

CONFLICT OF INTEREST POLICY

The following resolution was duly adopted by the Board of Directors of the Watershed Alliance of York, Inc. (hereinafter called “WAY”) at a regularly scheduled meeting held on November 7, 2011, a quorum being present.

ARTICLE I

Purpose

The purpose of the conflicts of interest policy is to protect the Corporation’s interest when it is contemplating entering a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

ARTICLE II

Definitions

1. Corporation – The Watershed Alliance of York, Inc., which may also be referred to from time to time as WAY.
2. Interested Person – Any director, principal officer, or member of a committee with board-delegated powers who has a direct or indirect financial interest, as defined below, is an interested person.
3. Financial Interest – A person has a financial interest if the person has, directly or indirectly, through business, investment, or family ---
 - a. an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement, or
 - b. a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
 - c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

ARTICLE III

Procedures

1. **Duty to Disclose.** In connection with any actual or possible conflicts of interest, an interested person must disclose the existence and nature of his or her financial interest to

CONFLICT OF INTEREST POLICY

the directors and members of committees with board-delegated powers considering the proposed transaction or arrangement.

2. **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest, the interested person shall leave the board or committee meeting while the financial interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

3. **Procedures for Addressing the Conflict of Interest**

- a. The chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- b. After exercising due diligence, the board or committee shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- c. If a more advantageous transaction or arrangement is not reasonably attainable under the circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. **Violations of the Conflicts of Interest Policy**

- a. If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

ARTICLE IV

Records of proceedings

The minutes of the board and all committee with board-delegated powers shall contain----

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the

CONFLICT OF INTEREST POLICY

financial interest, any action taken to determine whether a conflict of interest was present, and the board's or committee's decision as to whether a conflict of interest in fact existed.

2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

ARTICLE V

Acknowledgment of Policy

Each director, officer and/or committee member with board-delegated powers shall be given this conflict of interest policy and shall execute an acknowledgment thereof before exercising any powers on behalf of the Corporation.

ARTICLE VI

Periodic reviews

To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted.

ARTICLE VII

Use of outside experts

In conducting the periodic reviews provided for in Article VI, the Corporation may, but need not, use outside advisors. If outside experts are used their use shall not relieve the board of its responsibility for ensuring that periodic reviews are conducted.

CONFLICT OF INTEREST POLICY

ACKNOWLEDGEMENT FORM

I, _____ declare that I have received a copy of the Conflicts of Interest Policy of the Watershed Alliance of York and have read and fully understand the policy. I agree to comply with the policy and understand that the Corporation is a charitable organization and that in order to maintain its Federal Tax Exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Signature: _____ Date: _____