Conflict of Interest Policy for Directors, Officers, Key Persons and Employees

Purpose

As a non-profit, tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code, Rainforest Trust has an obligation to uphold the public trust. The Board of Rainforest Trust recognizes that our ability to advance our conservation mission, earn and maintain the trust of donors, partners and the general public, and enjoy the special privileges that the organization’s tax-exempt status allows, depends upon maintaining the highest standard of stewardship in how we operate, including avoiding and managing real or perceived conflicts of interest.

Therefore, each director, officer, key person and employee is required to conduct the affairs of Rainforest Trust in the best interests of the organization, to avoid conflicts between his or her personal interests and the interests of Rainforest Trust, and to ensure that he or she does not improperly benefit personally from his or her position.

Directors, officers, key persons and employees have a further responsibility to disclose conflicts of interest, as defined by this policy, and to avoid actions that could be perceived or interpreted to be in conflict with Rainforest Trust’s interest. The Board has adopted the following Conflicts of Interest Policy (the “Policy”) to comply with applicable law, to ensure fairness, reasonableness and integrity in the Board’s decision-making, and to protect Rainforest Trust’s interests when a transaction or arrangement is contemplated that might benefit the private interest of directors, officers, key persons or employees or that might result in a possible excess benefit transaction.

This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

The Board recognizes that no policy can anticipate the fullest range of circumstances that may entail a conflict of interest, and accordingly this Policy should be interpreted and applied in a way that best assists Rainforest Trust’s directors, officers, Key Persons and employees in meeting their obligations under both the letter and the spirit of the law.

Definitions

**Affiliate** – any entity controlled by or in control of Rainforest Trust.

**Conflicting Duty** – a duty of loyalty (for example, due to Board membership or an employment relationship) owed by a Covered Person or Related Party to a participant other than Rainforest Trust or an Affiliate in a proposed transaction, agreement or other arrangement.

**Covered Arrangement** is –

a. A proposed transaction, agreement or other arrangement in which:
   i. Rainforest Trust is a participant and
      1. one or more of Rainforest Trust’s Covered Persons or Related Parties of such Covered Persons has a Financial Interest or Conflicting Duty; or
      2. one or more of an Affiliate’s Covered Persons or Related Parties of such Covered Persons has a Financial Interest or Conflicting Duty; or
   ii. An Affiliate is a participant and one or more of Rainforest Trust’s Covered Persons or Related Parties of such Covered Persons has a Financial Interest or Conflicting Duty; or
   iii. Rainforest Trust or an Affiliate is a participant and there could be an actual or perceived
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conflict of interest for any other reason; or
b. A compensation arrangement that includes direct and indirect remuneration as well as gifts or favors that are substantial in nature that are provided by Rainforest Trust to a Covered Person or Related Party.

Covered Person – any Rainforest Trust or Affiliate Board director, officer, Key Person, employee, or any member of a committee with Board-delegated powers.

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 Rainforest Trust has a transaction or arrangement,
b. A compensation arrangement with Rainforest Trust or with any entity or individual with which Rainforest Trust has a transaction or arrangement, or
c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Rainforest Trust is negotiating a transaction or arrangement.

Key Person – an individual (other than directors or officers who are otherwise defined as Covered Persons), who:

a. has responsibilities, or exercises powers or influence over Rainforest Trust as a whole similar to the responsibilities, powers, or influence of directors and officers;
b. manages Rainforest Trust, or a segment of Rainforest Trust that represents a substantial portion of the activities, assets, income or expenses of Rainforest Trust; or
c. alone or with others controls or determines a substantial portion of Rainforest Trust’s capital expenditures or operating budget.

Related Party means:

a. Covered Persons;
b. The following relatives of any Covered Person:
   i. his or her ancestors;
   ii. his or her siblings and half-siblings;
   iii. the spouses of his or her siblings and half-siblings;
   iv. his or her spouse or domestic partner;
   v. his or her children, grandchildren, and great-grandchildren; and
   vi. the spouses of his or her children, grandchildren and great-grandchildren;
c. Any entity or trust of which any person described in paragraphs (a) or (b) above serves as a director, trustee, officer or employee;
d. Any entity or trust in which one or more individual(s) described in paragraphs (a) or (b) above have a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%; and
e. Any other entity or trust in which one or more individuals described in paragraphs (a) or (b) above have a material Financial Interest.

