

**MARIN AGRICULTURAL LAND TRUST  
CONFLICT OF INTEREST POLICY**

*Adopted March 27, 2007*

*Amended April 24, 2007*

*Adopted July 23, 2019*

This conflict of interest policy (the “Policy”) is designed to foster public confidence in the integrity of the Marin Agricultural Land Trust (“MALT”) and to protect MALT’s interest when it is contemplating entering a transaction that might benefit the private interest of a director, a corporate officer, the top management official or top financial official, an employee, a person with substantial influence over MALT, or any other insider or related person. It is therefore MALT’s policy to identify conflicts of interest involving MALT and related parties as well as situations that may create the appearance of a conflict of interest, and to address such conflicts and situations in a manner that will fully protect the integrity and reputation of MALT as well as related parties.

**Article I:  
Introduction**

MALT’s effectiveness depends on its record of accomplishment and its reputation. MALT’s success results directly from maintaining the confidence of the individuals, groups, and organizations with whom it works. MALT’s greatest asset is its good name. For that reason, it is crucial that MALT’s Policy be responsible, thorough, and well-conceived. In addition, having a sound conflict of interest policy will help MALT comply with the Land Trust Alliance Standards and Practices and will also help assure compliance with the federal and state laws dealing with insider and related party transactions.

MALT expects that all of its employees and all Insiders (defined below) will conduct themselves under strict rules of honesty and fair dealing in their relations with MALT and on behalf of MALT with third parties. Directors, officers, and staff owe the duty of loyalty to MALT and must act accordingly.

**Article II:  
Annual Disclosure and Compliance Statements**

One of the principal purposes of the Policy is to help MALT’s staff and members of MALT’s Board of Directors (“Directors”) identify and avoid or resolve conflicts of interest. For that reason, MALT will discuss the Policy at all orientation sessions for new employees and Directors. Each MALT Director and corporate officer, the top management official, the top financial official, each employee, and others that MALT may identify (including volunteers), shall annually sign a statement that affirms the person has received a copy of this Policy, has read and understood the Policy, and has agreed to comply with the Policy.

In addition to certifying receipt of the Policy, each Director, corporate officer, top management official, top financial official, and “key employee” (defined in Part II of the attached Disclosure Statement), and others that MALT may identify (including volunteers), shall annually

disclose his or her financial interests and family and business relationships that could give rise to conflicts of interest.

### **Article III: Definitions**

**Conflict of Interest:** A conflict of interest arises when, in the judgment of the body or individual determining whether a conflict exists, an Insider's, Related Person's, or Related Entity's (defined below) stake in the transaction is such that it reduces the likelihood that the Insider's influence can be exercised impartially and in the best interests of MALT.

**Insider:** "Insider" means any person with substantial influence over MALT. Insiders include:

- a. Directors;
- b. The Board Chair, Vice Board Chair, Secretary, Treasurer (Chief Financial Officer), and Executive Director (Chief Executive Officer), or any person with the responsibilities of any of these positions (whether or not the person is an officer of MALT under MALT's Bylaws and the California Corporations Code);
- c. Any other person whom the Board, based on the facts and circumstances, determines to have substantial influence over MALT. Such persons may include a founder of MALT, a Substantial Contributor (defined below), a person with managerial authority over MALT, a person with control over a significant portion of MALT's budget (such as a key employee), an officer other than those listed in (b) above, or a volunteer;
- d. Any person who met any of the definitions in (a) - (c) above at any time during the five years before the proposed transaction.

**Related Person:** "Related Person" includes spouses, ancestors, children, grandchildren, great-grandchildren, brothers, and sisters of Insiders, and the spouses of Insider's children, grandchildren, great-grandchildren, brothers, and sisters. "Related Person" also includes any person with whom a Related Person shares living quarters under circumstances that closely resemble a marital relationship or who is financially dependent upon the Related Person.

