



WESTERN COVER SOCIETY

FOUNDED 1950

Publisher of the Western Express, Research Journal of Early Western Mails

POLICY ON BUSINESS ETHICS AND CONFLICTS OF INTEREST

General Statement

Western Cover Society (the “Society”) expects all persons associated with it to conduct business on behalf of the Society with integrity and a high ethical standard. In particular, the Society’s directors, officers and employees should attempt to avoid activities or conduct which involve a conflict of interest, recognizing that even the appearance of a conflict of interest could harm the Society. Any activity should be able to be justified and withstand public scrutiny, and care should be taken to avoid adversely affecting the integrity or the reputation of the Society.

In considering whether a conflict of interest exists, directors, officers and employees should remember that relationships of their business, business associates, family and friends may give rise to a potential conflict of interest even if such director, officer or employee is not involved directly. A potential conflict can exist where the parties in the relationship give or receive, or could reasonably be perceived to give or receive, unfair advantage or preferential treatment because of the relationship.

Potential and Actual Conflicts of Interest

While it is impossible to list every circumstance that may suggest a possibility of a conflict of interest, the following are examples of potential and actual conflicts of interest:

- Using the individual’s position with the Society, including the use of non-public information that is obtained through the individual’s position with the Society, for his/her direct or indirect personal gain or advantage, or for the personal gain or advantage of another.
- Competing directly or indirectly with the Society.
- Having a direct or indirect significant financial or other interest in, or financial or other relationship with, any competitor, customer, vendor or supplier of the Society (what constitutes a “significant” interest or relationship will depend upon the specific factual situation; however, an interest of less than one percent of any publicly held company shall not be considered a “significant” interest).
- Improper disclosure or use of the Society’s confidential or proprietary information or trade secrets.



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- Acceptance or solicitation of gifts from any person or company having or seeking a business relationship with the Society.
- Participation in activities or conduct that conflict or are inconsistent with any activity of the Society, or that would cause a reasonable person to believe that the participant's judgment, loyalty or objectivity might be influenced in a way that is adverse to the Society's interests.
- Involvement in any political activities without making clear that such involvement is personal and not based upon the director's, officer's or employee's affiliation with the Society.

Policy

1. Using the foregoing principles and guidelines of this Policy on Business Ethics and Conflict of Interest (the "Policy"), all directors, officers and employees of the Society shall act in good faith and use their best judgment to bring to the attention of the President or Secretary of the Society any conflict of interest, real or perceived, whether financial or otherwise, between any of them and the Society. The President or Secretary, acting jointly or alone, shall determine whether an actual conflict of interest exists and make a determination on the proposed action, transaction or other activity (the "Activity").

2. If, in the judgment of the President, there is a potential conflict and the Activity is sufficiently material, the matter shall be presented to the Board of Directors. At the discretion of the Board of Directors, the interested party may attend the meeting of the Board of Directors and answer questions and provide information about the potential conflict of interest and the Activity; *provided, however*, the interested party shall otherwise recuse himself or herself from the meeting and shall not be present during debate and voting on the matter. In connection with conflicts related to financial transactions, all actions of the Board of Directors shall be undertaken in compliance with applicable federal law relevant to "intermediate sanctions" and applicable California law relevant to self-dealing transactions.

3. In any situation in which a majority of the directors present at a Board of Directors meeting would be disqualified because of this Policy, after full disclosure of the potential conflict, the Board of Directors may by a majority affirmative vote suspend this Policy and proceed to approve the Activity. All discussion and action with respect to actual or potential conflicts of interest in connection with the Activity shall be duly entered into the minutes of meeting where such an action takes place.



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4. All persons who enter into an “excess benefit transaction” under Internal Revenue Code Section 4958 or who otherwise violate this Policy may be subject to discipline up to and including discharge or removal from his or her position with the Society by a vote of the Board of Directors; *provided, however*, nothing in this Policy is intended to characterize a relationship or involvement as a conflict of interest or as unethical conduct on the part of any director, officer or employee if such person has no actual knowledge of such relationship or involvement.

