



CONFLICT OF INTEREST POLICY

Article I Purpose

The purpose of this policy is to protect the interest of Minnesota Hockey Inc. (the "Organization") when it is contemplating entering into a transaction or arrangement that might benefit, directly or indirectly, the private interest of an officer, director or committee member of the Organization. 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.

Article II Definitions

1. Interested Person

Any director, officer, or member of a committee having the Organization's delegated powers, and who has a direct or indirect financial interest as defined below, is an Interested Person.

2. Financial Interest

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 the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

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 Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the Organization's governing board or its delegate decides that a conflict of interest exists.

Article III
Procedure

1. Delegated Power

The governing board of the Organization shall empower the Executive Committee (Committee) to oversee and administer to this policy. If a member of this Committee is the subject of a potential conflict of interest, that member shall not participate in any decision of the Committee to determine if a conflict of interest exists. Upon written notice that a potential conflict of interest exists, the Committee shall convene within seven (7) days from receipt of such notice to hear the facts in the case and to render a decision in accordance with this policy. The decision of the Committee in conflict of interest matters is final and not subject to further appeal.

2. 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 Committee.

3. Procedures for Addressing the Conflict of Interest

- a.** An Interested Person may make a presentation at the Committee meeting designated for this purpose, 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 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 Committee shall determine whether the Organization 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 Committee shall determine by a majority vote of the disinterested Committee members whether the transaction or arrangements is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. The Committee shall make its findings and decision known to the Organization's governing board who shall make the final decision as to whether or enter into the transaction or arrangement.

4. Violations of the Conflict of Interest Policy

- a.** If any member of the Organization has reasonable cause to believe that an Interested Person has failed to disclose actual or possible conflicts of interest, he/she shall inform the Committee who, after investigation, shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to remedy the alleged failure to disclose.
- b.** If, after hearing the Interested Person's response and after making further investigation as warranted by the circumstances, the Committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary or corrective action as provided for in the Organization's Bylaws.

Article IV
Records of Proceedings

The minutes of the Committee wherein conflict of interest matters have been discussed shall contain:

- a. The names of the Interested 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 Committee's decision as to whether a conflict of interest, in fact, existed.
- b. The names of all persons who were present for discussions 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 the proceedings.

Article V
Compensation

- a. A voting member of the Organization's 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.
- b. 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.
- c. No voting member of the Organization's governing board, or a committee whose jurisdiction includes compensation matters, who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI
Annual Statements

Each director, officer and member of a committee with Organization-delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflict of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands the Organization 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.

Article VII
Periodic Reviews

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

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or

payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction to any Interested Party.

Article VIII
Periodic Reviews

When conducting the periodic reviews as provided for in Article VIII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Organization's governing board of its responsibility for ensuring periodic reviews are conducted.

Article IX
Activation

By affixing my signature hereto, I certify that:

1. I am in Interested Person as defined in Article II (1) herein.
2. I have received a copy of the Minnesota Conflict of Interest Policy.
3. I have read this policy and understand it.
4. I agree to comply with this policy. If I feel that I may have a conflict on interest, I agree to declare this to the Minnesota Hockey Executive Committee and abide by its decision.
5. When requested to do so, I will provide any and all information required to permit the Executive Committee to make a proper decision relative to any conflict of interest that I may have.
6. I understand the Organization is charitable and does not exist to provide financial benefit to its officers, directors and members. I further understand that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Signed this ____ day of _____, 20__

Print Name

Witness

Signature