

CONFLICT OF INTEREST POLICY
OF THE
NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC.
(ADOPTED ON THE 17th DAY OF February, 2016)

Article I. Purpose

The purpose of this Conflict of Interest policy is to protect the New York State West Youth Soccer Association, Inc. (the "Corporation") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a director, officer, committee member or Key Employee of the Corporation. It provides guidelines for handling perceived, potential or actual Conflicts of Interest and addresses procedures and disclosures of Related Party Transactions. 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.

Article II. Definitions

Section 2.1. Interested Person. An Interested Person is any director, officer, Key Employee or member of a committee with powers delegated by the Board of Directors, who (1) has a direct or indirect Financial Interest, as defined below, and/or (2) is a Related Party, as defined below.

Section 2.2. Disinterested Director. A Disinterested Director is any director who is not an Interested Person with respect to a contemplated transaction or arrangement.

Section 2.3. Relative. A Relative of an individual means his or her spouse or domestic partner, ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren; great-grandchildren, and spouses of brothers, sisters, children, grandchildren and great-grandchildren.

Section 2.4. Financial Interest. A person has a Financial Interest if the person has, directly or indirectly, through business, investment, or a Relative:

(A) An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;

(B) A compensation arrangement with the Corporation or with any entity or individual with which the Corporation 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 Corporation is negotiating a transaction or arrangement.

Compensation does not include any payment received for services as a director or officer of the Corporation. Compensation does include direct and indirect remuneration as well as gifts or favors that are not insubstantial.

Section 2.5. Substantial Financial Interest. A Financial Interest in a Related Party Transaction is a "Substantial Financial Interest" if, in the discretion of the Board after giving due consideration to the material facts and circumstances of the Financial Interest as presented, the Board determines that such Financial Interest is substantial.

Section 2.6. Related Party. A Related Party includes:

(A) any director, officer or Key Employee of the Corporation or any Affiliate of the Corporation;

(B) any Relative of any director, officer or Key Employee of the Corporation or any Affiliate of the Corporation; or

(C) any entity in which any individual described in clauses (A) and (B) of this section has a thirty-five percent 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 five percent.

Section 2.7. Key Employee. A Key Employee is any person who is in a position to exercise substantial influence over the affairs of the Corporation.

Section 2.8. Affiliate of the Corporation. An Affiliate of the Corporation means any entity controlled by, in control of, or under common control with the Corporation.

Section 2.9. Related Party Transaction. A Related Party Transaction means any transaction or arrangement in which a Related Party has a Financial Interest and in which the Corporation or any Affiliate of the Corporation is a participant. A transaction or arrangement with an entity or individual with whom a Related Party has a mere Fiduciary Relationship does not constitute a Related Party Transaction, unless the Fiduciary Relationship also involves a Financial Interest.

Section 2.10. Conflict of Interest. A Conflict of Interest exists if an outside interest or activity, including, but not limited to, a Financial Interest, influences or appears to influence the ability of an individual to exercise objectivity or impair the individual's ability to perform his or her responsibility in the best interests of the Corporation.

Article III. Disclosure of Financial Interests & Fiduciary Relationships

Section 3.1. Initial Disclosure. Prior to the initial election of any director, officer, or member of a committee with powers delegated by the Board or hiring of any Key Employee, the prospective director, officer, committee member, or Key Employee shall complete, sign and submit to the Secretary of the Corporation a written Disclosure Statement, attached as Appendix

A, identifying, to the best of his or her knowledge all of his or her Financial Interests, Fiduciary Relationships, and any circumstances which may give rise to a Conflict of Interest or Related Party Transaction by providing the following information:

(A) any entity of which such prospective director, officer, committee member, or Key Employee is an officer, trustee, member, owner (either as a sole proprietor or a partner), or employee and with which the Corporation has a relationship; and

(B) any transaction in which the Corporation is a participant and in which the prospective director, officer, committee member, or Key Employee might have a Financial Interest that may give rise to a Conflict of Interest or Related Party Transaction.

Section 3.2. Annual Disclosure. Each director, officer, member of a committee with powers delegated by the Board of Directors, and Key Employee shall annually submit to the Secretary of the Corporation the written Disclosure Statement, attached as Appendix A, in which such person:

(A) identifies, to the best of his or her knowledge, the information specified in Paragraphs (A) and (B) of Section 3.1 of this Article;

(B) affirms that he or she has received a copy of the Conflict of Interest Policy, read and understands the Policy, agrees to comply with the Policy, and understands the Corporation 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.

