

OPERATING POLICY 4 — Conflict of Interest

Policy

GaLTT is committed to following responsible, well-conceived conflict of interest policies and procedures to avoid real or perceived conflicts of interest, to protect our charitable status, and to maintain the highest level of credibility, confidence and trust with the community we serve and all parties with whom we work. The decisions and activities of the board of directors, volunteers, staff, and others working with GaLTT are governed by an overriding requirement of honesty, good faith and fiduciary responsibility for the organization, whether or not addressed specifically in this policy.

An individual who perceives the likelihood of ongoing, serious conflicts between a duty to serve GaLTT and that person's individual interests or competing associations should not serve on the board or as staff, both for legal reasons and to preserve the land trust's credibility.

This policy is intended to supplement but not replace any applicable provincial or federal laws governing Conflicts of Interest applicable to charitable trusts.

Definitions

- 4.1. A *Covered Person* is anyone to whom this conflict of interest policy applies. It includes but is not limited to board and staff members, volunteers, associates, substantial contributors, parties related to the above, and/or any other insider.
- 4.2. An *insider* is a person who has an ability to influence decisions of GaLTT and/or access information not available to the general public.
- 4.3. A conflict of interest may exist in different forms:
 - Self-Dealing: any situation in which a Covered Person has a financial interest in a transaction or is in or perceived to be in a position to be able to benefit personally from a decision he or she could make, or create a benefit to a family member or other organization with which they are associated;
 - Opposing loyalties: any situation in which a Covered Person finds themselves with competing or opposing loyalties separate from GaLTT due to other business, organizational, or personal relationships. Membership in or serving as a Director of another organization is not by definition a competing loyalty.
 - Loss of public credibility: a situation in which a Covered Person's actions in professional or personal roles not associated with GaLTT may create a perception of conflict of interest or cause the loss of public credibility for GaLTT.

General policy

- 4.4. Once identified, all potential conflicts of interest, either real or perceived, shall be carefully considered by the Board. The transaction or activity shall not proceed where it is determined the conflict, either real or perceived, may harm GaLTT's integrity, credibility or reputation.
- 4.5. All Covered Persons shall strive to avoid Conflicts of Interest involving their duties to GaLTT and any activity or organization in which they are financially or otherwise interested or to which they have a duty. Covered Persons must follow strict rules of honesty and fair dealing toward GaLTT and shall not use their position or knowledge gained during their association with GaLTT for their private benefit (or the benefit of their family or other close associates) nor to obtain an unfair advantage over any aspect of their dealings with GaLTT.
- 4.6. Covered Persons must promptly disclose any possible Conflicts of Interest, whether real or perceived, to the GaLTT Board, and the disclosure must be documented in writing. All disclosures shall be treated as a

Conflict of Interest until a final determination is made by the Board. Because GaLTT's mandate impinges upon government policies and actions, GaLTT Board members who are government officials, agents, employees or contractors must be particularly diligent in identifying and declaring their conflicts of interest.

- 4.7. If a Director, committee chair or other individual believes that there is potential for a conflict of interest, they must report the matter to the Board.

Obligations of the Board in conflicted situations

- 4.8. The Board shall decide on a case by case basis whether an actual or apparent conflict of interest precludes a board member from participation in any actions. When a transaction, contract, or project of GaLTT involves an actual, potential, or perceived conflict of interest with a covered person, the Board shall act as detailed in the Practices section below.
- 4.9. Any transactions that lead to an on-going conflict of interest must be reviewed by the Board or its delegate at least annually, to ensure they are still appropriate.
- 4.10. The Board shall approve a transaction or project involving a conflict of interest only after making specific findings that:
- The transaction, contract, or project is fair and benefits GaLTT and its objectives;
 - The transaction, contract, or project is approved with the board's full knowledge of its financial or other benefit to the covered person who has the conflict of interest;
 - When the covered person is a Board member, the individual did not participate in the discussion or vote approving the transaction, contract, or project and was, in fact, absent both during the discussion of the transaction, contract, or project and when the Board voted on it;
 - A more advantageous arrangement could not have been obtained with reasonable effort.

Compensation of board members

- 4.11. In general practice, Board members shall not be financially compensated for their service, except for the reimbursement of expenses.
- 4.12. In limited circumstances, the Board may compensate a board member for services that would normally be contracted out, with the following provisions:
- The work must not be part of their normal Board activities;
 - Compensation must be in compliance with any applicable charitable trust laws that apply in British Columbia and Canada;
 - For consulting or other work, the Board must obtain competitive bids for the work by at least two other contractors or document comparable costs, as relevant;
 - For the supply of materials or resources, the board must document comparable costs from other providers;
 - The circumstances, reasoning and justification for the decision will be documented and publicly available;
 - Loans will not be provided to members, directors, officers or trustees.

