

## **ARCADE STORM SOCCER CLUB, INC.**

### **CONFLICT OF INTEREST POLICY**

#### **ARTICLE I PURPOSE**

The purpose of this policy (the “Policy”) is to protect the interests of ARCADE STORM SOCCER CLUB, INC. (the “Corporation”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Director or Officer of the Corporation. The Corporation will not enter into any such transaction or arrangement unless it is determined by the Board in the manner described below to be fair, reasonable and in the best interests of the Corporation at the time of such determination

This Policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to non-for-profit and charitable organizations.

Capitalized terms are defined in Article 6.

#### **ARTICLE 2 RELATED PARTY TRANSACTIONS AND DUTY TO DISCLOSE**

A Related Party Transaction is not necessarily a prohibited transaction. Under this Policy, if the Corporation contemplates entering into a Related Party Transaction, the Board must determine if the transaction is fair, reasonable, and in the best interests of the Corporation at the time of such determination.

If at any time during his or her term of service a Related Party acquires any Financial Interest or when any matter for decision or approval comes before the Board in which a Related Party has a Financial Interest, that Financial Interest or potential Related Party Transaction must be promptly disclosed in writing to each member of the Board and the President, together with all material facts. The Board will then follow the procedures in Article 4 of this Policy.

Failure to disclose to the Board a known Financial Interest or a known potential Related Party Transaction may be grounds for removal from the Board or termination from the Corporation.

Receiving a standard coaching or multiparticipant discount is not a violation of the policies herein.

#### **ARTICLE 3 DISCLOSURE AND VOTING**

Disclosure. Any Related Party shall disclose in good faith all material facts of his or her Financial Interest to the Board.

Non-Participation and Review. All transactions, agreements or any other arrangements between the Corporation and a Related Party, and any other transactions which may involve a potential conflict of interest, shall be reviewed by the Board. All Related Parties with a Financial Interest shall leave the room in which such deliberations are conducted. The Board will then determine whether the contemplated Related Party Transaction is fair, reasonable, and in the best interests of the Corporation at the time of such determination. The Corporation will not enter into any Related Party Transaction unless it is determined to be fair, reasonable and in the best interest of the Corporation at the time of such determination.

Consideration of Alternate Transactions and Comparability Data. If the contemplated Related Party Transaction pertains to compensation for services or the transfer of property or other economic benefit to a Related Party, the Board must determine that the value of the economic benefit provided by the Corporation to the Related Party does not exceed the value of the consideration received in exchange by obtaining and reviewing appropriate comparable data prior to entering the transaction.

In those instances where the contemplated Related Party Transaction does not involve compensation, transfer of property or benefits to a Related Party, the Board must consider alternative transactions to the extent possible, prior to entering into such transaction.

Comparability Data. When considering the comparability of compensation, for example, the types of relevant Comparability Data which the Board may consider include, but are not limited to (1) compensation levels paid by similarly situated organizations, both exempt and non-exempt; (2) the availability of similar services within the same geographic area; (3) current compensation surveys compiled by independent firms; and (4) written offers from similar institutions competing for the same person's services. When the transaction involves the transfer of real property as consideration, the relevant factors include, but are not limited to (i) current independent appraisals of the property, and (ii) offers received in a competitive bidding process.

Voting. The Board or shall, after considering alternate transactions and/or comparability data, determine in good faith by vote of the Board whether the transaction or arrangement is fair, reasonable, and in the best interest of the Corporation at the time of such decision. The transaction shall be approved by not less than a majority vote of the Directors present at the meeting. In conformity with the above criteria, the Board shall make its decision as to whether to enter into the transaction or arrangement and shall document the meeting contemporaneously under Article 4 of this Policy.

All Related Parties with a Financial Interest must not be present for deliberations and voting on the transaction or arrangement in which he or she has a Financial Interest. However, Related Parties are not prohibited from providing information regarding the transaction to the Board prior to the Board's deliberations. No Director or Officer shall vote, act, or attempt to influence improperly the deliberations on any matter in which he or she has been determined by the Board to have a Financial Interest. Any attempt to vote, act, or improperly influence deliberations by a Related Party on any matter with which such person has a Financial Interest may be grounds for removal from the Board or termination from the Corporation.

Compensation. A voting member of the Board of Directors or an Officer who receives

compensation directly or indirectly from the Corporation for services or a Director serving as a voting member of any Committee whose jurisdiction includes compensation matters is precluded from voting or acting on matters pertaining to that Director's or Officer's compensation.

