



Canyon de Oro Soccer Club

Conflict of Interest Policy

This conflict of interest policy outlines the steps to be taken to ensure that the integrity of **Canyon del Oro Soccer Club** (the "Organization") is upheld, and to protect the interest of the Organization and its members, when the Organization is contemplating entering into a transaction that might benefit the private interest of a board member, a corporate officer, a key employee, or club member.

Section A: Definitions

The following are considered **insiders** for the purposes of this policy:

1. The president, treasurer, or any person that has direct financial responsibilities and access to the Organization's bank accounts or any other financial holdings whether or not the person is an officer of the Organization under the Organization's Bylaws and/or the Arizona Corporation Commission's Code.
2. Each member of the Board of Directors.
3. Any key employee or club member who (a) has responsibilities or influence over the organization similar to that of officers, directors, or trustees; **or** (b) manages a program that represents 10% or more of the activities, assets, income, or expenses of the organization; **or** (c) has the authority to control 10% or more of the organization's capital expenditures or operating budget.

Interest means any material financial interest, whether through commitment, investment, relationship, obligation, direct involvement, indirect involvement, or other circumstances that may influence a person's judgment. These interests may include, but are not limited to, the receipt of compensation from the Organization, a sale to the Organization, a loan from the Organization, or an exchange transaction with the Organization.

A **conflict of interest** is present when, in the judgment of the Board of Directors, an insider or person related to the insider by family or business relationship has a material financial interest in the transaction such that it reduces the likelihood that an insider's influence can be exercised impartially in the best interests of the Organization.

Transaction means any transaction, agreement, or arrangement between an interested person and the Organization, or between the Organization and any third party where an interested person has a material financial interest in the transaction or any party to it for his or her services to the Organization.



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Section B: Procedures

1. *Duty to Disclose*

Each interested person shall disclose to the Board all material facts regarding his, her, or its interest (including relevant affiliations) in the transaction. The interested person shall make that disclosure promptly upon learning of the proposed transaction.

2. *Determining Whether a Conflict of Interest Exists*

With regard to an interested person, the Board shall determine if a conflict of interest exists.

3. *Procedures for Addressing a Conflict of Interest*

The Board shall follow the procedures set forth in **Section C** in order to decide what measures are needed to protect the Organization's interests in light of the nature and seriousness of the conflict, to decide whether to enter into the transaction and, if so, to ensure that the terms of the transaction are appropriate. In the case of an insider who is a director, the director shall not vote on any transaction in which the director has an interest, and the remaining Board members shall decide the matter.

Section C: Review by the Board

The Board may ask questions of and receive presentation(s) from the insider(s) and any other interested person(s), and may deliberate and vote on the transaction in their presence. The Board shall ascertain that all material facts regarding the transaction and the interested person's conflict of interest have been disclosed to the Board and shall compile appropriate data to ascertain whether the proposed transaction is just and reasonable to the Organization.

After exercising due diligence, which may include investigating alternatives that present no conflict, the Board shall determine whether the transaction is in the Organization's best interest, for its own benefit, and whether it is just and reasonable to the Organization; the transaction can be approved by the Board by majority vote of those present at a meeting for which quorum requirements have been met, without counting the vote of any interested directors. Interested or common directors may be counted in determining the presence of a quorum at such meeting.

Section D: Records of Proceedings

The minutes of any meeting of the Board pursuant to this policy shall contain the name of each interested person who disclosed or was otherwise determined to have an interest in a transaction; the nature of the interest and whether it was determined to constitute a conflict of interest; any alternative transactions considered; the members of the Board who were present during the debate on the transaction, those who voted on it, and to what extent interested persons were excluded from the deliberations; any comparability data or other information obtained and relied upon by the Board and how the information was obtained; and the result of the vote, including, if applicable, the terms of the transaction that was approved and the date it was approved.



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Section E: Violations

If the Board has reasonable cause to believe that an insider of the Organization has failed to disclose actual or possible conflicts of interest, including those arising from a transaction with a related interested person, it shall inform such insider of the basis for this belief and afford the insider an opportunity to explain the alleged failure to disclose. If, after hearing the insider's response and making further investigation as warranted by the circumstances, the Board determines that the insider has failed to disclose an actual or possible conflict of interest, the Board shall take appropriate disciplinary and corrective action.

Section F: Compensation

A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

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