

**CONFLICT OF INTEREST POLICY
OF
SOUTH CAROLINA TREE FARM COMMITTEE**

**ARTICLE I
Purpose**

The purpose of this Conflict of Interest Policy (this “*Policy*”) is to protect South Carolina Tree Farm Committee, a South Carolina nonprofit corporation (the “*Corporation*”), when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable Corporations.

**ARTICLE II
Definitions**

- 1. Interested Person.** Any director, principal officer, or member of a committee designated by the Board of Directors (the “*Board*”), who has a direct or indirect Financial Interest (as defined below) is an Interested Person.

- 2. 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;

 - 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 not insubstantial.

A Financial Interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a Financial Interest may have a conflict of interest only if the Board decides that a conflict of interest exists.

ARTICLE III
Procedures

1. Duty to Disclose. In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of a Financial Interest and be given the opportunity to disclose all material facts to the Board.

2. Determining Whether a Conflict of Interest Exists. After disclosure of a Financial Interest and all material facts, and after any discussion with the Interested Person, he/she shall leave the Board meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest.

- a. An Interested Person may make a presentation to the Board, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The Board shall, if appropriate, appoint a disinterested person to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board shall determine whether the Corporation can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy.

- a. If the Board has reasonable cause to believe an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform such Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the Interested Person's response and after making further investigation as warranted by the circumstances, the Board determines the Interested Person has 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 shall contain:

- a. 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 Financial Interest, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed.
- b. 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 with the proceedings.

ARTICLE V
Compensation

A director who receives compensation, directly or indirectly, from the Corporation for services provided to the Corporation in a capacity other than his or her capacity or a director of the Corporation is precluded from voting on matters pertaining to such person's compensation.

ARTICLE VI
Annual Statements

Each director shall annually sign a statement (substantially in the form of the Exhibit A hereto) which affirms such person:

- a. has received a copy of this Policy;
- b. has read and understands this Policy;
- c. has agreed to comply with this Policy; and
- d. understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

ARTICLE VII
Periodic Reviews

To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's-length bargaining.
- b. whether partnerships, joint ventures, and arrangements with management Corporations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

ARTICLE VIII
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, 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 periodic reviews are conducted

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The foregoing Conflict of Interest Policy was adopted by the Corporation's Board of Directors effective as of January 30, 2015.



Scott Phillips, Secretary

Exhibit A

FORM OF DIRECTOR'S CONFLICT OF INTEREST STATEMENT

(see attached)

CONFLICT OF INTEREST STATEMENT

The undersigned Director of South Carolina Tree Farm Committee, a South Carolina nonprofit corporation (the "*Corporation*") hereby acknowledges and agrees that he or she:

- A. has received a copy of the Conflict of Interest Policy (the "*Policy*") of the Corporation;
- B. has read and understands the Policy;
- C. has agreed to comply with the Policy; and
- D. understands the Corporation's purposes are charitable, educational and scientific, and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

This Conflict of Interest Statement is effective as of _____.

Printed Name

Signature