5. Directors, officers and employees of the Society may be required from time to time to respond to questionnaires substantially in the form attached hereto as Exhibit A (or such other form as is approved by the Board of Directors from time to time) about their relationship with outside persons or companies that might affect the Society, and are expected to be forthright in their responses, even if they do not believe that the situation poses a conflict of interest, so that potential conflict situations may be avoided before any material problem arises.

6. Each director, officer and employee of the Society shall sign a statement substantially in the form attached hereto as Exhibit B (or such other form as is approved by the Board of Directors from time to time) which affirms that such person:

- (a) has received a copy of the Policy;
- (b) has read and understands the Policy;
- (c) has agreed to comply with the Policy; and

(d) understands the Society is a charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.



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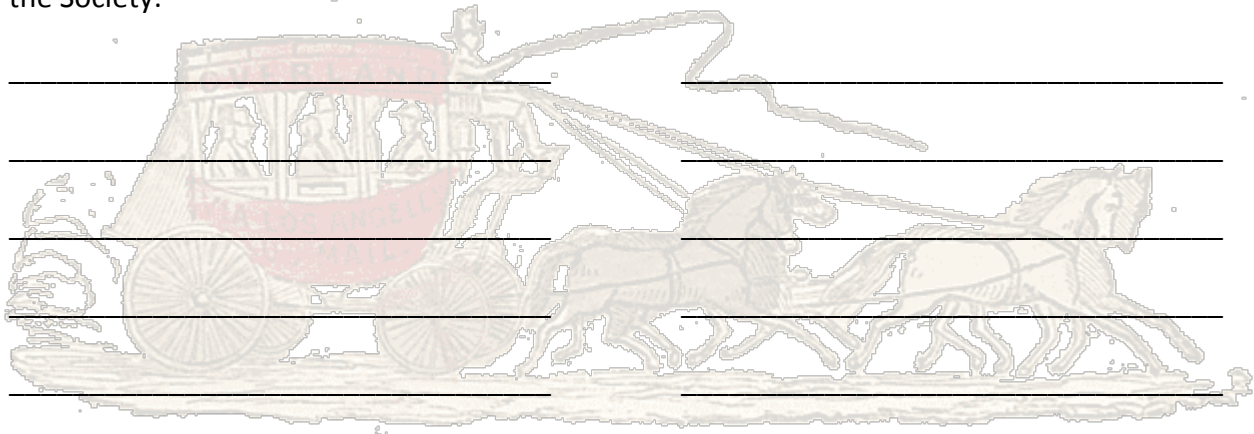
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STATEMENT REGARDING AFFILIATIONS WITH ORGANIZATIONS

I have read and understand Western Cover Society (the "Society"), Policy on Business Ethics and Conflicts of Interest and am committed to its full implementation.

To the best of my knowledge, a member of my immediate family (*i.e.*, my spouse and any ancestor, sibling and descendent (and their spouses)) or I (a) am presently a general partner, trustee, director, officer or employee of or (b) have a direct or indirect significant financial or other interest in, or financial or other relationship with the following Society(s), partnership(s), trust(s) or other entity that has entered into or is likely to enter into a financial transaction with the Society:



Print Name

Signature

Date

Exhibit A



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CERTIFICATION FOR

POLICY ON BUSINESS ETHICS AND CONFLICTS OF INTEREST

I acknowledge and hereby certify that:

- I have received a copy of Western Cover Society (the "Society"), Policy on Business Ethics and Conflicts of Interest (the "Policy");
- I have read the Policy and understand it;
- I agree to comply with all of the provisions of the Policy; and
- I understand that the Society is a charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

If I am engaged currently in any activity that ought to be disclosed in accordance with the Policy, I have appended to this Certification a complete description of such activity. If at any time hereafter I contemplate engaging in such activity, I agree to provide the Society with notice in accordance with the Policy.

Print Name

Signature

Date

Exhibit B