



Rescuing and providing sanctuary for wild and exotic animals since 1965.

CONFLICT OF INTEREST POLICY
OF
Wildlife Waystation
A California Nonprofit Public Benefit Corporation

ARTICLE I. INTRODUCTION AND PURPOSE

Wildlife Waystation (“WW”) requires its directors, officers, employees and volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. The Board of Directors (the “Board”) of WW, recognizing that it is entrusted with resources devoted to charitable purposes has adopted this Conflict of Interest Policy (the “Policy”). The purpose of this Policy is to protect WW’s interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer or other person in a position of authority within WW. WW strives to avoid conflicts of interest to ensure that it continues to operate in accordance with its tax-exempt purpose and consistently with its governing documents. This Policy is intended to supplement but not replace any state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations. If applicable, WW will comply with the California Political Reform Act, and all other applicable and relevant laws, statutes, ordinances, and rules and regulations.

ARTICLE II. DEFINITIONS

Section 1. Duty of Loyalty of Interested Persons

Conflicts of interest can place personal interests at odds with the fiduciary “duty of loyalty” owed to WW. The duty of loyalty requires that members of the Board of Directors (“Director”), certain officers and members of a committee with governing board-delegated powers, such as the Board of Advisors (each called “Interested Person” in this Policy), refrain from using his or her position for personal gain, and avoid acting on issues in which his or her personal or financial interests could conflict with the interests of WW.

Section 2. Direct and Indirect Conflicts of Interest

Conflicts of interest arise from either personal relationships or a financial interest, or both. Conflicts can arise either directly or indirectly. A *direct conflict* can arise where an Interested Person has a personal or financial interest in any matter involving WW or has a financial or personal relationship (for example, as a director, officer, manager, partner, or associate) with an entity involved in a transaction or other business with WW. An *indirect conflict*

can arise where someone related to an Interested Person by business affiliation, or a “Family Member” of the Interested Person has dealings with WW. “Family members” are defined **very broadly**, including spouse, parents-in-law, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or

adopted), grandchildren, great-grandchildren, and spouses of brothers, sisters, children, grandchildren, and great-grandchildren.

For example, a conflict of interest occurs when an Interested Person has, directly or indirectly, through a business investment or a Family Member:

- (a) an ownership or investment interest in any entity with which WW has a transaction or arrangement;
- (b) a compensation arrangement with WW or with any entity or individual with which WW has a transaction or arrangement; or
- (c) a potential ownership or investment interest in, or compensation arrangement involving, any entity or individual that is negotiating a transaction or arrangement with WW.

As you can see, the universe of conflicts of interest are very broad.

Section 3. Potential and Actual Conflicts of Interest

Acts that mix the personal or financial interests of an Interested Person with the interests of WW indicate a conflict of interest. However, not every potential conflict is an actual conflict. WW seeks to avoid potential and actual conflicts of interest, as well as the appearance of conflicts that are not material, because the appearance of a conflict of interest can be damaging to WW.

Section 4. Activities that May Present a Conflict of Interest

The following is a non-exclusive list of the types of activities that may present a conflict of interest and should be disclosed in accordance with Article III.

- (a) Adverse Interest. Participation by an Interested Person in decisions or negotiations related to a contract, transaction or other matter between WW and the Interested Person or an entity that the Interested Party or Family Member has a financial interest.
- (b) Competing Interests Competition by an Interested Person, either directly or indirectly, with WW in the purchase, sale or lease of property or services, or, in some instances, competition directly for the same donor or other external funding resources.
- (c) Use of Resources Use of WW's resources (for example, staff, contracts, donor lists, or names) for personal purposes of the Interested Person or a Family Member of an Interested Person.
- (d) Inside Information. Disclosure or exploitation by an Interested Person of information pertaining to WW's business for the personal profit or advantage of the person or a Family Member of the person or a person/entity with whom the Interested Person has an agency relationship.

Section 5 Disclosure The primary obligation of any person subject to this Policy who may be involved in a conflict of interest situation is to bring it to the attention of those designated under the disclosure procedures in Article III so that the potential conflict can be evaluated and addressed. **An Interested Person should not make the decision about whether a conflict of interest exists unilaterally.**

ARTICLE III. PROCEDURES TO DISCLOSE AND RESOLVE CONFLICTS

Section 1 Duty to Self-Disclose

An Interested Person should make an appropriate disclosure of all material facts, including the existence of any financial interest, at any time that any actual or potential conflict of interest arises. This includes an instance in which the Interested Person plans not to attend a meeting of the Board or a Board committee or Board of Advisors meeting at which he or she has reason to believe that the Board or Committee or Advisors will act regarding a matter about which he or she may have a conflict. Depending on the circumstances, this

disclosure may be made to the Chairperson of the Board, or if the potential conflict of interest first arises in the context of a Board or Committee meeting, the Interested Person should disclose the conflict of interest to the entire Board or the members of the Committee considering the proposed transaction or arrangement that relates to the actual or possible conflict of interest.

In addition, Interested Persons should make an annual disclosure of on-going relationships and interests that may present a conflict of interest, as described below.

Section 2 Disclosure of Conflicts of Others

If an Interested Person becomes aware of any potential self-dealing or common directorship transaction or other conflict of interest involving another Interested Person, he or she should report it in accordance with the requirements of this Article III.

