



OMPRAKASH FOUNDATION

STANDING RESOLUTION OF THE BOARD OF DIRECTORS

CONFLICT OF INTEREST POLICY

(and related policies)

September 16, 2010

RESOLVED, that the Board of Directors of OMPRAKASH Foundation hereby adopts the following policies and procedures relating to conflicts of interest and transactions involving interested parties:

Conflicts of Interest

A conflict of interest may exist when the interests or concerns of an Interested Party (as that term is described below) may be seen as competing with the interests or concerns of the OMPRAKASH.

Neither OMPRAKASH nor an Interested Party shall engage in conduct which the Board of Directors considers to be an unacceptable conflict of interest.

Parties Covered by this Policy

The following individuals and organizations ("Interested party or Interested Parties") are covered by this policy, and will be so notified as appropriate, if and when their activities present a possible conflict of interest:

- **Staff Members.** All current consultants of OMPRAKASH and employees and independent contractors providing services to OMPRAKASH, and their Immediate Family, as well as Affiliated Entities of the staff members, consultants and contractors and their Immediate Family.
- **Board of Directors.** All members of the Board of Directors and their Immediate Family, as well as Affiliated Entities of the Board members and their Immediate Family.

- **Advisory Board Members.** All members of the OMPRAKASH Advisory Board and their Immediate Family, as well as Affiliated Entities of Advisory Board members and their Immediate Family.
- **Major Donors.** All donors to OMPRAKASH who have contributed a substantial amount of money or property (including real property, easements or land value), and their Immediate Family, as well as Affiliated Entities of the major donors and their Immediate Family. Ordinarily, the donation of money or assets worth \$100,000 or more in total over a three-year period will be considered substantial, although smaller amounts may be deemed substantial under the specific circumstances.
- **Insiders.** Any parties not covered above who may have inside information about OMPRAKASH due to past employment at OMPRAKASH; past service as a member of the Board of Directors or a volunteer committee, or otherwise; and their Immediate Family; as well as Affiliated Entities of Insiders and their Immediate Family. This includes those persons who, at anytime during the five-year period ending on the date of the transaction in question, were in a position to exercise substantial influence over the affairs of the organization, as well as all staff members and those with access to information not available to the general public (such as certain volunteers).

For the purposes of the definitions above, the following terms are defined:

- **"Immediate Family":** Immediate family includes spouse, brothers and sisters, spouses of brothers and sisters, ancestors, children, grandchildren, and great-grandchildren, spouses of children, grandchildren and great-grandchildren, parents in-laws, and domestic partners or "significant others."
- **"Affiliated Entity":** An Affiliated Entity is any corporation, partnership, trust or other business entity in which an individual otherwise subject to this policy (a) has a management or fiduciary role, or (b) individually or collectively, with other members of the individual's Immediate Family, owns a "Substantial Interest" in the entity. A 5% or more interest in an entity will normally be deemed a substantial Interest, although a smaller interest may also be considered substantial if the value of the entity is large.

Covered Transactions

Any transaction or situation in which an Interested Party's interests are in conflict with those of OMPRAKASH is covered by this policy. The following situations are specifically covered by this policy:

- **Buying or Selling Land.** The sale or leasing of land or any interest in land (including a conservation easement) from, or the sale or leasing of land or any interest in land (including a conservation easement) to, an Interested Party is subject to this policy.
- **Providing Goods of Services.** The purchase of goods or serviced from an Interested party is subject to this policy. Donated goods are not subject to this

policy, but donated services, such as pro bono legal or appraisal services, are covered.

- **Hiring of Employee.** The hiring by OMPRAKASH of an Interested Party (other than current employees) is subject to this policy.

Process for Addressing Potential Conflicts of Interest

When any director, officer or employee of OMPRAKASH is concerned about an actual or potential conflict of interest, he or she should disclose such circumstance to the President or a Vice President of the Organization, depending on whether the conflict or potential conflict may involve one of those parties. If it might perhaps involve both, then the information should be disclosed to a disinterested Board member. If that party, so informed of the potential for a conflict of interest, concludes that a given course of action does or is likely to constitute a conflict of interest, or give rise to the appearance of a conflict of interest detrimental to OMPRAKASH, and it is deemed advisable and reasonable to pursue the transaction despite the potential conflict or interest or appearance of a conflict of interest, the matter shall be brought for final resolution to the Executive Committee or to the Board of Directors.

