

## SYHI Conflict of Interest Policy

**(a) Purpose:** The purpose of the conflict of interest policy is to protect Sylvania Youth Hockey, Inc. (SYHI), its status as a tax-exempt nonprofit organization under 26 U.S.C. §501(c)(3), and interest as it contemplates entering into a transaction or arrangement that might benefit the private interest of a director or member of a committee with board delegated powers of SYHI 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.

**(b) Definitions:** (i) “Interested Person” shall mean any director or member of a committee with board delegated powers, who has a direct or indirect financial interest. (ii) A person has a “financial interest” if the person has, directly or indirectly, through business, investment, or family: (A) an ownership or investment interest in any entity with which SYHI has a transaction or arrangement; (B) a compensation arrangement with SYHI or with any entity or individual with which SYHI has a transaction or arrangement, or (C) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which SYHI is negotiating a transaction or arrangement. (iii) “Compensation” includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Section C (ii), a person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

**(c) Procedures:** **(i) 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 directors and members of committees with the board delegated powers considering the proposed transaction or arrangement. **(ii) Determination 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 or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board members or committee members shall decide if a conflict of interest exists. **(iii) Procedure for Addressing Conflict of Interest:** (A) An interested person may make a presentation at the board 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. (B) The chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement. (C) After exercising due diligence, the board or committee shall determine whether SYHI 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. (D) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board or committee shall determine by majority vote of the disinterested directors whether the transaction or arrangement is in SYHI’s best 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. **(iv) Violation of Conflicts of Interest Policy:** (A) if the board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. (B) If, after hearing the member’s response and after making further investigation as warranted by the circumstances, the board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**(d) Record of Proceedings:** The minutes of the board and all committees with board delegated powers shall contain (i) the names of the persons who disclosed or otherwise were found to have a financial interest 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; and (ii) the names of the persons who were present for discussions and votes relating 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 proceedings.

**(e) Annual Statements:** Each director shall annually sign a statement which affirms such person: (i) has received a copy of the conflicts of interest policy; (ii) has read and understands the policy; (iii) has agreed to comply with the policy; and (iv) understands SYHI is charitable 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.

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

Print Name: \_\_\_\_\_

Position: \_\_\_\_\_