Section 3 Evaluation of Potential Conflict

After disclosure of all material facts and any follow-up discussion with the Interested Person who has a potential conflict of interest, a determination must be made about whether a material financial interest, self-dealing transaction or other kind of actual conflict exists, and whether the proposed transaction is permissible under the Bylaws or other policies of WW. If the potential conflict is first disclosed during a Board or Committee meeting at which the Interested Person with the potential conflict is in attendance, the Interested Person shall leave the meeting while the determination of whether a conflict of interest exists is either discussed and voted upon or referred to Committee for further consideration. In either event, the decision-making body will evaluate the disclosures by the Interested Person, and will determine on a case-by-case basis whether the disclosed activities constitute an actual conflict of interest or an impermissible activity. If the disclosure is made outside of the context of a meeting, then the determination of whether a conflict exists will be referred to the Board of Directors (or the Executive Committee, if such a committee exists), for decision and action. Factors the decision-making body may consider when determining whether an actual conflict or impermissible activity exists include (i) the proximity of the Interested Person to the decision-making authority of the other entity involved in the transaction, (ii) whether the amount of the financial interest or investment is de minimis relative to the overall financial situation of WW, (iii) the degree to which the Interested Person might benefit personally if a particular transaction were approved, and (iv) any act or action by the Interested Person that is determined to be in violation of Sections 1090, et seq., and 87100, et seq., of the California Government Code, as well as the Los Angeles Municipal Code Municipal Ethics and Conflict of Interest provisions of Section 49.5.1, et seq., and the Conflict of Interest Codes of the City of Los Angeles.

If it is determined that an actual conflict of interest exists which is not a “self dealing” transaction, but involves participation by the Interested Person in decisions or negotiations related to a permissible material contract, transaction or other matter between WW on the one hand and (i) the Interested Person, (ii) an entity in which the Interested Person or a Family Member of such person has financial interest, or (iii) an entity with which the Interested Person has an agency relationship on the other hand, then the matter in question can only be authorized if approved after WW has followed the procedures set forth in Section 4.

Section 4 Procedures for Addressing a Conflict of Interest

Prior to voting on a contract, transaction or matter in which an actual conflict of interest is found to exist, the Board or Committee will follow the procedures described in this Section 4.

In all other circumstances where it is determined that an actual conflict of interest exists, the decision-making body will recommend an appropriate course of action to protect the interests of WW. All disclosures and the outcome of the deliberation about whether a conflict of interest exists will be recorded in the minutes of the appropriate deliberative meeting.

The Interested Person may make a presentation at the Board or Committee meeting at which such conflict is being considered, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest. 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. After exercising due diligence, the Board or Committee shall determine whether WW could 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.

Section 5 Interlocking Directorships.

Section 5234 of the California Corporations Code permits transactions between corporations having common directors so long as all material facts regarding the transaction and the relevant directorships are known to the respective boards of directors, and the matters are approved in good faith by a vote sufficient without counting the vote of the common director(s). Such transactions are not self-dealing transactions..

Section 6 Violations of the Conflict of Interest Policy

If the Board has reasonable cause to believe that an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose. 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 ANNUAL STATEMENTS

Section 1 Affirmation of Conflict of Interest Policy

Each person subject to this Policy shall annually sign a statement on the Conflict of Interest Disclosure Form attached, or such other form as the Board adopts, which at a minimum affirms that such person:

- (a) has received a copy of the Policy;
- (b) has read and understands the Policy;
- (c) has agreed to comply with the Policy; and
- (d) understands WW 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.

Section 2 Annual Disclosure of Relationships and Affiliations

In addition, Interested Persons shall make an annual disclosure of on-going relationships and interests that may present a conflict of interest. Disclosures should address current affiliations, as well as past affiliations for the prior two years. Conflict of interest disclosure forms should be submitted to the Treasurer annually, and when appropriate, at or prior to action on relevant business transactions.

Section 3 Annual Report of Conflict of Interest Actions Taken

The Board shall report annually the names of the Interested Persons who disclosed or whom otherwise were found to have a financial or other interest in connection with an actual or possible conflict of interest, the nature of the financial or other 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. In addition, the report

should include 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.

Section 4 Compensation

No voting member of the Board, no member of a Committee of the Board or member of the Board of Advisors will receive compensation of any form, directly or indirectly, from WW.

ARTICLE V. PERIODIC REVIEWS

To ensure WW 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 will, at a minimum, include the following subjects:

- (a) Whether compensation and benefits paid by WW are reasonable, based on competent survey information, and the result of arm's length bargaining; and
- (b) Whether partnerships, joint ventures and arrangements with management companies conform to WW'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.

This periodic compensation review shall be in addition to the Board's statutory obligation to periodically review the fairness of compensation, including benefits, paid to the President and Chief Financial Officer of WW.

ARTICLE VI. USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Article V, WW may, but need not, use outside advisors. If outside experts are used, their use does not relieve the Board of the responsibilities for ensuring periodic reviews are conducted.

CONFLICT OF INTEREST POLICY
SCHEDULE 1: CONFLICT OF INTEREST DISCLOSURE FORM

The undersigned, as a member of the Board of Directors (“Director”), an officer of WW or a member of a committee with governing board-delegated powers, such as the Board of Advisors (each called “Interested Person” in this Policy) of Wildlife Waystation (“WW”), acknowledges that:

1. he or she has received a copy of WW’s Conflict of Interest Policy (the “Policy”);
2. he or she has read and understands the Policy;
3. he or she has agreed to comply with the Policy;
4. he or she understands that WW 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; and
5. He or she discloses the following on-going relationships and interests that may present a conflict of interest: (disclosures should address current affiliations, as well as past affiliations for the prior two years, and should include all of the following: the undersigned’s employer, all nonprofit and for-profit corporations of which the undersigned is a board member or officer, and the names of the undersigned’s Family Members or business affiliates or any other relationships the undersigned has which the undersigned believes may present a potential conflict).

[Insert list of any relationships described in 5 above]

Signature: _____

Printed Name: _____

Title: _____

Date: _____