

NATIONAL TRUST FOR HISTORIC PRESERVATION BOARD OF TRUSTEES

CONFLICT OF INTEREST POLICY

The effectiveness of the National Trust for Historic Preservation as a nonprofit institution depends on its reputation as an organization that adheres to the highest ethical standards. The National Trust's Board of Trustees is committed to ensuring that the individuals who have an opportunity to influence the activities and operations of the National Trust as "insiders"—its Trustees, members of the Board of Advisors, members of the Historic Sites Councils and Boards, its management and employees—maintain high ethical standards as well. This is particularly the case for Members of the Board of Trustees, who have important fiduciary responsibilities to the National Trust. With this in mind, the Board of Trustees of the National Trust has adopted this Conflict of Interest Policy. Part I of this policy addresses transactions between the National Trust and Trustees and other individuals having special influence. Part II addresses other potential conflicts and sets forth disclosure and review procedures. Part III sets forth general provisions, including recusal requirements, promulgation of procedures, and standards of interpretation.

Part I: Restrictions on Transactions Involving the National Trust

(A) Restrictions on Transactions between Board Members and the National Trust.

Except for those transactions described in subparagraphs (1) or (2), it shall be the general policy of the National Trust that Members of the Board of Trustees (including non-Trustee representatives serving on Board Committees) shall not engage in transactions with the National Trust (or be involved in any transaction in which the National Trust has a material financial interest) if any such transaction involves the acquisition, transfer, or exchange of services, property, goods, or other interests (whether tangible or intangible) for monetary consideration or other value ("restricted transactions"). This policy shall also apply to restricted transactions between the National Trust and any close relative of a Member of the Board (a spouse, parent, sibling, or child or any other relative by blood or marriage living in the same household), or any organization with which any Member of the Board is affiliated (as a director, manager or employee, or in which the member has a significant financial interest, generally more than a five percent voting interest). The policy shall apply during, and for one year following, the tenure of the individual covered by this policy on the Board of Trustees.

(1) Transactions Not Included. This restriction on transaction shall not apply to any of the following:

- the charitable donation of cash or publicly traded securities with a determinable cash value;
- the reimbursement of ordinary and customary expenses reasonably incurred in connection with services provided on behalf of the National Trust;
- the provision of services provided to the National Trust on a voluntary or *pro bono* basis;

- the arms-length purchase of goods or services from any corporation or organization affiliated with a Member of the Board if those goods or services are routinely offered to the general public, when purchased under the same or better terms than are available to the public;
- the extension of grants, loans, or other financial awards to organizations with which a Member of the Board or a close relative may be affiliated (as a director, manager, employee, or contractor, or in which the member has a significant financial interest), *if* the award: (1) is made in the ordinary course of the National Trust's grant, loan, or investment programs (or those of any National Trust subsidiary); (2) is awarded on an arms-length basis; (3) is granted without the participation of the applicable Member of the Board; and (4) in the case of a for-profit organization, is made following full disclosure and detailed review as a "potential conflict of interest" in accordance with the Conflict of Interest Review Process described in Part II(D) below.

(2) Unusual Circumstances. It is recognized that, in some circumstances, it may be in the best interests of the National Trust to permit a transaction otherwise prohibited by this policy, in order to further the National Trust's charitable purposes. If the Chairman of the Board of Trustees, after consultation with the President, the Vice President & General Counsel, and the Chairman of the Audit Committee, determines that a transaction that is otherwise restricted should proceed as being in the best interests of the National Trust, he or she may refer the matter to the Executive Committee of the Board of Trustees to consider authorizing the transaction, following full disclosure and detailed review in accordance with the Conflict of Interest Review Process described in Part II(D) below. As provided in Part II(D) the Chairman may seek the advice of an individual or group of individuals independent of the National Trust before referring the matter to the Executive Committee. If approved by a majority of the members of the Executive Committee, the transaction shall be reported to the full Board of Trustees at the next regularly scheduled meeting of the Board.

(B) Restrictions on Transactions with Other Individuals with Special Influence. It is the policy of the National Trust that restricted transactions with or involving other individuals having a position of special influence with the National Trust shall not necessarily be prohibited, but shall be subject to full disclosure and detailed review as a potential conflict of interest (as described below). For purposes of this Policy, an individual "having a position with special influence" means a member of the National Trust's Board of Advisors, any member of a National Trust Historic Site Council or Board, or any Officer or Director of a subsidiary or other corporation owned or controlled by the National Trust.

