

# DUTCHESS COUNTY-POUGHKEEPSIE LAND BANK

## CONFLICTS OF INTEREST POLICY & RELATED PARTY TRANSACTIONS POLICY

**SECTION 1. Policy Requirements:** Any real or potential “Conflict of Interest” and/or “Related Party Transaction” (each as defined herein) and any other interested matter must be addressed in accordance with the terms of this Board of Directors Conflicts of Interest and Related Party Transactions Policy. Any Conflict of Interest and/or Related Party Transaction, or any other interested matter, authorized in a manner that is materially inconsistent with the terms of this policy may be subsequently rendered void or voidable by a vote of a majority of the Board of Directors, excluding any Directors with an interest in the subject transaction or matter.

### SECTION 2. Definitions

- a) Affiliate – An Affiliate of the Corporation means any entity controlled by, or in control of, the Corporation.
- b) Conflict of Interest – Unless otherwise specifically excluded herein, a “Conflict of Interest” means any transaction, agreement or any other arrangement, including, but not limited to a “Related Party Transaction,” as defined herein, between this Corporation and another individual or entity that confers a direct, substantial benefit to any Related Party, as defined herein. The assessment of, and any determination concerning any Conflict of Interest must be considered in strict compliance with the adopted policies and procedures of The Corporation.
- c) Director – A Director means a member of the Board who shall oversee and govern the corporation.
- d) Independent Director – An Independent Director means:
  - 1) Is not, and in the past two years has not been, employed by the Corporation or any other corporate body having the same ownership and control of the Corporation in an executive capacity
  - 2) Is not, and in the past two (2) years has not been employed by an entity that received remuneration valued at more than fifteen thousand dollars (\$15,000.00) for goods and services provided to the Corporation or received any other form of financial assistance valued at more than fifteen thousand dollars (\$15,000.00) from the Corporation
  - 3) Is not a relative of an executive officer or employee in an executive position of the Corporation or any other corporate body having the same ownership and control of the Corporation
  - 4) Is not, and in the past two (2) years has not been a lobbyist registered under a state or local law and paid by a client to influence the management decisions, contract awards, rate determinations, or any other similar actions of the Corporation or another corporate body having the same ownership and control of the Corporation
  - 5) No director of the Board shall acquire any interest, direct or indirect, in real property of the Corporation, in any real property to be acquired by the Corporation, or in any real property to be acquired from the Corporation. No director of the Board shall have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used by the Corporation.
- e) Key Person – A Key Person means any person, other than a Director or Officer, whether or not an employee of the Corporation, who (i) has responsibilities, or exercises powers or influence over the

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Corporation as a whole similar to the responsibilities, powers, or influence of Directors or Officers; (ii) manages the Corporation, or a segment of the Corporation that represents a substantial portion of the activities, assets, income or expense of the Corporation; or (iii) alone or with others controls or determines a substantial portion of the Corporation's capital expenditures or operating budget.

- f) Officer – An Officer means an officer of the Corporation including Chairperson, Vice-Chairperson, Secretary, and Treasurer elected by the Board of Directors.
- g) Related Party Transaction — Unless otherwise specifically excluded herein, a “Related Party Transaction” means any transaction, agreement or any other arrangement in which a Related Party has a financial interest and in which the Corporation, or any Affiliate, is a participant. The following circumstances shall not be considered a Related Party Transaction for purposes of interpretation of this definition or consideration of a Related Party Transaction by the Board of Directors:
- 1) the transaction, or the Related Party's financial interest in the transaction is *de minimis*;
  - 2) the transaction would not customarily be reviewed by the Board, or Boards of similar organizations, in the ordinary course of business and is available to others on the same or similar terms; or the transaction constitutes a benefit provided to a Related Party solely as a member of a class of the beneficiaries that the Corporation intends to benefit as part of the accomplishment of its mission which benefit is available to all similarly situated members of the same class on the same terms. The assessment of, and any determination concerning, any Related Party Transaction, must be considered in strict compliance with the adopted policies and procedures of the Corporation.
- h) Related Party — A “Related Party” means any:
- 1) Officer (of the Corporation or any Affiliate), as defined by statute;
  - 2) Director (of the Corporation or any Affiliate), as defined by statute;
  - 3) Key Person (of the Corporation or any Affiliate), as defined by statute;
  - 4) Founder of the Corporation;
  - 5) Individual who has made substantial monetary contributions to the Corporation;
  - 6) Relative, as defined by statute, of an Officer, Director, Key Person, founder or substantial contributor;
  - 7) Entity where an Officer, Director or Key Person, founder or substantial contributor or a Relative thereof, directly or indirectly, holds a thirty-five percent (35%), or greater, ownership or beneficial interest; or
  - 8) Partnership or professional corporation where an Officer, Director or Key Person, founder or substantial contributor or a Relative thereof, directly or indirectly, has an ownership interest in excess of five percent (5%).
- i) Relative – A Relative of an individual means a spouse or domestic partner, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and the spouse or domestic partner of the individual's brothers, sisters, children, grandchildren and great-grandchildren.