**Related Entity:** A "Related Entity" is any entity in which any combination of Insiders and/or Related Persons holds more than a 35 percent interest of the combined voting power, if the entity is a business corporation; profits interest, if a partnership; or beneficial interest, if a trust or estate.

**Substantial Contributors:** "Substantial Contributors" include any person (including an individual, foundation, other corporation) who contributed or bequeathed, in aggregate, the greater of \$5,000, or two percent (2%) of the total contributions received by MALT

during the taxable year that includes the conflict transaction and the four preceding taxable years. For the avoidance of doubt, aggregate contributions include all cash and non-cash contributions or bequests, including but not limited to securities, land, easements, or bargain-sale value. For example, contributions (including public agency grants) to MALT in FY18-19 and the four preceding years totaled approximately \$50,000,000, therefore, a person or entity would be considered a substantial contributor for making an aggregate gift of \$1,000,000 or more in the year the conflicted transaction took place.

**Material Financial Interest:** “Material Financial Interest” means any financial interest in a transaction, direct or indirect, other than one that is so minor that no one would reasonably believe that the interest could affect or influence the judgment or decisions of the person or persons involved.

**Enumerated Transaction:** “Enumerated Transaction” means any of the following transactions when between MALT and (a) an Insider, (b) a person who is currently a MALT employee, (c) a person who was a MALT employee within the five years prior to the conflict transaction, (d) a Related Person, or (e) a Related Entity:

1. **Easement Acquisition:** “Easement Acquisition” means the acquisition, either for compensation or by donation, of an agricultural conservation easement.
2. **Easement Amendment:** “Easement Amendment” means an amendment of an existing agricultural conservation easement.
3. **Stewardship Assistance Program Grant:** “Stewardship Assistance Program Grant” means a direct grant from MALT to the owner of an easement-encumbered property to assist with the implementation of a project that protects and restores soil and water quality or other agricultural or natural resource values protected by the easement.
4. **Permitted Use Request:** “Permitted Use Request” means a request from a landowner to implement certain uses allowed by an agricultural conservation easement.

Certain Enumerated Transactions are prohibited regardless of their terms.

#### **Article IV: General Procedures**

1. **Duty to Disclose.** In any situation where MALT is considering a transaction either directly with an employee, Insider, Related Person, or Related Entity, or where such proposed transaction directly or indirectly benefits such employee, Insider, Related Person, or Related Entity, the foregoing shall disclose certain information as provided below.

Each employee who is not an Insider or Related Person shall disclose to his or her supervisor all material facts regarding his or her interest (including relevant affiliations) in any transaction being considered by MALT (other than his or her own compensation as an employee). The employee shall make that disclosure promptly upon learning of the proposed transaction. If there is a question as to whether the employee is an Insider or Related Person, the Executive Director shall present this issue to the Board of Directors, and the Board shall resolve the matter.

Each Insider, other than the Board Chair, shall disclose to the Board all material facts regarding his, her, or its interest (including relevant affiliations) in any transaction being considered by MALT (other than his or her own compensation by MALT, if any). The Chair shall disclose all material facts regarding his or her interest in any transaction being considered by MALT (other than his or her own compensation by MALT, if any) to the Chair of the Governance Committee. All Insiders shall make their disclosures promptly upon learning of the proposed transaction. Insiders shall make disclosures on behalf of Related Persons and Related Entities related to them, unless the Related Person or Related Entity does so.

Anyone else whom MALT has identified as bound by this Policy shall disclose all material facts regarding his or her interest in any transaction being considered by MALT to the Executive Director.

2. Refrain from Discussing. After disclosure, the employee, Insider, Related Person, or Related Entity shall refrain from discussing the proposed transaction with the Directors and other staff members unless specifically asked by the person or committee determining whether a conflict exists.

3. Recuse Him or Herself from Voting. If the transaction involves an Insider, Related Person, or Related Entity, the Insider shall recuse him or herself from all votes related to the proposed transaction; provided, however, that this paragraph shall not apply if it is determined that no conflict of interest exists.

