

CHEBEAGUE & CUMBERLAND LAND TRUST

Policy Concerning Board Compensation

The purpose of this board compensation policy is to protect this tax-exempt organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the financial interest of an officer or director of CCLT. The effectiveness of Chebeague & Cumberland Land Trust ("CCLT") is dependent on its credibility. It is essential for CCLT to maintain a reputation for acting at all times with objectivity and fairness. This policy is intended to supplement but not replace any applicable Maine or federal law governing conflicts of interest applicable to non-profit and charitable organizations.

Members of the Chebeague & Cumberland Land Trust's Board of Directors serve as volunteers. Directors may be reimbursed upon written request for their out-of-pocket expenses made in furthering the purposes of the organization, such as stewardship expenses, supplies, conference registration fees, and purchase of items used for fundraising or other events. From time to time, the Land Trust may find it advantageous to engage members of the board as paid professional contractors or consultants.

I. Applicability

This policy applies to: (1) active members of the Board of Directors (the "Board"), including but not limited to the Officers and (2) members of all CCLT Committees, standing or *ad hoc*. The persons to whom this policy applies shall be referred to collectively herein as "Land Trust Officials."

This policy also applies to transactions and arrangements with Interested Persons, as that term is defined below. All Land Trust Officials also shall be considered Interested Persons.

II. Definitions

A. Compensation. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

B. Conflict of Interest. A conflict of interest arises whenever a Land Trust Official or Interested Person has a Financial Interest, or is perceived to have a Financial Interest, in any transaction or arrangement with CCLT.

C. Financial Interest. A person is considered to have a financial interest if the person has, directly or indirectly, through business, investment or family:

1. An ownership or investment interest in any entity with which CCLT has a transaction or arrangement;
2. A compensation arrangement with CCLT, or with any entity or individual with which CCLT has a transaction or arrangement, or

3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which CCLT is negotiating a transaction or arrangement.

A financial interest is not necessarily a conflict of interest. A person who has a financial interest will be deemed to have a conflict of interest only if the Board of Directors decides that a conflict of interest exists.

D. Interested Person. The term "Interested Person" shall be understood to mean Land Trust Officials as well as CCLT staff members, substantial contributors, family members of Land Trust Officials and staff members ("family members" being defined as spouse, domestic partner, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister), and those with access to information not available to the general public.

III. Policy

No Interested Person shall derive any economic benefit by reason of his or her association with CCLT. This rule shall apply even in instances where an individual's conduct may not be legally proscribed, because the CCLT Board recognizes that personal relationships or competing interests may create an appearance of impropriety sufficient to undermine public confidence in the fairness and honesty of CCLT and its activities. From time to time, the Land Trust may find it advantageous to engage members of the board as paid professional contractors or consultants. If such a situation arises, the Board of Directors will be fully informed, evaluate the potential for conflict of interest, and approve of the contract in advance.

A. Land Trust Officials' Obligations; Compensation.

1. In General. Every Land Trust Official is charged with the following responsibilities and obligations:

- a. To disclose on an on-going basis the existence of any real, apparent or possible conflict of interest concerning himself, herself or another Land Trust Official.
- b. To abstain from discussing any issue that involves an actual or perceived conflict of interest, unless requested by the Board or Committee.
- c. To be absent from Board or Committee discussions on any such transaction or project involving a conflict of interest, unless requested by the Board or Committee.
- d. In all circumstances, to abstain from voting on any such issue.
- e. If so requested by the Board, to take a temporary leave of absence until such matter has been concluded.

2. Compensation.

a. Any Land Trust Official who receives compensation, directly or indirectly, for services provided to CCLT is precluded from voting on matters pertaining to his or her compensation.

b. No Land Trust Official who receives compensation, directly or indirectly, from CCLT shall be prohibited from providing information to any committee regarding compensation.

3. Contractual Arrangements

a. From time to time, the Land Trust may find it advantageous to engage members of the board as paid professional contractors or consultants. If such a situation arises, the Board of Directors will be fully informed, evaluate the potential for conflict of interest, and approve of the contract in advance.

b. To avoid the potential for or appearance of private inurement or self-dealing, if a member of the Board is to be compensated for his or her service, then the full Board shall act, in the absence of the member to be compensated, to approve the business arrangement only if the following findings are made and documented in the board minutes:

c. The Board finds that an arrangement more advantageous to the Land Trust cannot be obtained with reasonable effort under the circumstances. This may be done by seeking multiple bids or quotes for the same work from qualified individuals or companies providing similar service; or by thoroughly investigating the hourly or daily rates for similar service available in the local market.

d. The Board approves a written contract outlining the term, compensation and required deliverables, following the Land Trust's model contract and standard business procedures.

e. The Board has discussed and approved of the contracting arrangement, and is confident with the Executive Director's willingness and ability to exercise independent judgment and ensure timely and quality service, as he or she would with any outside contractor, without regard for the person's status as a member of the board.

f. Engaging a member of the Board in a professional capacity will not create a perception in the community that will be detrimental to the Land Trust.

IV. ByLaws

As stated in CCLT's "Final ByLaws as adopted 8-10-06 effective 7_10_07"

Article VIII

Prohibition Against
Private Gain

No Officer or Director shall receive any pay or compensation from the Corporation directly or indirectly for the performing of such duties. No member of the Corporation shall receive any pay, compensation or benefits from the Corporation for being a member. This Bylaw shall not prohibit the reimbursement of incidental expenses necessarily incurred in the business of the Corporation by any Officer or Director duly authorized, and also shall not prohibit the employment of persons, including members, to perform duties for the Corporation and to receive compensation therefore upon proper authorization from the Board of Directors.

V. Association

This Policy is to be used in reference to CCLT's Policy Concerning Conflicts of Interest and Insider Transactions.

Dated: June 7, 2010

Certified by

Kerry McCormack
Kerry McCormack
Secretary