Section 3.3. Submission of Disclosure Statements. The Secretary of the Corporation shall provide a copy of all statements completed pursuant to Sections 3.1 and 3.2 of this Article, to the Chair of the Audit Committee.

Section 3.4. Continuing Duty to Disclose. In connection with any actual or possible Conflict of Interest or Related Party Transaction which may arise in the ordinary course of the year and within Board or committee meetings, an Interested Person must disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts to the Audit Committee. Such disclosure may be made in a written statement or orally at Board or committee meeting, provided that any oral disclosure must be documented in the minutes of the meeting at which such disclosure is made and given to the Audit Committee for review in accordance with Article IV and Article V.

Article IV. General Procedures

Section 4.1. General Prohibitions.

(A) An Interested Person is precluded from being present at or participating in any Board or committee deliberation or vote related to the transaction or arrangement giving rise to a Conflict of Interest or Related Party Transaction. Notwithstanding the foregoing, the Audit

Committee may request that an Interested Person present information to Audit Committee prior to the commencement of deliberations or voting relating thereto.

(B) An Interested Person shall not directly or indirectly attempt to influence improperly the deliberation or voting on the transaction or arrangement giving rise to the conflict.

Section 4.2. Request for Determination.

(A) An actual or potential Conflict of Interest or Related Party Transaction may arise during the course of Board or committee meetings. After the Interested Person's disclosure of the existence of any and all material facts relating to his or her Financial Interest as required under Article III, and after any discussion among the remaining members of the Board of Directors or committee and the Interested Person regarding the facts and circumstances of the Financial Interest, the Board or committee shall request that the Audit Committee decide whether or not a Conflict of Interest or Related Party Transaction exists, as set forth in Section 4.3 below.

(B) Alternatively, if the existence of the Financial Interest initially arises at a meeting of the Board of Directors, then the Board of Directors may directly make the determinations required without requesting a determination from the Audit Committee, provided that the Interested Person leaves the meeting while the remaining Independent Directors of the Board discusses the information disclosed, that only directors who qualify as Independent Directors deliberate and vote on the matters required herein, and that the Board fulfills the documentation requirements set forth in Article VI.

Section 4.3. Audit Committee Determinations & Reports.

(A) In reaching the determinations required by this Section 4.3 and Article V, the Audit Committee may request that an Interested Person present information regarding the Financial Interest, provided that the Interested Person leaves the meeting while the Audit Committee discusses the information disclosed and votes upon the matters set forth herein.

(B) The Audit Committee shall first determine whether the transaction or arrangement constitutes a Related Party Transaction as defined in Article II, Section 2.9. If so, then the Audit Committee must also determine and document in the meeting minutes whether the Related Party has a Substantial Financial Interest, as defined in Article II, Section 2.5, in the proposed Related Party Transaction. Regardless of whether or not the Financial Interest is a Substantial Financial Interest, a Related Party Transaction is subject to the procedures set forth in Article V.

(C) If the transaction or arrangement does not constitute a Related Party Transaction as defined in Article II, Section 2.9, then the Audit Committee in their discretion shall decide if a Conflict of Interest, as defined in Article II, Section 2.10, exists nonetheless, after giving due consideration to the material facts and circumstances presented. If the Audit Committee determines that the transaction or arrangement involves a Conflict of Interest, then such transaction or arrangement is subject to the procedures set forth in Article V.

Article V. Procedures for Addressing Conflicts of Interest & Related Party Transactions

Section 5.1. Consultation. In making the determinations required under this Article V, the Audit Committee shall consult with other Board or committee members, if such input is necessary to make an informed decision regarding the matters set forth herein.

Section 5.2. Consideration of Alternatives.

(A) If the transaction or arrangement is a Related Party Transaction in which the Related Party has a Substantial Financial Interest, then consideration of alternatives in accordance with this section is mandatory. Otherwise, consideration of alternatives is within the discretion of the Audit Committee.

(B) After disclosure and discussions with the Interested Person, the Audit Committee may appoint a Disinterested Director or committee of Disinterested Directors to investigate alternatives to the proposed transaction or arrangement. Alternatives must be presented to the Audit Committee and must be documented in the minutes of the meeting at which the determination is made.

(C) If alternatives are investigated and presented to the Audit Committee, then after exercising due diligence and giving due consideration for any such alternative transactions presented, the Audit Committee shall determine whether the Corporation 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 or Related Party Transaction.

Section 5.3. Audit Committee Decision.