4. Resign from the Board. If the Insider is a Director and the Board requests the Insider to resign from the Board, the Insider shall comply. When, in the opinion of the Board, the matter has been sufficiently resolved and no conflict of interest exists, the Board may, but is not obligated to, re-elect the resigned Director to serve. In the case of an Enumerated Transaction, the resigned Director will not be eligible to be re-elected for a period of time that is not less than 12 months after the transaction is completed.

5. Determining Whether a Conflict of Interest Exists; Prohibiting Certain Enumerated Transactions.

a. With regard to Enumerated Transactions, the Executive Director shall first determine if the transaction is prohibited based on the parties to the transaction as summarized in the following chart:

	Easement Acquisition	Easement Amendment	Stewardship Assistance Program Grant	Permitted Use Requests
Current Directors	Prohibited	Prohibited	Prohibited	Allowed
Former Directors <sup>1</sup>	Allowed with waiting period <sup>2</sup>	Allowed with waiting period <sup>2</sup>	Allowed with waiting period <sup>2</sup>	Allowed
Current Insiders and Staff	Prohibited	Prohibited	Prohibited	Allowed
Former Staff <sup>3</sup>	Allowed with waiting period <sup>4</sup>	Allowed with waiting period <sup>4</sup>	Allowed with waiting period <sup>4</sup>	Allowed
Close Family <sup>5</sup>	Prohibited	Prohibited	Prohibited	Allowed
Related Persons Other Than Close Family	Allowed	Allowed	Allowed	Allowed
Related Entity	Prohibited	Prohibited	Prohibited	Allowed

If the transaction is prohibited, the Executive Director will inform the prospective counterparty, and MALT will not proceed with the transaction with that party.

b. If an Enumerated Transaction is “allowed” or “allowed with waiting period” per the chart above, it will be evaluated under this Policy in the same manner as any other transaction with such party, provided that any such Enumerated Transaction with a person who is

<sup>1</sup> “Former Director” means a person who was a director of MALT within the five years prior to the conflict transaction.

<sup>2</sup> There is a six month waiting period, which begins at the end of the director’s term or the director’s resignation from the Board, before an Easement Acquisition, Easement Amendment application, or Stewardship Assistance Project application can be made. No project can close escrow sooner than 12 months after the application is made.

<sup>3</sup> “Former Staff” means a person who was an employee of MALT within the five years prior to the conflict transaction.

<sup>4</sup> There is a six month waiting period, which begins at termination of employment. No project can close escrow sooner than 12 months after application is made.

<sup>5</sup> “Close Family” means the spouse, domestic partner, children, parents, or siblings of an Insider.

not otherwise an Insider, Related Person, or Related Entity shall be allowed or allowed with a waiting period without any further evaluation under this Policy.

c. With regard to transactions (other than Enumerated Transactions) between MALT and any party (whether an Insider or otherwise), the Executive Director shall determine whether a conflict of interest exists.

d. Notwithstanding the foregoing, the Executive Director or Board Chair may elect to refer the matter to the Governance Committee or the Board for a determination as to whether a conflict of interest exists.

6. Procedures for Addressing a Conflict of Interest. Once a conflict of interest has been found:

a. With regard to anyone with a conflict of interest who is not an Insider, Related Person, or Related Entity, the Executive Director shall ascertain that all material facts regarding the transaction and the person's conflict of interest have been disclosed, and decide the appropriate response by MALT, taking into consideration the seriousness of the conflict.

b. With regard to an Insider, Related Person, or Related Entity with a conflict of interest, the Board shall follow the procedures set forth in Article V in order to decide what measures are needed to protect MALT's interests in light of the nature and seriousness of the conflict, to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are appropriate. In the case of an Insider who is a Director, the Director shall not vote on any transaction in which the Director has an interest, and the remaining Directors shall decide the matter.

c. If the transaction is an Enumerated Transaction that requires a waiting period, as noted in the chart above, the Executive Director shall re-evaluate the transaction at the end of the applicable waiting period.