Land and Conservation Agreement Transactions with Insiders

- 4.13. When engaging in land and conservation agreement transactions with Covered Persons, steps shall be taken to guarantee that the Covered Person is not advantaged by their position.

Practice

General

- 4.14. Information on conflict of interest issues shall be provided to GaLTT Board members and staff as part of their orientation package and made available to any other Covered Persons when appropriate.
- 4.15. For advice on conflict of interest issues, individuals should contact the President.
- 4.16. Board meeting minutes shall document the existence of all real or perceived conflicts of interest and all actions taken to manage them, while respecting members' right to privacy. Documentation may include disclosure statements and signed copies of conflict of interest policies.

GaLTT Board

- 4.17. Board members must sign a Conflict of Interest statement in writing when they are elected, asserting that they have read and understand the document and undertake to comply with its requirements. The signed forms shall be retained by the Secretary.
- 4.18. Board and staff members shall be reminded of the policy and given an opportunity to disclose conflicts of interest at the first meeting of a new Board after an AGM.
- 4.19. GaLTT Board members shall evaluate each meeting agenda item for potential conflicts of interest involving themselves and other Board members. GaLTT board members must declare any conflict of interest, whether actual or perceived, and whether in their capacity as Board member or otherwise. Whenever possible, declarations of conflict of interest shall be made prior to the discussion of the matter in question.
- 4.20. GaLTT Board members will not advocate, move, or support motions at Board meetings pertaining to matters beyond GaLTT's objects of incorporation.
- 4.21. Where a Board member declares a conflict of interest:
 - they shall not participate in discussions about, or vote on, any matter in which they are conflicted;
 - they shall physically absent themselves during discussion and decision-making about any matter in which they are in conflict.

Management of Conflicts of Interest

- 4.22. When a real or potential Conflict of Interest situation arises, it shall be addressed promptly and resolved without delay.
- 4.23. If the Board has reasonable cause to believe that a Covered Person has failed to disclose actual or potential conflicts of interest, the President shall inform the individual of the basis for such belief and provide the individual with an opportunity to explain the alleged failure to disclose.
- 4.24. If the existence of a Covered Person's possible conflict of interest is not recognized by that individual, the determination of conflict of interest shall be decided by a simple majority vote of the Board members present at a properly constituted Board meeting, If the Covered Person is a Board member, they shall be physically absent from the discussion and vote.
- 4.25. The Board retains the option to seek independent advice on any real or potential conflict of interest.
- 4.26. If, after hearing the response of the Covered Person and making such further investigation as may be warranted under the circumstances, the Board or committee determines that the Covered Person has in fact failed to disclose an actual or potential Conflict of Interest, the Board shall take appropriate disciplinary or corrective action. This may include but is not limited to:
 - Providing further education to the individual on their responsibilities;
 - The removal of the Covered Person from all future discussions and decisions on the matter;

- Requiring the Covered Person to take a leave of absence;
- Removal from the Board, as per Bylaw part 5 section 7;
- Expulsion from GaLTT membership, as per Bylaw part 2, section 7.

Land and Conservation Transactions with Insiders

4.27. Conflicts of interest arise most commonly in real-estate transactions involving a Covered Person/Insider. This includes land purchases and sales, conservation covenant donations, conservation covenant amendments, and conservation covenant enforcement. Any transactions related to matters in which there is a conflict of interest:

- shall be approved by a simple majority of Board members without any conflicting interest, applying normal business judgement and duty of care to GaLTT;
- shall be demonstrated to be fair and provide a benefit to the land trust;
- shall demonstrate that a more advantageous arrangement could not have been obtained with reasonable effort under the circumstances;
- shall use a disinterested party to negotiate terms and implementation of any contract with a Covered Person/Insider in which a conflict of interest exists.

4.28. When engaging in land and conservation agreement transactions with insiders:

- GaLTT shall follow all transaction policies and procedures as detailed in Operating Policy 9 and in this Conflict of Interest policy;
- GaLTT shall clearly document all transactions and demonstrate that the project aligns with the land trust's mandate;
- GaLTT shall ensure that there is no private inurement or impermissible private benefit;
- For land and conservation agreement transactions with insiders, GaLTT shall obtain an independent appraisal by an appraiser certified with the Appraisal Institute of Canada to justify all costs, including the purchase or sale price;
- When selling property to insiders, GaLTT shall widely market the property in a manner sufficient to ensure that the property is sold at or above fair market value and to avoid the reality or perception that the sale inappropriately benefited an insider.

—DATE ADOPTED: January 2005; DATES AMENDED: January 2018, April 2021