

Pacific Lumber Inspection Bureau Conflict of Interest Policy

Scope

It is the policy of the Board of Directors of Pacific Lumber Inspection Bureau ("PLIB") that its members disclose and avoid any potential conflicts of interest. This policy is intended to prevent the judgment of the Board from being influenced or compromised by economic or business relationships. In addition, IRS Form 990 filing now requires disclosure of familial or business relationships between officers, directors and certain employees of PLIB.

Reporting Responsibility

To accomplish this policy and comply with IRS requirements, all Board members shall submit a "Conflict of Interest and Disclosure Statement" on an annual basis. To avoid harm to the Bureau, any potential conflict should be disclosed as soon as possible. The statement shall be distributed to each Director and officer and to the Secretary-Manager. The Conflict of Interest Policy and the Conflict of Interest and Disclosure Statements shall be kept in the official files of the PLIB and shall be open to inspection by all Board members at any time.

Responding to Potential Conflict Violations

Any Board member or the Secretary-Manager may at any time during any Board meeting, raise a potential conflict. When any potential conflict comes before the Board, the affected Board member shall answer any questions that might be asked by other Board members, the President, the Secretary-Manager or PLIB legal counsel. The President may request the Board member to refrain from:

1. participating in the discussion involving the conflict;
2. remaining in the room while the matter is discussed;
3. voting on any matter related to the issue;
4. insulating the Board member from documents that might be related to the matter;
5. any other action he deems necessary or proper.

The Board may take any action it deems necessary or helpful in the matter of conflict or potential conflict of interest. Such action may range from asking for the resignation of the affected Board member to no action. If the Board member disagrees with the ruling of the President, the Board may vote on the ruling (the involved member not voting), and the member shall abide the result. In the case of removal from office, the procedures in the Bylaws shall apply. In the event the conflict affects the President, the Vice President shall preside.

If the matter is the item of business for which a special meeting of the Board is called, the affected Board member shall not be counted as a director then serving for purposes of establishing a quorum, nor shall he or she participate in the deliberations or vote on it.

Effective Date

Revised and adopted by the Board of Directors on December 6, 2007.