No voting member of the Board 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 4 RECORDS OF PROCEEDINGS

The minutes of all meetings of the Board at which a Related Party Transaction is considered shall contain:

- (i) The names of the persons who disclosed or otherwise were determined to have a potential or actual Financial Interest and/or conflict of interest, the nature of the potential or actual Financial Interest and/or conflict of interest, any action taken to determine whether a Financial Interest or conflict of interest exists, and the Board's decision as to whether a Financial Interest and/or conflict of interest exists.
- (ii) The names of the persons who were present for discussions and votes relating to any determinations, including whether the Related Party left the room during any such discussions, the content of such discussions, including discussion of alternative transactions, and whether or not the transaction with the Related Party was approved by the Board.
- (iii) The minutes shall be documented contemporaneously to the decision and discussion regarding the Financial Interest or conflict of interest.

#### ARTICLE 5 INITIAL AND ANNUAL WRITTEN DISCLOSURES AND STATEMENTS

Prior to a Director's initial election to the Board, or an Officer's election by the Board, and thereafter on an annual basis, all Directors and Officers shall disclose in writing to the President of the Corporation:

- (i) Any entity of which such person or a Relative of such person is an officer, director, trustee, member, owner, or employee and with which the Corporation has a relationship,
- (ii) Any Financial Interest such person may have in any corporation, organization, partnership or other entity which provides professional or other goods or services to Corporation for a fee or other compensation, and

- (iii) Any position or other material relationship such Director, Officer or Relative of such person, may have with any not-for-profit corporation with which the Corporation has a business relationship.

Each Director and Officer shall annually sign and submit to the Secretary of the Corporation a statement which affirms such person: (a) has received a copy of this Policy, (b) has read and understands the Policy, and (c) has agreed to comply with the Policy.

A copy of each disclosure statement shall be kept in Corporation's files and made available to any Director upon request.

The form of the disclosure statement is attached as Attachment A.

## ARTICLE 6 DEFINITIONS

Affiliate. An affiliate of the Corporation is a person or entity that is directly or indirectly through one or more intermediaries, controlled by, in control of, or under common control with the Corporation.

Board of Directors. The body responsible for the management of the Corporation.

Director. Any voting or non-voting member of the governing board of a corporation, whether designated as a director, trustee, manager, governor, or by any other title.

Financial Interest. A person has a Financial Interest if such person would receive an economic benefit, directly or indirectly, from any transaction, agreement, compensation agreement, including direct or indirect remuneration as well as gifts or favors that are not insubstantial or other arrangement involving the Corporation.

Officer. A person who has the authority to bind the Corporation as designated in the bylaws of the Corporation.

Related Party. Persons who may be considered a Related Party of the Corporation or an Affiliate of the Corporation under this Policy include:

- (i) Directors or Officers of the Corporation or an Affiliate of the Corporation;
- (ii) Relatives of Directors or Officers;
- (iii) any entity in which a person in (i) or (ii) has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%;
- (iv) Members of the Corporation;
- (v) Substantial contributors to the Corporation (within the current fiscal year or the past five fiscal years);

Related Party Transaction. Any transaction, agreement or any other arrangement with the Corporation or an Affiliate of the Corporation in which a Related Party has a Financial Interest.

Any Related Party Transaction will be considered a conflict of interest for purposes of this Policy.

Relative. A Relative is a spouse, ancestor, child (whether natural or adopted), grandchild, great grandchild, sibling (whether whole or half blood), or spouse of a child (whether natural or adopted), grandchild, great grandchild or sibling (whether whole or half blood), or a domestic partner as defined in section 2994-A of the New York Public Health Law.

Adopted by the Corporation's Board of Directors as of November \_\_\_\_,  
2019

ATTACHMENT A

ARCADE STORM SOCCER CLUB, INC.

DISCLOSURE AND STATEMENT ON CONFLICTS OF INTEREST

A copy of the Corporation's Conflict of Interest Policy is attached for your review. Pursuant to the Policy, this Statement has been prepared to solicit certain information from you given your position as a Director or Officer of the Corporation. We ask your cooperation in taking a few minutes to complete this Statement and return it to the President within 2 weeks. Defined terms are found in Article 6 of the Policy.

Please disclose the following information (if an answer is "none", please write "none")

- (i) Any entity that you or a Relative is an officer, director, trustee, member, owner, or employee and with which the Corporation has a relationship:
  
- (ii) Any Financial Interest you may have in any corporation, organization, partnership or other entity which provides professional or other goods or services to Corporation for a fee or other compensation:
  
- (iii) Any position or other material relationship you or a Relative, may have with any not-for-profit corporation with which the Corporation has a business relationship:

**The undersigned affirms that he or she has received a copy of the Policy, that he or she has read and understands the Policy, and that he or she agrees to comply with the Policy. The undersigned further affirms that all answers contained on this Questionnaire are true and accurate.**

Colleen Raiber, President  
Print Name: Colleen Raiber, President

Dated: November 25, 2019