



## CONFLICT OF INTEREST POLICY

This Conflict of Interest Policy (including any amendments) (this “Policy”) of National Society for the Preservation of Covered Bridges (the “Society”), a charitable corporation organized under the laws of the Commonwealth of Massachusetts, is adopted to comply with applicable law and to assist each of the following individuals (each such individual, a “Fiduciary”) to fulfill his or her duties, including fiduciary duties, to the Society: each member of the Society’s Executive Board (the “Board”), each member of each Committee of the Board, and each officer of the Society.

### **A. DUTY TO DISCLOSE; DISCLOSURE STATEMENTS**

Each year, at or around the time of the annual meeting of the Board, the Society shall deliver to each Fiduciary a copy of this Policy and a disclosure statement (a “Disclosure Statement”) in the form attached to this Policy as **Exhibit A** or in such other form as may be adopted from time to time by the Board. Within a reasonable period (but no more than four weeks) after delivery of the Policy and the Disclosure Statement to a Fiduciary, the Fiduciary shall complete, execute, and deliver to the Society a Disclosure Statement by means of which the Fiduciary will disclose any areas of a potential conflict of interest and will acknowledge receipt of this Policy and the Fiduciary’s understanding of this Policy. New Fiduciaries will be provided a copy of this Policy and an incomplete Disclosure Statement and will complete, execute, and deliver to the Society a Disclosure Statement prior to beginning the Fiduciary’s service to the Society.

Except as otherwise required by the form of Disclosure Statement then used by the Society, when completing a Disclosure Statement, a Fiduciary shall disclose all organizations of which the Fiduciary is an officer, director, trustee, member, owner, shareholder, employee, or agent and with which the Society has or reasonably may be expected to have a relationship or any transaction.

The Secretary of the Society shall be responsible for delivering, receiving, and maintaining records with respect to Disclosure Statements on behalf of the Society.

### **B. DUTY OF FIDUCIARIES TO DISCLOSE AND, EXCEPT IN LIMITED CIRCUMSTANCES, TO ABSTAIN FROM ENGAGING IN PROHIBITED PECUNIARY BENEFIT TRANSACTIONS**

At such time as any matter comes before the Board that may give rise to a potential pecuniary benefit transaction, a Fiduciary shall advise the Board about the potential conflict, regardless of whether such matter is included on any Disclosure Statement delivered to the Society by such Fiduciary. Without limitation, a pecuniary benefit

transaction involving the Fiduciary and the Society is a conflict of interest that must be disclosed, unless the conditions described in Section B(3) below are satisfied. Sections B(1) and B(2) define “pecuniary benefit transaction” for this purpose.

- (1) **Pecuniary Benefit Transactions Defined.** Except as set forth in Subsection (2) below, a pecuniary benefit transaction means a transaction to which the Society is a party and in which a Fiduciary has a financial interest, direct or indirect. An indirect financial interest may arise where the transaction involves a person or entity in which a Fiduciary or a member of the immediate family of a Fiduciary has a material interest, including any entity with respect to which the Fiduciary or the Fiduciary’s immediate family member is a proprietor, partner, employee, officer, or an owner of more than 10% of the issued and outstanding voting equity of the entity.
- (2) **Exclusions from the Definition of “Pecuniary Benefit Transactions.”** The following are not pecuniary benefit transactions:
  - (a) Expenses incurred in connection with the official duties of any Fiduciary;
  - (b) A benefit provided to a Fiduciary or member of the immediate family of a Fiduciary if (A) the benefit is provided or paid as part of the Society’s programs, benefits, or payments to members of the general public; and (B) the Society has adopted written eligibility criteria for such benefit in accordance with the Society’s Bylaws and/or applicable law; and (C) the Fiduciary or the Fiduciary’s immediate family member meets all of the eligibility criteria for receiving such benefit;
  - (c) A continuing transaction entered into by the Society merely because a person with a financial interest in such transaction subsequently becomes a Fiduciary of the Society.
- (3) **Prohibited Pecuniary Benefit Transactions.** A pecuniary benefit transaction is prohibited unless it is in the best interest of the Society and unless all of the following conditions are met:
  - (a) The transaction is for goods or services purchased or benefits provided in the ordinary course of the business of the Society, for the actual or reasonable value of the goods or services or for a discounted value, and the transaction is fair to the Society;
  - (b) The transaction receives affirmative votes from at least a majority of all the disinterested members of the Board, which majority shall also equal or exceed any quorum requirement specified in the Bylaws of the Society;
    - (i) After full and fair disclosure of the material facts of the transaction to the Board and after notice and full discussion of the transaction by the Board;

- (ii) Without participation, voting, or presence of any Fiduciary with a financial interest in the transaction or who has had a pecuniary benefit transaction with the Society in the same fiscal year, except as the Board may require to answer questions regarding the transaction; and
  - (iii) A record of the action on the matter is made and recorded in the minutes of the Board;
- (c) The Society shall maintain a list disclosing each and every pecuniary benefit transaction, including the names of those to whom the benefit accrued and the amount of the benefit, and shall keep such list available for inspection by members of the Board and contributors to the Society. The list shall also be reported to Attorney General of the Commonwealth of Massachusetts each year as part of the Society's annual report.

**C. DUTY TO PROVIDE RECORDS TO THE DIVISION OF PUBLIC CHARITIES**

Every Fiduciary or member of the immediate family of such Fiduciary who engages in a pecuniary benefit transaction with the Society shall provide copies of all contracts, payment records, vouchers, other financial records or other financial documents at the request of the Massachusetts Attorney General's Division of Public Charities.

**E. DUTY TO ABSTAIN FROM BORROWING MONEY OR PROPERTY.**

The Society shall not lend money or property to any Fiduciary or guaranty the obligation of any Fiduciary. Any Fiduciary who assents to or participates in the making of any such loan shall be jointly and severally liable to the Society for the amount of such loan until it is repaid.

Adopted by the Executive Board on October 27, 2013.

**ANNUAL FIDUCIARY CONFLICT OF INTEREST DISCLOSURE FORM**

My name is: \_\_\_\_\_

My address is: \_\_\_\_\_  
\_\_\_\_\_

My email and phone number are: \_\_\_\_\_

The position(s) I hold as of the date of this form with National Society for the Preservation of Covered Bridges (the "**Society**") are: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I have received, read, and understand the Conflict of Interest Policy of the Society, a copy of which was most recently provided to me on or about: \_\_\_\_\_(Insert Date Policy Delivered)

Below is a list of all organizations (both business and not-for-profit) of which I or a member of my immediate family is an officer, director, trustee, member, owner, shareholder, employee or agent and with which the Society has or, based on my reasonable expectations, in the future may have a relationship or transaction: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
*\_\_\_\_\_ (Please attach additional page(s) if necessary to complete.)*

\_\_\_\_\_ additional page(s) attached (Check box if page(s) is/are attached & insert # of page(s)).

I have not borrowed any money or property from the Society.

Date: \_\_\_\_\_

\_\_\_\_\_  
*SIGNATURE*