

## **WC NORTHSTARS STUDENT HOCKEY, INC. CONFLICT OF INTEREST POLICY**

### *Purpose*

The purpose of the conflict of interest policy is to protect interests of the WC Northstars High School Hockey, Inc. (interchangeably the “Corporation” or the “Northstars”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Northstars 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 conflict of interest applicable to nonprofit and charitable organizations. Conflicts of interest have the potential to cause legal problems as well as embarrassment for Northstars. While transactions involving conflicts of interest are not prohibited, they must be duly considered by the Board of Directors of Northstars, based on disclosures as may be required by the Board.

This conflict of interest policy is intended to help directors, officers, and certain other persons identify situations that present possible conflicts of interest and to provide Northstars with a procedure whereby such potential conflicts may be reviewed by an appropriate party when necessary. Part II of the policy is intended to take advantage of certain statutory procedures which protect certain conflicted transactions from subsequent legal challenge.

### *Part I – Definitions*

#### **A. Conflict of Interest**

A “Conflict of Interest” exists when a Responsible Person, as hereinafter defined, is called upon by the President to act on a transaction to which Northstars would be a party, where the Responsible Person’s actions or relationships present the potential for improper personal gain or advantage, or an adverse effect on the interests of Northstars. Although it is impossible to list every circumstance giving rise to a Conflict of Interest, the following will serve as a guide to the types of transactions and relationships that create Conflicts of Interest. “Class A” Conflicts of Interest relate to transactions in which a Responsible Person has a direct conflict of interest. “Class B” Conflicts of Interest involve relationships or transactions that create indirect conflicts of interest.

#### **B. Class A**

1. A transaction between Northstars and a Responsible Person or Family Member, as hereinafter defined.
2. A transaction between Northstars and an entity (other than a Related Organization, as hereinafter defined) or individual in or of which a Responsible Person or Family Member has a material financial interest or is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative.

#### **C. Class B**

1. A Responsible Person’s actions or involvement competing with Northstars or a

Related Organization in the rendering of services or in any other transaction with a third party.

2. A Responsible Person having a material financial interest in an entity or individual that competes with Northstars or a Related Organization in the provision of services or in any other transaction with a third party.
3. A Responsible Person accepting gifts, excessive entertainment or other favors from any individual or entity that does, or is seeking to do, business with Northstars or a Related Organization, under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in his or her duties to this Corporation. This does not preclude the acceptance of items of nominal or insignificant value that are clearly tokens of respect or friendship and not related to any actual or potential transaction or activity of this Corporation or a Related Organization.

A list of examples of the foregoing types of transactions is set forth in Part V.

**D. Control**

“Control” exists if one organization or individual:

1. Owns, directly or indirectly, at least 50 percent of the stock ownership or membership interests of another organization;
2. Has the right, directly or indirectly, to direct or cause the direction of the management and policies of another organization, whether through the ownership of voting interests, by contract, or otherwise.

**E. Family Member**

A “Family Member” is a spouse, parent, child or a spouse of a child, brother, sister or spouse of a brother or sister, of a Responsible Person.

**F. Related Organization**

A “Related Organization” is an entity that controls, is controlled by, or is under common control with Northstars.

**G. Responsible Person**

A “Responsible Person” is any person who holds one or more of the following positions with respect to Northstars or a Related Organization:

1. Director
2. Officer
3. Member of a Committee
4. Member of the Executive Staff
5. Coach
6. Any other person who is determined by the Board of Directors to be subject to this policy.

## *Part II – Standards and Procedures*

### **A. Report To President/Executive Director**

Each Responsible Person who has or anticipates having a Conflict of Interest shall report the Conflict of Interest to the President or Executive Director (hereinafter collectively the “President”) of the Corporation, or to an individual or committee designated by the President, immediately upon identifying the Conflict of Interest. A Conflict of Interest identified by a Responsible Person in the course of a meeting of the Board of Directors or of a committee shall be reported immediately to the Board of Directors or committee, as the case may be.

### **B. Class A Conflicts**

Class A Conflicts of Interest by a member of the Board of Directors of Northstars shall be reported by the Responsible Person, the President, or the President’s designee, to the Board of Directors or to the committee that is considering or has considered the transaction to which the Conflict of Interest relates. The Board or committee shall consider the Conflict of Interest in accordance with the following procedures:

