



CONFLICT OF INTEREST POLICY
OF
ANAHEIM TRANSPORTATION NETWORK

Approved by Board of Directors Resolution No. 12-003 on June 27, 2012

ARTICLE I
Purpose

The purpose of the conflict of interest policy ("Policy") is to protect this tax-exempt organization, the Anaheim Transportation Network, a nonprofit public benefit corporation (the "Corporation"), when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.

ARTICLE II
Definitions

1. Interested Person

Any Director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. Financial Interest

Any person has a financial interest if the person has, directly or indirectly, through business, investment or family:

2.1 An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;

2.2 A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; and

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

A financial interest is not necessarily a conflict of interest. Under Article II, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

ARTICLE III Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board of Directors or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists. If the Board decides a conflict of interest does not exist, then the Board member may enter the room and fully participate in the proceedings.

3. Procedures for Addressing the Conflict of Interest

3.1 An interested person may make a presentation at the Board of Directors or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

3.2 The chairperson of the Board of Directors or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3.3 After exercising due diligence, the Board of Directors and/or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

3.4 If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of disinterested trustees whether the transaction or arrangement is in the Corporation's interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

3.5 If there is only one Director and the Director is considered an interested person in a proposed transaction or arrangement, then the Director shall disclose the financial interest in the manner required above in Section 3.1 and shall then appoint a committee of 3 disinterested persons who shall take action as provided in this Article III to determine whether or not a transaction or arrangement in which the sole Director has a financial interest may be entered. Such committee shall continue to exist for the purpose of any other actions that may need to be taken under this Conflict of Interest Policy.

In the unlikely event that there are multiple interested persons and the Board would otherwise be deprived of sufficient non-conflicted Directors to render a decision, then the Board Secretary shall select, at random (i.e., by blind draw), the minimum number of interested persons to allow the Board to act.

4. Violations of the Conflict of Interest Policy

4.1 If the Board of Directors or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform members of the Board of Directors of the basis for such belief and afford the accused Board member an opportunity to explain the alleged failure to disclose.

4.2 If, after hearing the Board member's response and after making further investigation as may be warranted by the circumstances, the Board of Directors or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary or corrective action.

ARTICLE IV Records of Proceedings

The minutes of the Board of Directors and all committees with Board delegated powers shall contain:

1. The names of the person who disclosed or otherwise were found to have financial interests in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.

2. The names of persons who were present for discussions and votes related to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

ARTICLE V Compensation

1. A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.

3. No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or

indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI

Annual Statements

Each Director, principal officer and member of a committee with governing Board delegated powers shall annually sign a statement which affirms such person:

1. Has received a copy of the conflict of interest policy;
2. Has read and understands the policy;
3. Has agreed to comply with the policy; and
4. Understand the Corporation is a social welfare 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.

ARTICLE VII

Periodic Reviews

To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements or benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
2. Whether partnerships, joint ventures and arrangements with management organizations conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payment for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

ARTICLE VIII

Annual Statements

When conducting the periodic reviews as provided for in Article VII, the Corporation may, but need not, use outside advisors. If outside advisors are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

ARTICLE IX

Interpretation of Policy

The Board of Directors has the authority to review a particular transaction or circumstance to determine whether it constitutes a conflict of interest as more fully described elsewhere in this policy.