Part II: Disclosure, Review, and Resolution of Other Conflicts of Interest

(A) Other Potential Conflicts of Interest Involving Trustees or Other Individuals with Special Interest. In addition to specific restricted transactions with, or involving, the National Trust, a potential conflict of interest is deemed to exist whenever any Member of the Board of Trustees or any other individual with special

influence: (1) has an existing or potential interest that interferes in any way, or even appears to interfere with the interests of the National Trust; (2) has an existing or potential interest which may impair his or her independent judgment in the discharge of responsibilities to the National Trust; (3) uses (or allows others to use) knowledge or information that is confidential or proprietary to the National Trust for his or her benefit or the benefit of a close relative or affiliated organization; or (4) seeks or receives improper personal benefits as a result of his or her relationship with the National Trust, including taking advantage of any relationship between the National Trust and any third party, such as vendors, contractors, or affiliates. For purposes of this policy, a conflict of interest includes not only individual financial gain in conflict with an individual's duties to the National Trust but also conflicts arising from any interest in or duty to another organization.

(B) Policy. It is the policy of the National Trust that conflicts and potential conflicts of interest involving any Member of the Board of Trustees or any other individual with special influence shall be disclosed, reviewed and resolved to fulfill the best interests of the National Trust, and in a manner that will fully protect the integrity and reputation of the National Trust as well as the integrity and reputation of the individual in question

(C) Disclosure of Potential Conflicts of Interest. Any person with knowledge of any restricted transaction or activity that may constitute a potential conflict of interest governed by this policy shall promptly and fully disclose the restricted transaction or activity to the Vice President & General Counsel of the National Trust, who shall serve as the National Trust's principal Ethics Officer. If the Vice President & General Counsel makes an initial determination that the transaction or activity involves a potential conflict of interest, the matter shall be referred to the Chairman of the Board.

(D) Conflict of Interest Review Process. If the Chairman, after consultation with the President, the Vice President & General Counsel, and the Chairman of the Audit Committee, determines that a transaction or activity appears to conflict with the interests of the National Trust, he or she may (1) reject the proposed transaction or activity; (2) condition the proposed transaction or activity to eliminate the potential conflict; or (3) refer the matter to the Executive Committee to authorize the transaction or activity after full disclosure and detailed review. Before referring the matter to the Executive Committee, and at his or her option, the Chairman may first seek the advice of an individual or group of individuals independent of the National Trust, selected by the Chairman. The Executive Committee may authorize the transaction or allow the proposed conflicting activity after full disclosure and detailed review. The transaction or activity may proceed if approved by a majority of the members of the Executive Committee. If approved, the transaction or activity shall be reported to the full Board of Trustees at the next regularly scheduled meeting of the Board.

Part III: General

(A) Procedures. The review and resolution of conflicts of interest and potential conflicts of interest shall be carried out in accordance with such standards and procedures as may be promulgated by the Trusteeship & Governance Committee, in consultation with the Executive Committee. Such standards and procedures shall specify the general requirements relating to the process and standards for review, the retention of records, maintaining the confidentiality of information, and requirements

for annual disclosure statements. Information disclosed in furtherance of this Policy will be handled strictly in accordance with the standards and procedures implementing this Policy.

(B) Recusal. When any restricted transaction or potential conflict of interest is under consideration by the staff or Board of the National Trust, the interested person shall, after full disclosure of his or her interest, recuse himself or herself from any further consideration of the matter by the National Trust, and shall not be present during any staff, Board or committee discussion or decision on the matter, except to provide information if specifically requested. However, the interested person shall provide the staff, Board, or applicable committee with any and all relevant information on the particular matter.

(C) Interpretation. It is intended that this policy will be interpreted in the manner that best protects the interests of the National Trust. Each Trustee and any other person with a fiduciary relationship to the National Trust has a duty to place the interests of the National Trust foremost in any dealings involving the National Trust, and each has a continuing responsibility to comply with the requirements of this Policy. A member of the Board of Trustees or other individual with special influence whose personal or business interests conflict with the best interests of the National Trust should either divest himself or herself of that interest, or end his or her relationship with the National Trust.

[Adopted May 21, 2006, amended May 16, 2009]