7. Efforts to Avoid a Conflict of Interest or the Appearance of a Conflict of Interest. MALT acknowledges that often Insiders and other individuals associated with MALT are motivated to offer below market services or properties to MALT in furtherance of their personal commitment to MALT's mission. Further, MALT acknowledges that in some instances, the transaction with an Insider may reflect a genuinely good bargain for MALT. In all cases in which conflicts of interest or circumstances giving rise to the appearance of a conflict are disclosed, in developing responses to such conflicts, the Executive Director or Board, as relevant, shall balance the benefit to MALT of entering into the transaction and the potential for negative consequences to the transaction.

**Article V:  
Addressing Conflicts Involving Insiders, Related Persons, and Related Entities -  
Board Review**

As provided in Article IV, Section 5(a), the Executive Director will determine whether an Enumerated Transaction is prohibited. As provided in Article IV, Section 5(b), if an Enumerated Transaction between MALT and an Insider, Related Person, or Related Entity is allowed or allowed with a waiting period, it will be evaluated under this Policy in the same manner as any other transaction with such party.

The Board may ask questions of and receive presentation(s) from each Insider, Related Person, and Related Entity, but shall deliberate and vote on the non-prohibited transaction in their absence. The Board shall ascertain that all material facts regarding the transaction and the potential conflict of interest have been disclosed to the Board, and shall compile appropriate data, such as comparability studies, appraisals, or offers received in an open bidding process, to ascertain whether the proposed transaction is fair and reasonable to MALT.

After exercising due diligence, which may include investigating alternatives that present no conflict, the Board shall determine whether the transaction is in MALT's best interest, for its own benefit, and whether it is fair and reasonable to MALT. If the transaction involves a Director, the Board shall also determine that MALT could not have obtained a more advantageous arrangement with reasonable effort under the circumstances.

If the transaction involves a Director with a Material Financial Interest, the transaction may then be approved by a vote of the majority of the Directors then in office, not including any interested Directors. If it is not reasonably practical to obtain advance approval by the full Board in this way, a Committee may approve the transaction with the Director by a vote of a majority of the Committee members, not counting any interested Committeemembers. Then, at the next Board meeting, the transaction must be ratified by the full Board, again by a vote of a majority of Directors then in office not counting any interested Directors. If the transaction does not involve a Director with a Material Financial Interest, the transaction can be approved by the Board by majority vote of those present at a meeting for which quorum requirements have been met.

**Article VI:  
Records of Proceedings**

The minutes of any meeting of the Board and any Committee pursuant to this Policy shall contain the name of each Insider, Related Person, or Related Entity who disclosed or was otherwise determined to have an interest in a transaction; the nature of the interest, and whether it was determined to constitute a conflict of interest; any alternative transactions considered; the members of the Board or Committee who were present during the debate on the transaction, those who voted on it, and to what extent Insiders were excluded from the deliberations; any comparability data or other information obtained and relied upon by the Board or Committee and how the information was obtained; and the result of the vote, including, if applicable, the terms of the transaction that was approved and the date it was approved.

The records must be prepared by the later of the next meeting of the Board or Committee or 60 days after the final action of the Board or Committee with respect to the transaction, and must be approved by the Board or Committee within a reasonable time afterwards.

**Article VII:  
Legal Standards**

MALT and its Directors and officers shall adhere to fiduciary duty and conflict of interest rules imposed by law, including those contained in Section 4958 and other sections of the Internal Revenue Code and Sections 5231, 5233, and other sections of the California Nonprofit Public Benefit Corporation Law.

**Article VIII:  
Conclusion**

Adhering to the Policy is a condition of association with MALT as an employee, volunteer, or Director. Violations of the Policy may be grounds for dismissal as an employee or volunteer or severance from the Board.