If the Executive Committee, in reviewing the potential conflict of interest, concludes that a proposed transaction also raises significant policy issues, it shall refer the matter to the Board of Directors. Should a final resolution be determined by the Executive Committee the results will be reported to the full Board at their next regularly scheduled meeting.

The relevant person or body considering the potential conflict of interest shall evaluate the proposed transaction and potential conflict of interest, and may approve proceeding with the transaction if (1) all material interests have been disclosed; (2) the transaction is deemed to be fair and reasonable to OMPRAKASH and the organization's best interests; (3) the transaction does not confer any special benefit on the Interested Party; and (4) the Interested Party does not have any role in the decision and has not influenced the decision.

If the Interested Party is a member of the Board of Directors, or the Executive Committee, the Interested Party shall retire from the room in which the Board or Executive Committee meeting is taking place and shall not participate in the final deliberation or decision regarding the matter under consideration. The minutes of the meeting shall reflect that the conflict of interest was disclosed and that the Interested party was not present during the final discussion or vote and did not vote.

If a transaction is subject to this policy because the Interested party is a Major Donor due to a gift of land, easement, land value or cash in connection with a previous transaction, the potential conflict will be reviewed by the Board of Directors in connection with the review of the project giving rise to the potential conflict.

In evaluating a potential conflict of interest the Executive Committee and/or Board of Directors shall take into account the following considerations.

Goods and Services

- How important are the goods and services?
- For services, is the individual or firm better equipped than other providers and why?
- For goods, why is this provider better than other providers?
- Is OMPRAKASH being given a charitable rate or price? (In most cases this should be the case)
- Could there be a conflict of interest in managing the services?
- Has OMPRAKASH considered how the public would perceive the transaction and its effect on OMPRAKASH's reputation?

Hiring an Employee

- Is this person the best-qualified person for the job?
- Is the person being hired as a favor or a quid pro quo?
- Will there be a conflict of interest in supervising the employee?
- Has OMPRAKASH considered how the public would perceive this hire and its effect on OMPRAKASH's reputation?

Examples

Set forth below, for purposes of illustration, are several examples of situations that might present a conflict of interest:

- An OMPRAKASH employee or Board member purchases, or negotiates to purchase, for his or her own account, any land in which OMPRAKASH has shown an interest or any land that has come to that person's attention through his or her affiliation with OMPRAKASH.
- OMPRAKASH purchases, or negotiates to purchase, land in which a Major Donor has an ownership interest, or by which such donor will benefit directly or indirectly, such as by the receipt of a brokerage commission.
- OMPRAKASH sells, or negotiates to sell, land under circumstances that will benefit an Insider, such as might occur if the Insider had an ownership interest in the buyer, had a right to a commission or fee resulting from the transaction, or had an interest in an adjacent or nearby parcel that would be favorably affected by the transaction.
- OMPRAKASH procures services (for example, legal services, appraisal services, environmental assessment services or escrow services) for an OMPRAKASH land purchase or sale from a firm in which an OMPRAKASH Board member or volunteer has a financial interest.
- An OMPRAKASH employee or Board member proposes making a grant to an organization on whose board of directors or advisory council the employee or Board member sits.

Organizational Loyalty

Somewhat separate from a technical conflict of interest consideration is the requirement of **loyalty** to the organization. Competing with OMPRAKASH, or diverting an OMPRAKASH business opportunity, for personal gain by any employee or director violates the duty of loyalty to OMPRAKASH and is prohibited. Additionally, delivery of private OMPRAKASH business information to **any** party (whether or not affiliated with the employee or director) where the third party stands to benefit from the information in opposition to OMPRAKASH's interests, is prohibited by OMPRAKASH policy.