**SECTION 3. General Disclosure:** Prior to initial election, and annually thereafter, each Director shall be required to complete, sign and submit to the Secretary, or an authorized designee, as appropriate, a written statement identifying, to the best of the Director's knowledge, any entity of which such Director is an officer, director, trustee, owner (either as a sole proprietor, partner or member) or employee and with which The Corporation has a relationship, and any transaction in which The Corporation is a participant and in which the Director might have a real or potential interest. The Secretary shall provide a copy of all completed disclosure

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statements to the Board of Directors, or another authorized committee thereof, as appropriate. A copy of each disclosure statement shall be available to any Director on request.

**SECTION 4. Specific Disclosure:** If at any time during his or her term of service, a Director, Officer or Key Person (each as defined by Section 2-c) acquires an interest, or circumstances otherwise arise, which could give rise to a real or potential Conflict of Interest and Related Party Transaction, or any other interested matter, he or she shall promptly disclose, in good-faith, to the Board of Directors, or an authorized committee thereof, as appropriate, the material facts concerning such interest.

**SECTION 5. Process of Review:** Unless the Board of Directors elects to directly assume such responsibility, the Audit & Finance Committee, or another designated Committee of the Board, shall thoroughly review any real, or potential, Conflict of Interest or Related Party Transaction, or any other interested matter and submit to the Board a recommendation as whether or not it should be approved.

**SECTION 6. Affiliate Transactions:** The current, or prior, service of an Officer, Director or Key Person of this Corporation, or a Relative thereof, all as defined by statute, as an officer, director or employee, or the equivalent thereof, of any corporate entity that is,

- a) considered to be an Affiliate, as defined by statute;
- b) otherwise, controlled by, or controls, this Corporation, and/or;
- c) is an Affiliate of any corporate entity controlled by, or that controls, this Corporation, shall not, standing alone, be considered a Conflict of Interest or a Related Party Transaction for purposes of interpretation of the definition of either term or consideration of any such matter.

**SECTION 7. Standard of Review:** For purposes of this policy, amongst the considerations of the Board of Directors, the Audit & Finance Committee, or another authorized Committee of the Board, as appropriate, relative to assessment of any real or potential Conflict of Interest and/or Related Party Transaction, shall be the determination as to whether any financial interest, amounts to a Conflict of Interest and/or a Related Party Transaction, each as defined herein. Should any such financial interest be considered a Conflict of Interest and/or a Related Party Transaction, the terms of this "Conflict of Interest and/or Related Party Transaction Policy" shall apply with regard to proper consideration of the matter. Should the financial interest not amount to a Conflict of Interest and/or Related Party Transaction, as defined herein, the transaction shall be considered an ordinary business matter unworthy of additional non-customary review and/or documentation.

**SECTION 8. Authorization of Conflicts of Interest & Related Party Transactions:** The Corporation shall not enter into any matter considered to be a Conflict of Interest and/or a Related Party Transaction, or any other interested matter, unless such a financial transaction, or other matter, is determined by the Board, or an authorized committee thereof, to be fair, reasonable and in The Corporation's best interest at the time of such determination.

**SECTION 9. Authorization of Transactions Concerning Substantial Financial Interest:** With respect to any Conflict of Interest and/or Related Party Transaction, or other interested matter, in which a Related Party, or otherwise conflicted individual, has a substantial financial interest, the Board of Directors, the Audit & Finance Committee, or another authorized designated Committee of the Board, as appropriate shall:

- a) Prior to entering into any such transaction, or matter, to the extent practicable, consider alternative transactions and/or a review of information compiled from, at least, two (2) independent appraisals of other comparable transactions;
- b) Approve the transaction by not less than a two-thirds majority vote of the Directors and/or committee members, as appropriate, present at the meeting; and
- c) Contemporaneously document the basis for approval by the Board, or authorized committee, as

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appropriate, which shall include the preparation of a written report, to be attached to the minutes of any meeting where the transaction or matter was deliberated or authorized, identifying the details of the transaction or matter; alternate transactions considered; materials or other information reviewed, Directors, or committee members, present at times of deliberations; names of those who voted in favor, opposed, abstained or were absent; and, the specific action authorized.

**SECTION 10. Restrictions:** With respect to any Conflict of Interest and/or Related Party Transaction, or any other conflicted matter, considered by the Board, the Audit & Finance Committee, or another authorized designated Committee of the Board, as appropriate, no Related Party, or otherwise conflicted individual, shall:

- a) Be present at, or participate in, any deliberations;
- b) Attempt to influence deliberations; and/or
- c) Cast a vote on the matter.

