

Policy of the Westmoreland Association, Inc. Regarding
CONFLICTS OF INTEREST
Adopted June, 2014

Section 1. Definition of Conflicts of Interest.

A conflict of interest will be deemed to exist whenever a director, officer or employee of the Association is in the position to approve or influence Association policies or actions which would or might any member's, officer's or director's property, real or personal, or financially benefit or harm: (a) any member, director or officer of the Association; (b) any member of the member, director or officer's immediate family (spouse, parents, children, brothers or sisters, and spouses or domestic partners of these individuals); or (c) any organization or business in which the member, director or officer, or an immediate family member is an owner, director, trustee, officer, member, partner or has or controls more than a 10% ownership interest. For purposes of this Article, "Association" shall mean the Corporation that is the Westmoreland Association.

Section 2. Disclosure of Conflicts of Interest.

A director or officer shall disclose, in writing, to the Board, and to the President of the Association, any actual or potential conflict of interest as soon as possible after the director or officer learns of the conflict. Such disclosure shall be made at least three business days prior to any vote by the Board or any actions by the officers that relate to the conflict. If the matter is before a committee, the action or transaction in question shall be referred to the Board and no further action on the matter shall be taken until the matter can be considered by the Board.

Section 3. Approval of Contracts and Transactions Involving Potential Conflicts of Interest.

Following receipt of information concerning an action or transaction involving an actual or potential conflict of interest, the Board shall consider the material facts concerning the proposed action or transaction. The Board shall approve only those actions or transactions in which the terms are fair and reasonable to the Association and the arrangements are consistent with the best interests of the Association. The Board shall set forth the basis for its decision with respect to approval of actions or transactions involving conflicts of interest in the minutes of the meeting at which the decision is made, including the basis for determining that the action or transaction is fair to the Association.

Section 4. Validity of Actions Involving Conflicts.

No action or transaction of the Association in which one or more of its directors, officers, or employees has an actual or potential conflict of interest shall be either void or voidable solely because a director has such a conflict or potential conflict. The

director with the conflict or potential conflict may not be present at the meeting of the Board which authorizes the action or transaction nor may such director participate, in any manner or form, with the Board's discussion on that matter. Further, such director shall not discuss the matter with Board members or officers for the purposes of influencing any Board action or Board member, at any time prior to the Board meeting, during any period of adjournment or continuing discussions, or following the determination of the issue by the Board. Interested directors may be counted in determining the presence of a quorum at a meeting of the Board which authorizes such contract or transaction, but shall not remain in the room during the Board's discussions or deliberations relating to that matter. At the times of the discussion, the vote and the decision, concerning the authorization of such contract, issue or transaction, the interested director or officer should not be present at the meeting.

Section 5. Requirements

Prior to the election of any Director, such nominee shall provide to the Secretary of the Association a written statement identifying, to the best of that nominee's knowledge, any entity of which that nominee is a director, officer trustee, member, owner or employee and with which the Association has a relationship or is likely to have a relationship, cooperative, business-related, adversarial or otherwise, in which the nominee for director might have a conflicting interest. Such statement shall be annually filed with the secretary of the Association at the annual meeting or within 10 business days of the annual meeting of the Association. The Secretary shall supply a copy of all such statements to the chair of the board within 20 business days of the annual meeting.