Special Rules for Transactions Involving Directors

Section 5233 of the California Corporations Code requires that any transaction involving an "interested director" be approved in advance by the full Board of Directors, except in such circumstances where is not "reasonably practicable" to obtain approval of the Board prior to entering into the transaction. A transaction covered by this statute is one in which the corporation is a party and one or more of its directors has a material financial interest (such director being an "interested director").

OMPRAKASH may enter into a transaction with an **interested director** if the following facts are established:

1. OMPRAKASH entered into the transaction for its own benefit;
2. The transaction was fair and reasonable as to OMPRAKASH at the time OMPRAKASH entered into the transaction;
3. Prior to consummating the transaction the Board of Directors approved the transaction in good faith by a vote of the majority of the directors then in office (not counting the vote of the interested director, who shall be absent from the room during such deliberation and vote, and of which the minutes of the meeting shall duly note), and with knowledge of the material facts concerning the transaction and the director's interest in the transaction; and
4. Prior to authorizing or approving the transaction the Board considered, and in good faith determined, after reasonable investigation under the circumstances, that the corporation could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

If it is not reasonably practical to obtain approval of the Board prior to entering into a transaction with an interested director, the Board hereby authorizes the Executive Committee to approve the transaction consistent with the standards set forth in paragraphs 3 and 4 immediately above. If the Board determines in good faith that the conditions of paragraphs 1 and 2 immediately above have been established, then it shall ratify the transaction at its next regularly scheduled meeting by a vote of a majority of the

directors *then in office* not counting the vote of any interested director (who shall be absent from the from during the deliberation and vote on the matter and which the minutes shall duly note).

Policy on Outside Employment by Staff

It is the position of the Board of Directors that conflicts of interest, or the appearance of conflicts of interest, may arise when OMPRAKASH employees having project or management responsibilities are engaged in employment (including consulting, self-employment or private businesses) in addition to OMPRAKASH employment.

It shall be the policy of the organization that any employee with project or management responsibilities, who has employment outside of OMPRAKASH, shall disclose such employment to the Executive Director, or to the President in the case of the Executive Director, who may approve that employment upon a finding that (1) such outside employment does not interfere with the employee's work at OMPRAKASH, (2) such employment does not present a conflict of interest with OMPRAKASH's work, and (3) such employment does not present the **appearance** of a conflict of interest. Such finding shall be **in writing** and included in the employee's personnel file.

Any employee, who has outside employment relating to real estate, land conservation, or other fields closely aligned with OMPRAKASH's work, shall consult frequently with the Executive Director, or the President in the case of the Executive Director, to avoid situations presenting conflicts of interest or the appearance of conflicts of interest.

Moreover, the appearance of a conflict of interest, as well as the potential for an actual conflict, is especially likely to exist whenever an OMPRAKASH employee negotiates on behalf of any person other than OMPRAKASH to convey property to any governmental entity to which OMPRAKASH conveys, or is likely to convey, property in the ordinary course of OMPRAKASH's work. Therefore, it is the policy of OMPRAKASH that no employee shall be permitted to negotiate, or offer to sell or transfer, property to any governmental entity other than on behalf of OMPRAKASH. The Executive Committee or the Board of Directors may authorize an exception to this rule in the event that unusual circumstances arise.

Notification of Board and Staff of this Policy

It shall be the responsibility of the Executive Director (or in the case of the Executive Director, the President) to ensure that all directors, officers and employees are provided with a copy of this policy, any revisions thereof, when adopted by the Board of Directors, and shall be required to sign and complete a Conflict of Interest Disclosure Letter indicating that they have received and read the policy, and listing any associations they have which are, or which might potentially lead to, a conflict of interest with regard to their position with OMPRAKASH. Subsequently, any new directors, officers and staff joining the organization shall be provided copies of this policy and shall be required to sign and complete a Conflict of Interest Disclosure Letter.

Annual Review and Compliance Monitoring

At least once annually each director, officer and employee shall be provided with a copy of his or her Disclose Letter to re-confirm, revise, replace or update as necessary to ensure that any conflict of interest information, or potential conflict of interest information, is maintained in an up to day manner. It shall also be incumbent upon any director, officer or employee to notify the President or Executive Director at once of any new, or change in, any association they have that might create, or potentially lead to, a conflict of interest as outlined in this policy.