Nothing herein shall prohibit the Board, or authorized committee, as appropriate, from requesting that a Related Party, or otherwise conflicted individual, present information concerning a Conflict of Interest and/or Related Party Transaction, or any other interested matter, at a Board, or authorized committee thereof, meeting prior to the commencement of deliberations or related voting.

**SECTION 11. Audit-Related Disclosure:** It shall be the duty of the Secretary to see to it that all newly-received and annually-submitted Director Disclosure Statements and any case-specific Conflict of Interest and/or Related Party Transaction reports, together the minutes of any related meetings, are promptly provided to the Secretary of the Board of Directors, or the chair an authorized committee thereof, as appropriate, in an effort to assure that they are properly considered for auditing purposes.

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### Code of Ethical Conduct & Annual Potential Conflicts Disclosure Statement

#### *Code of Ethical Conduct*

This Corporation is committed to maintaining the highest standard of conduct in carrying out our fiduciary obligations in pursuit of our tax-exempt mission and purposes. As such, each and every Director, Officer and Key Person (to the extent applicable) shall adhere to the following code of conduct:

#### **By-Laws & Policies**

- Be aware of and fully abide by the By-Laws, policies and procedures of the Corporation;
- Assure corporate compliance with respect to all statutes, regulations and contractual requirements;
- Respect and fully support the duly-made decisions of the Board of Directors in accordance with all applicable fiduciary duties, including those related to care, loyalty and obedience;
- Understand that the Executive Director, as the Corporation's chief administrative officer, has the sole responsibility for the day-to-day management of the Corporation—specifically, including the supervision of personnel—and for implementation of Board policies and directives.

#### **Informed Participation.**

- Attend most, if not all, meetings of the Board of Directors and assigned committees;
- Remain informed of all matters that come before the Board and/or assigned committees;
- Respect and follow the “chain of command” of the Board and administration;
- Constructively and appropriately bring to the attention of the Board, Officers, committee chairs and/or appropriate staff any questions, personal views, opinions and comments of significance on relevant matters of governance, policymaking and corporate constituencies;
- Oppose, on the record, actions of the Board with which one disagrees or is in serious doubt;
- Appropriately challenge, within the structure and By-Laws of the Corporation, those binding; decisions that violate the legal, fiduciary or contractual obligations of the Corporation.

#### **Conflict of Interest, Representation & Confidentiality**

- Represent the best interests of the Corporation at all times and to declare any and all duality of interests or conflicts of interests, material or otherwise, that may impede or be perceived as impeding the capacity to deliberate or act in the good faith, on behalf of the best interests of the Corporation;
- Not seek or accept, on behalf of self or any other person, any financial advantage or gain that may be offered because, or as a result, of the Director's affiliation with the Corporation;
- Publicly support and represent the duly made decisions of the Board;
- Not use or otherwise relate one's affiliation with the Board to independently promote or endorse political candidates or parties for the purpose of election;
- Maintain full confidentiality and proper use of information obtained as a result of Board service in accordance with Board policy or direction.

#### **Interpersonal**

- Maintain open communication and an effective partnership with the Corporation's Officers and various committees, if any;
- Remain “solution focused,” offering criticism only in a constructive manner;
- Not filibuster or engage in activities during meetings that are intended to impede or delay the progress and work of the Board because of differences in opinion or other personal reasons.

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### *Annual Potential Conflicts Disclosure Statement*

As a Director or Officer or Key Person of the Corporation, prior to your being seated on the Board of Directors or commencing employment with the Corporation, as appropriate, and annually thereafter, you are required to truthfully, completely and accurately disclose all information requested herein and to promptly update all such information as factual circumstances may change from time-to-time. With regard to this Conflicts Disclosure Statement, be advised, all material terms identified by quotation marks are defined in the Definitions section above.

***Please circle 'Yes' or 'No' & provide additional information when requested***

### **Financial Information Return Disclosure**

Responses to the following questions are required to complete financial information returns annually submitted to the Internal Revenue Service and the Office of the Attorney General.

1. Have you served as an Officer, Director, Trustee, Key Person, partner or member of, or hold a thirty-five percent (35%) or greater ownership or beneficial interest, or in the case of a partnership or professional corporation a direct or indirect ownership interest in exceeding five percent (5%), in an entity, which during the most recently completed, or current, fiscal year, had, or are reasonably anticipated to have, a direct, or indirect, business relationship, with the Corporation?

**No**                      **Yes**                      If **Yes**, attach a detailed explanation of the circumstances.

2. Have you, individually, or through an entity where you hold a thirty-five percent (35%) or greater ownership or beneficial interest, or in the case of a partnership or professional corporation a direct or indirect ownership interest in excess of five percent (5%), during the most recently completed, or current, fiscal year, had, or are reasonably anticipated to have, a direct, or indirect, business relationship, with any individual who is a current or former "Officer," "Director" or "Key Person?"