1. If the director who has the Class A Conflict of Interest is present at the meeting at which the transaction involving the Conflict of Interest is to be considered, such director shall disclose to the Board or committee all facts material to the conflict of interest. Such disclosure shall be reflected in the minutes of the meeting.
2. If the director who has the Class A Conflict of Interest is not present, or has not made the disclosure required by the preceding paragraph, the President or a representative designated by the President shall disclose to the Board or the committee all known facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.
3. A director who has a Conflict of Interest shall not be counted in determining the presence or absence of a quorum for purposes of the vote. The Director having a Conflict of Interest shall not vote on the transaction. Such director’s ineligibility to vote shall be reflected in the minutes of the meeting.
4. The transaction or relationship shall be approved only if it receives the affirmative vote, in good faith, of a majority of all of the members of the Board of committee, as the case may be. The approval may be given before, after, or concurrently with the transaction that involves a Conflict of Interest.
5. In the event that the number of persons having Conflicts of Interest with respect to a particular transaction is so large that it is impossible to obtain a quorum, or the number of votes necessary for approval as described in paragraph 4, then the transaction shall be approved only upon the unanimous vote of the disinterested directors, provided that there are at least two disinterested directors. The minutes of the meeting shall reflect an analysis of the fairness and reasonableness of the transaction as to this Corporation.

6. The procedure described in this section is intended to comply with the requirements of any statutory provision which provides for authorization, approval, and ratification of certain transactions involving Conflicts of Interest. In the event of any inconsistency between the provisions of this section and those statutory provisions, the statutory provisions shall govern.

**C. Other Councils**

The President shall take such action as he or she deems appropriate with respect to reported Class A Conflicts of Interest involving persons other than directors and all reported Class B Conflicts of Interest. Such action may include, but is not limited to, (1) simply noting the Conflict of Interest in the corporate files, (2) reporting the matter to the Board of Directors for its information only, or (3) referring the matter to the Board of Directors or one of its committees for review.

*Part III – Confidentiality*

**A. Nondisclosure Policy**

Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information, the disclosure of which might be adverse to the interests of Northstars. No Responsible Person shall use confidential information for his or her personal gain.

**B. Types of Confidential Information**

The following types of information received by a Responsible Person in the performance of his or her responsibilities as a Responsible Person shall be treated as confidential unless otherwise determined by the Board:

1. Information regarding the appointment or termination of employees.
2. Employee evaluations and compensation.
3. Information about contractual relationships with third parties.

The foregoing is not intended to be a complete list of all the types of information that may be considered confidential.

**C. Failure to Comply**

Any director, officer or member of a committee of the Northstars who fails to comply with the provisions of this Part III shall be subject to such sanction as the Board of Directors determines is appropriate. Any other person who is subject to this policy and who fails to comply with it shall be subject to discipline, termination of employment, or such other sanction as the Board of Directors determines is appropriate.

*Part IV – Administration of Policy*

**A. New Directors**

Each new Responsible Person shall be required to review a copy of this policy and to acknowledge in writing that he or she has done so.

**B. Annual Review**

This policy shall be reviewed annually by the Board of Directors or a committee designated by the board. Any changes to the policy shall be communicated immediately to all Responsible Persons.

**Part V – Examples of Conflicts of Interest**

**A. Class A**

1. A transaction between Northstars and a Responsible Person or Family Member.

**Example:** The Board of Directors approves an agreement for the provision of consulting services by a member of the Board of Directors of Northstars

2. A transaction between the Northstars and an entity (other than a Related Organization) or individual, in or of which a Responsible Person or Family Member has a material financial interest, or is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative.

**Example:** The Finance, Investment & Audit Committee approves an investment management agreement with a company of which a Northstars Director is the Vice President.

**B. Class B**

1. A Responsible Person competing with the Northstars or a Related Organization in the rendering of services or in any other transaction with a third party.

**Example:** An officer of Northstars agrees with another National Governing Body to promote the National Governing Body in talks with potential sponsors or licensees.

2. A Responsible Person having a material financial interest in an entity or individual that competes with the Northstars or a Related Organization in the provision of services or in any other transaction with a third party.

**Example:** The spouse of an officer of the Northstars is an investor in a licensing agency company that attempts to obtain sponsors or licenses for clients other than the Northstars.

3. A Responsible Person accepting gifts, excessive entertainment or other favors from an individual or entity that does, or is seeking to do, business with the Northstars or a Related Organization, under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Responsible Person in his or her duties to this Corporation. This does not preclude the acceptance of items of nominal or insignificant value that are clearly tokens of respect or friendship and not related to any actual or potential transaction or activity of this Corporation or a Related Organization.

**Example:** The chair of the Finance, Investment & Audit Committee is offered free use of a lake home belonging to the President of an organization that has a finance proposal under review by the Northstars.

*Part VI – Acknowledgement of Conflict of Interest Policy*

The undersigned hereby acknowledges that he or she has read the attached Northstars Conflict of Interest Policy, has had an opportunity to ask any questions that he or she may have about the policy, and understands and agrees to comply with the policy.

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

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