The Governance Committee of MALT's Board and the Executive Director will periodically review and assess this Policy and its implementation, and notify employees, volunteers, Directors, and other Insiders of any changes and/or revisions.

Any questions concerning the scope or possible impact of the Policy upon any Insider should be addressed to MALT's Executive Director or to a MALT staff member designated by the Executive Director.



**MARIN AGRICULTURAL LAND TRUST  
CONFLICT OF INTEREST POLICY**

**ACKNOWLEDGMENT AND FINANCIAL INTEREST DISCLOSURE STATEMENT**

Marin Agricultural Land Trust (“MALT”) follows a conflict of interest policy designed to foster public confidence in our integrity and to protect our interest when we are contemplating entering a transaction or arrangement that might benefit the private interest of a director, a corporate officer, our top management official and top financial official, any other of our employees, any person with substantial influence over MALT, or other Insider, Related Person, or Related Entity.

**Part I. Acknowledgment of Receipt (all listed persons)**

To promote awareness of and compliance with the conflict of interest policy, we provide each person listed below with a copy of the policy, and ask each to acknowledge receipt of, and agree to comply with, the policy, by completing this Part I.

I hereby acknowledge that I have received a copy of the conflict of interest policy of Marin Agricultural Land Trust, have read and understood it, and agree to comply with its terms.	
_____	_____
Signature	Date
_____	
Printed Name	

**Part II. Disclosure of Financial Interests  
(directors, corporate officers, top management official, top financial official,  
and key employees only)**

We are required annually to file Form 990 with the Internal Revenue Service, and the form we file is available to the public. In order to complete Form 990 fully and accurately, we need each officer, director and key employee (defined below) to disclose the information requested in this Part II.

A “conflict of interest,” for purposes of Form 990, arises when a person in a position of authority over an organization, such as an officer, director, or key employee, may benefit financially from a decision he or she could make in such capacity, including indirect benefits such as to family members or businesses with which the person is closely associated.<sup>6</sup> Only financial interests must be listed on this disclosure form.

The purpose of this disclosure is to provide the Board of Directors or other governing body with a meaningful opportunity to determine whether a conflict of interest exists by disclosing any interest that could give rise to a conflict of interest. Complete, accurate disclosure gives the governing body information it needs to fulfill its fiduciary obligations and to make decisions that are in the best interest of the organization.

<sup>6</sup> This definition applies for purposes of this Part II disclosure form and is more limited than the definition of a conflict of interest under MALT’s policy.

**Part II** To be completed by each director, corporate officer, top management official, top financial official, and “key employee” of MALT. “Key employee” means an employee whose total annual compensation (including benefits) from the organization and its affiliates is more than \$150,000 **and** who (a) has responsibilities or influence over the organization similar to that of officers, directors, or trustees; **or** (b) manages a program that represents 10% or more of the activities, assets, income, or expenses of the organization; **or** (c) has or shares authority to control 10% or more of the organization’s capital expenditures, operating budget, or compensation for employees.

I hereby disclose or update my interests and relationships that could give rise to a conflict of interest: [Complete the table below. Use additional pages as needed.]

Family Relationships	Names of those presenting a potential conflict of interest
Include spouse/domestic partner, living ancestors, brothers and sisters (whether whole- or half- blood), children (whether natural or adopted), grandchildren, great grandchildren, and spouses/ domestic partners of brothers, sisters, children, grandchildren, and great grandchildren	

Type of interest	Description of interest that could lead to a conflict of interest
Transactions or arrangements with MALT	
Transactions or affiliations with other nonprofit organizations	
Substantial business or investment holdings	
Other transactions or affiliations with businesses	

I am not aware of any financial interest involving me or a family member that could present a conflict of interest that I have not disclosed either above or in a previous disclosure statement.

Signature

Date

Printed Name

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