**No**                      **Yes**                      If **Yes**, attach a detailed explanation of the circumstances.

3. Do you have a "Relative" who, during the most recently completed, or current, fiscal year, had, or is reasonably anticipated to have, a direct, or indirect, business relationship with the Corporation?

**No**                      **Yes**                      If **Yes**, attach a detailed explanation of the circumstances.

4. Have you, or did you have a Relative who, during the most recently completed, or current, fiscal year, had, or is reasonably anticipated to have, any transaction with the Corporation that might reasonably be considered a real or potential conflict of interest pursuant to the Corporation's Board of Directors Conflicts of Interest Policy, which has not been otherwise disclosed herein?

**No**                      **Yes**                      If **Yes**, attach a detailed explanation of the circumstances.

5. The Corporation relies upon a comprehensive written Conflicts of Interest & Related Party Transaction Policy, has the Board of Directors neglected to provide you with a current draft of this policy or a sufficient opportunity to review and discuss its terms?

**No**                      **Yes**                      If **Yes**, attach a detailed explanation of the circumstances.

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### Independent Director Assessment Disclosure

*Please circle 'Yes' or 'No' & provide additional information when requested*

In order to qualify as an "Independent Director," as defined by statute, an Officer or Director must respond in the ***negative*** to each of the following questions, although failure to respond to all questions in the negative shall not necessarily preclude such an Officer or Director from serving on the Board of Directors.

1. Are you currently, or have you been within the last three (3) fiscal years, an Employee or a Key Person of the Corporation, or an Affiliate of the Corporation?

**No**                      **Yes**                      If **Yes**, attach a detailed explanation of the circumstances.

2. Do you have a Relative who is, or has been within the last three (3) years, a "Key Person" (as defined by statute) of the Corporation or an Affiliate of the Corporation?

**No**                      **Yes**                      If **Yes**, attach a detailed explanation of the circumstances.

3. Have you received, within the last three (3) fiscal years, more than ten thousand dollars (\$10,000) in direct compensation from the Corporation, or an Affiliate of the Corporation, other than reimbursement for out-of-pocket expenses or compensation as a Director?

**No**                      **Yes**                      If **Yes**, attach a detailed explanation of the circumstances.

4. Do you have a Relative who has received, within the last three (3) fiscal years, more than ten thousand dollars (\$10,000) in direct compensation from the Corporation, or an Affiliate of the Corporation, other than reimbursement for out-of-pocket expenses or compensation as a Director?

**No**                      **Yes**                      If **Yes**, attach a detailed explanation of the circumstances.

5. Are you, or a Relative, a current officer or employee of, or have a substantial financial interest in, any entity that has provided payments\* (see notes below), property or services to, or received payments, property or services from, the Corporation, or an Affiliate of the Corporation, if the amount paid by the Corporation, or an "Affiliate," to the entity or received by the Corporation, or an Affiliate, from the entity for property or services, within the last three (3)-fiscal years, exceeded the lesser of ten thousand dollars (\$10,000) or two percent (2%) of such entity's consolidated gross revenues if the entity's consolidated gross revenue was less than five hundred thousand dollars (\$500,000); twenty-five thousand dollars (\$25,000) if the entity's consolidate gross revenue was five hundred thousand dollars (\$500,000) or more but less than ten million dollars (\$10,000,000); one hundred thousand dollars (\$100,000) if the entity's consolidate gross revenue was ten million dollars (\$10,000,000) or more?

**No**                      **Yes**                      If **Yes**, attach a detailed explanation of the circumstances.

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6. Are you, or a Relative, a current owner (wholly or partially), Director, Officer or Employee of the Corporation's outside auditor, or have otherwise worked on the Corporation's outside audit at any time during the past three (3) fiscal years?

**No**

**Yes**

If **Yes**, attach a detailed explanation of the circumstances.



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### *Certification*

I, the undersigned, certify that I have read and understand this Annual Conflicts Disclosure Statement. I agree that my actions will comply with the disclosures found in this document. I further affirm that neither I, as a Related Party nor any Relative have, or had, an interest, or has taken any action, that contravenes, or is likely to contravene, the Conflicts of Interests and Related Party Transaction Policy of the Corporation or, otherwise impedes my ability to act as a fiduciary and in the best interests of the Corporation, except those that may have been disclosed herein.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title (Officer or Director)

- \* *Note: for purposes of Question #5 above, the definition the term "payments" does not include charitable contributions, dues or fees paid to the Corporation for services which the Corporation performs as part of its nonprofit purposes, or payments made by the Corporation at fixed or non-negotiable rates or amounts for services received, provided that such services by and to the Corporation are available to individual members of the public on the same terms, and such services received by the Corporation are not available from another source.*