Procedures

Duty to Disclose – Upon the first knowledge by a Covered Person that Rainforest Trust is considering or
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has considered a Covered Arrangement, such person must disclose the existence of and all material facts concerning the Covered Arrangement to the Audit and Finance Committee, which will inform the Board and the Governance Committee, and may refer the matter to a committee considering the Covered Arrangement, as appropriate in the circumstances. The disclosure of a relationship shall not, by itself, constitute a conflict of interest.

Procedures for Addressing the Conflict – After disclosure of the Covered Arrangement, any Covered Person with a conflict of interest may not participate in consideration of the Covered Arrangement, shall refrain from attempting to influence the deliberations or voting on the Covered Arrangement, shall not vote on the Covered Arrangement, and shall not be present for the portion of the meeting at which the Board, the Audit and Finance Committee or the Governance Committee considers or votes on the Covered Arrangement. A Covered Person with a conflict may be counted, where applicable, in determining the presence of a quorum at a meeting that authorizes such a Covered Arrangement. A Covered Person with a conflict may be contacted by Rainforest Trust staff during the project evaluation process to provide input on the project.

After exercising due diligence, the Board or the Audit and Finance Committee shall determine whether Rainforest Trust 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. The chairperson of the Board or the Audit and Finance Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or the Audit and Finance Committee shall determine whether the Covered Arrangement is in Rainforest Trust’s best interest, for its own benefit, and whether it is fair and reasonable, and shall make a decision whether to enter into or recommend the Covered Arrangement in accordance with such determination.

The Board or Audit and Finance Committee shall make such a determination by a vote sufficient for such purpose (but in any event by not less than a majority of the disinterested members of the Board or the Audit and Finance Committee). Covered arrangements related to conservation project grants shall be reviewed by the Board.

Records of Proceedings – The existence and resolution of any conflict shall be documented in Rainforest Trust’s records, including in the minutes of any meeting at which the conflict was discussed or voted upon. The minutes shall include:

- 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 or Audit and Finance Committee decision as to whether a conflict of interest in fact existed.

- 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.

Employee Conflicts of Interest – Employees who are not directors, officers, or Key Persons shall follow the procedures above except that the material facts concerning the Covered Arrangement may be reported to the HR Officer rather than to the Audit Committee. The HR Officer shall then inform the CEO who is responsible for determining the appropriate actions to be taken. In making such determinations, the CEO may consult with the Board or with legal counsel. In all cases, the employee shall thereafter refrain from
participating in deliberations, discussions and any decisions relating to the Covered Arrangement. The CEO shall report to the Board at least annually concerning employee conflicts of interest that have been disclosed and contracts and transactions involving employee conflicts that the CEO has approved.

**Other circumstances**

- **Gifts and Gratuities.** Covered Persons shall neither give, participate in, acquiesce in, nor accept nor solicit personal gifts, gratuities, bribes or kickbacks, including non-monetized benefits such as offers of future employment or other inducements, from any individual or organization with an interest in an issue, matter, or transaction related to Rainforest Trust, including but not limited to any party seeking:
  
  a. to do business with Rainforest Trust;
  b. to influence Rainforest Trust’s decision or opinion on any proposed or pending conservation program or any matter related to hiring, promotion or contracts; or
  c. appointment to the Rainforest Trust Board of Directors or an advisory body.

  This prohibition does not apply to gifts of nominal value such as a t-shirt, award plaque or similar items; a meal; or gifts of value less than $250 in the aggregate in any one year. Gifts with an annual value of more than $250 can be received with prior approval from the chair of the Audit and Finance Committee for directors, officers and the CEO, and from the CEO for employees. This prohibition does not apply to charitable contributions to support the conservation work of Rainforest Trust’s local implementing partners and grant recipients.

- **Compensation.** A voting member of the governing board who receives compensation, directly or indirectly, from Rainforest Trust for services is precluded from voting on matters pertaining to that member’s compensation. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Rainforest Trust for services is precluded from voting on matters pertaining to that member’s compensation. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Rainforest Trust, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

- **Donor confidentiality.** Covered Persons of Rainforest Trust are strictly prohibited from sharing any Rainforest Trust donor and/or potential donor information with any other organizations or individuals. This includes but is not limited to name(s), residence(s), business(es), non-profit and community affiliations, areas of interest, and donation and/or potential donation amounts.

