions.

Any external agent to which management and investment authority is delegated owes a duty to the Sanctuary to exercise reasonable care, skill and caution to comply with the scope and terms of the delegation.

Any external agents shall provide the Board with reports on investment performance on a quarterly basis, at a minimum, and more frequently if so requested by the Board. The Board will assess at least annually the performance and independence of any external agent, including any conflicts of interest it may have. Any actual or potential conflicts of interest involving a member of the Board or officer or key employee of the Sanctuary with respect to the external agent must be disclosed and resolved pursuant to the Sanctuary's conflict of interest policy and any conflicts of interest the agent may have involving service to the Sanctuary must also be disclosed to the Sanctuary. Any contract between the Sanctuary and an external agent involving delegation of investment authority shall be terminable by the Sanctuary at any time, without penalty, upon no more than 60 days' notice.

The Board will also review from time to time the Sanctuary's arrangements with any investment managers, investment advisors, custodians and the banks and other entities with which the

Sanctuary maintains its financial assets to ensure that the costs and fees associated with each such arrangement are appropriate and reasonable in relation to the assets, the Sanctuary's purposes and the skills available to the Sanctuary.

6 Risk Tolerance and Asset Allocation

In order to meet the Sanctuary's income and capital preservation goals, and to limit the risk of loss resulting from the concentration of assets in a specific type of investment, specific maturity, specific issuer or sector the Endowment portfolio will be diversified to include a mix of cash, fixed income and equity securities, unless the Board prudently determines that, because of special circumstances, the purposes of the Sanctuary and Endowment are better served without diversification. The Board shall review the diversification strategy periodically, provided, however, that it shall review any decision to not diversify as frequently as circumstances require but, in any event, at least annually.

Specific allocations may vary depending on market conditions and the level of interest rates. The table below shows target allocations and expected ranges for the Endowment portfolio.

	Target	Minimum	Maximum
Cash	10%	5%	N/A
Fixed Income	30%	10%	40%
Equity	60%	40%	75%

7 Reporting

The Board may request the Treasurer or the Audit, Spending & Investment Committee to report periodically to the Board on Endowment portfolio composition and performance. A comprehensive portfolio review should be prepared for Board review at least annually while the Audit, Spending & Investment Committee or the Treasurer should review performance and investment activity at least quarterly.