

New England Electric Railway Historical Society
POLICIES AND PROCEDURES

Classification
Administrative

Number
02.2008.12.3

SUBJECT: Conflict of Interest Policy

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Issue Date: December 13, 2008

Revision Date:

Revision:

I. Statement of Policy:

A possible conflict of interest exists when a trustee, officer, or a person in any position of authority and decision making or an active member delegated with direct responsibility for an activity by the Board of Trustees or an officer of the society, hereinafter called an "interested person" has a material personal interest, either direct or indirect, in a proposed business transaction or an action of any kind involving the New England Electric Railway Historical Society or any of its subsidiaries or operations, hereinafter referred to as the Society.

When an "interested person" has an interest in a transaction being considered by the Society, that person must disclose that conflict so that the Board of Trustees or the management staff can take appropriate action on the matter.

Any "interested person" who is also a trustee must not vote or use his or her personal influence on such a transaction, and must not be present when the matter is discussed by the board.

The minutes of the meeting shall reflect that any disclosure made regarding the aforementioned transaction(s) or action(s), that the trustee abstained from voting, and that the trustee was not present when the matter was discussed and voted upon.

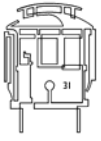
This policy shall also apply to immediate family members of interested persons, the Society's committees, society officers whom are not trustees, and its volunteers. Trustees, officers, committee members, staff members, and volunteers will be required to annually review this policy and to submit a signed written statement attesting to their familiarity with this policy, and, if necessary, to provide required information concerning any possible conflict of interest so that disclosure is made on a recurrent basis.

Staff members and their immediate families shall not benefit materially from the Society beyond receipt of salaries, fringe benefits, and reimbursement for authorized expenses.

II. Definition of Material Personal Interest:

A material personal interest is:

1. an ownership or investment interest in any entity with which the Society has a transaction or arrangement or a recurrent financial activity;
2. a compensation arrangement with the Society or with any entity or individual with which the Society has a transaction or arrangement; or



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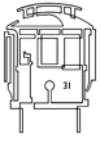
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3. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Society is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts, favors, and non-financial benefits that are not insubstantial.

III. Procedures:

1. The "interested person" shall disclose to the Board, in writing, the material facts as to his or her material personal interest in the transaction and in any corporation, partnership, association or other organization involved in the transaction prior to the meeting at which the Board acts upon the transaction.
2. If the "interested person" is a trustee, that trustee shall absent himself or herself from the meeting while the transaction is discussed and acted upon.
3. A disinterested trustee, or other disinterested party(ies) familiar with the transaction, shall present evidence of the fairness of the proposed transaction, such as competitive bids or comparable price quotations, or a statement by the "interested person" as to the nature of the potential conflict of interest.
4. The vote of a majority of the disinterested trustees participating in the meeting and constituting a quorum, after reaching a decision regarding whether the proposed transaction is fair to the Society, will be required for approval of the transaction. The minutes for the meeting will reflect that a disclosure of interest was made and that the interested trustee(s) abstained from voting and were not present during the Board's consideration of the transaction, and that the consensus reached by the Board that their vote on the matter was in the best interests of the society and was right and proper.
5. These procedures (i) will apply to transactions approved after the date of adoption of this policy; (ii) will not apply to reimbursement of approved expenses actually incurred by any trustee in the course of performing his or her duties as such; and (iii) may be waived or altered in any particular case by vote of a majority of the full Board of Trustees for good cause shown in writing and included in the minutes of the meeting in which the vote was taken.



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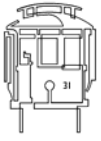
IV. Potential Conflict Report:

To assist in implementing this Policy, each proposed new Board member will file a Potential Conflict Report in the form of Attachment A hereto upon agreeing to consideration by the nominating committee as a potential candidate for election to the position of trustee. This requirement shall apply to officer candidates prior to their appointment by the Board of Trustees.

The Report of Potential Conflict shall be filed with the Corporation Secretary as soon as possible prior to the nomination of the proposed new board member, so that it is in place before the election of such candidate, or appointment if the candidate is being appointed to fill an unexpired term of a trustee, or by a proposed officer candidate prior to appointment by the Board.

The Nominating Committee shall have the responsibility for distributing the Report of Potential Conflict to nominees for trustee and non-trustee corporate officers.

Existing Board members and non-trustee corporate officers shall file a Report of Potential Conflict annually, at the Trustees Meeting following the Annual Meeting of the Membership, with the Corporation Secretary, whose responsibility it will be to oversee the annual distribution of such forms to existing members of the Board of Trustees as stated above.



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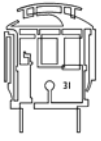
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Issue and Revision Record

Revision	Description	Prepared By	Approved By	Action Item	Date
- - -	Initial release	J. N. Sisson	Board of Trustees	2008.12.3	12-13-2008



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Attachment A

Potential Conflict Report

Please answer all questions. If the answer is "YES," please provide an explanation. An affirmative response does not imply that the relationship is improper or that it should be terminated.

During the past twelve months, have you or any related party [1] had any interest, direct or indirect, in any contract or transaction with the New England Electric Railway Historical Society or any of its subsidiaries or operations? No Yes

Do you or any related party have any interest, direct or indirect, in any pending or proposed contract or transaction with the New England Electric Railway Historical Society or any of its subsidiaries or operations? No Yes

Do you or any related party have any other interest, which might conflict, or might be perceived to conflict, with your duty of loyalty to the interests of the New England Electric Railway Historical Society or any of its subsidiaries or operations? No Yes

The answers to the foregoing are accurate to the best of my knowledge and belief, and I will promptly notify the Corporate Secretary of the New England Electric Railway Historical of any change, which would make any of the answers no longer accurate.

Date: _____ Printed Name: _____ Signature: _____

[1] For this purpose, a "related party" is defined as members of your immediate family, which includes your spouse, children, siblings, and parents; estates, trusts, partnerships, limited liability companies, corporations, for or not-for-profit, and other entities in which you or any member of your immediate family has a present or vested future beneficial interest or serves as an officer, director, or trustee, other than entities in which you and your immediate family members in the aggregate own less than five percent in value of all traded securities.