- **Improper influence.** No Covered Person shall attempt to influence Rainforest Trust’s position on any Covered Arrangement in which he or she has a Financial Interest or Conflicting Duty. In particular, such Covered Persons shall refrain from contacting any Rainforest Trust employee regarding any Covered Arrangement without the prior approval of the Chief Executive Officer for each such communication. This includes but is not limited to offers of assistance, status requests, and the provision of additional information. No such approval is required for communication that is initiated by a Rainforest Trust employee.

- **No competing paid or volunteer activities.** No Covered Persons of Rainforest Trust shall engage in employment, consulting work or volunteer activity outside of Rainforest Trust that does or could potentially compete with Rainforest Trust’s business and negatively affects a Rainforest Trust opportunity or initiative or implies Rainforest Trust sponsorship or support of the outside employment or activity.
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- **No employment.** No Related Party of a director may be employed by Rainforest Trust in any capacity, whether as an employee, consultant, or outside contractor, except by prior express authorization of the Board of Directors.

- **Sexual Harassment & Relationships of Board Directors with Staff.** Rainforest Trust is strongly committed to ensuring a workplace for all of its staff that is free from sexual harassment, or even the appearance of impropriety. Directors are strictly forbidden to have or solicit any type of sexual contact, or romantic relationship of any kind with any staff member, under any circumstance. There are no exceptions to this rule. Refer to the Board Handbook and Employee Handbook for Rainforest Trust’s complete sexual harassment policy.

**Violations of the Conflicts of Interest Policy**

If any person has reasonable cause to believe that a Covered Person of Rainforest Trust has failed to disclose an actual or possible Covered Arrangement, he or she shall notify the Audit and Finance Committee. The Audit and Finance Committee shall inform the Covered Person of the basis for such belief and afford the Covered Person an opportunity to explain the alleged failure to disclose. If, after hearing the response of the Covered Person and making such further investigation as may be warranted in the circumstances, the Audit and Finance Committee determines that the Covered Person has in fact failed to disclose an actual or possible Covered Arrangement, it shall take appropriate disciplinary and corrective action.

**Annual Statements**

Each Covered Person of Rainforest Trust shall annually sign a statement that affirms that such person:

1. has received a copy of this Policy,
2. has read and understands this Policy,
3. has agreed to comply with this Policy, and
4. understands that Rainforest Trust 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.

Additionally, prior to the initial election, appointment or hiring of any Covered Person of Rainforest Trust and annually thereafter, such Covered Person must complete, sign and submit to the Secretary of Rainforest Trust a written statement identifying to the best of his or her knowledge:

a. any entity or trust of which such Covered Person is an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or employee and with which Rainforest Trust or an Affiliate has a relationship;

b. any transaction in which Rainforest Trust or an Affiliate is a participant and in which the Covered Person or a Related Party with respect to that Covered Person might have a conflicting interest; and

c. any other interests of which such Covered Person is aware that could give rise to conflicts of interest.

Each Covered Person shall update his or her annual statement as necessary to reflect changes during the course of the year.

Completed annual statements shall be available for inspection by any member of the Board and may be reviewed by Rainforest Trust’s legal counsel. The Secretary of Rainforest Trust shall provide a copy of all completed annual statements to the Chair of the Audit and Finance Committee and shall periodically update the Chair of the Audit and Finance Committee concerning compliance with the annual statement requirements of this Policy.
Periodic Reviews

To ensure that Rainforest Trust 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:

- Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

- Whether partnerships, joint ventures, and arrangements with management organizations conform to the Rainforest Trust'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.

Oversight of implementation and compliance with this Policy shall be the responsibility of the Audit and Finance Committee. Questions arising about the Policy should be forwarded to the Chair of the Governance Committee for consideration and resolution.

I have received, read, and understand Rainforest Trust’s Conflict of Interest Policy and I agree to abide by the Policy. I understand that Rainforest Trust is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

I hereby disclose the following Covered Arrangements or Conflicting Duties:

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Or

I hereby disclose that I have no Covered Arrangement and no Conflicting Duty. _____ (check if applicable)

Board Director Name: SIGNED Date