(A) If alternatives are considered, whether mandatory or discretionary, and if the Audit Committee determines that a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a Conflict of Interest or Related Party Transaction, then the Audit Committee shall determine by a majority vote whether the transaction or arrangement is in the Corporation's best interest, for the Corporation's own benefit, and whether it is fair and reasonable.

(B) In conformity with the above determination, the Audit Committee shall make its decision as to whether the Corporation shall enter into the transaction or arrangement. However, if the transaction or arrangement is of a magnitude that would otherwise require full Board approval by law or the Corporation's By-Laws, the Committee shall submit the transaction or arrangement to the Board for consideration, providing all material facts surrounding the Conflict of Interest or Related Party Transaction, all information regarding any alternatives investigated, and the Audit Committee's recommendation as to whether or not to approve the transaction or arrangement.

(C) If the transaction or arrangement involves a Related Party Transaction in which the Related Party has a Substantial Financial Interest, then a majority of the Audit Committee members present at the meeting is required to approve such transaction.

Article VI. Documentation

In connection with all actual or possible Conflicts of Interest and/or Related Party Transactions, the Audit Committee shall document in the minutes of the meeting at which such determinations are made the following:

(A) 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 and/or Related Party Transaction, the nature of the Financial Interest, any action taken to determine whether a Conflict of Interest or Related Party Transaction was present, and the Audit Committee's decision as to whether a Conflict of Interest or Related Party Transaction in fact existed.

(B) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussions at the meeting regarding the proposed transaction or arrangement, including the alternatives to the proposed transaction or arrangement considered, if any.

(C) The determination as to whether the transaction or arrangement is fair, reasonable and in the Corporation's best interest.

(D) The determination as to whether to enter into the transaction or arrangement which gives rise to the Conflict of Interest or Related Party Transaction. If the Audit Committee approves a Related Party Transaction in which the Related Party has a Substantial Financial Interest, then the minutes must also including the basis for such approval.

(E) A record of any votes taken in connection with the proceedings.

Article VII. Oversight & Reviews

Section 7.1. Oversight Responsibility.

(A) The designated Audit Committee of the Board, as defined in the Corporation's By-Laws, if any, shall oversee the adoption of, implementation of, and compliance with this Conflict of Interest Policy in accordance with the procedures contained herein. Alternatively, the Board may assign this oversight responsibility to another Committee of the Board comprised solely of Independent Directors, as defined in the Corporation's By-Laws, or to the Board, provided that only directors who qualify as Independent Directors may deliberate and vote on matters pertaining to this Policy.

(B) In the event the Board assumes this oversight responsibility or delegates this responsibility to a Committee of the Board other than the Audit Committee, all reference to the Audit Committee in this Policy shall be deemed to refer to the Board or such Committee of the Board.

Section 7.2. Violation of the Conflict of Interest Policy.

(A) If the Audit Committee has reasonable cause to believe a director, officer, committee member or Key Employee has failed to disclose an actual or possible Conflict of Interest or Related Party Transaction, it shall inform such person of the basis for such belief and afford such person an opportunity to explain the alleged failure to disclose.

(B) If, after hearing the response of the director, officer, committee member or Key Employee and after making further investigation as warranted by the circumstances, the Audit Committee shall determine whether the director, officer, committee member or Key Employee has failed to disclose an actual or possible Conflict of Interest or Related Party Transaction. In accordance with this determination, it shall recommend to the Board appropriate disciplinary and corrective action, up to and including dismissal or termination. Any disciplinary or corrective action for violation of this Policy shall be subject to Board approval.

Section 7.3. Periodic Reviews. To ensure the Corporation operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, the Board shall conduct periodic reviews. 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 Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in impermissible or excessive benefit.

Section 7.4. Use of Outside Experts. When conducting the periodic reviews as provided for in Article VII, Section 7.3, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

Appendix A

DISCLOSURE STATEMENT

OF

NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC.

The undersigned, being a director, officer, committee member or Key Employee of NEW YORK STATE WEST YOUTH SOCCER ASSOCIATION, INC. (the "Corporation"), hereby acknowledges and confirms the following:

(1) I have received, read and understand the Corporation's Conflict of Interest Policy in effect as of the date written below, and I agree to comply with the Conflict of Interest Policy.

(2) I understand that the Corporation 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.

(3) **Personal Interests & Relationships.** I am an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or an employee of the following entities with which the Corporation has a relationship: *[If none, please write "None." If such interests exist, please specify the capacity in which you hold such an interest (for example, employee, director, or owner). If an owner, please specify your percentage ownership].*

(4) **Interests & Relationships of Relatives.** A Relative (spouse or domestic partner, ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren; great-grandchildren, and spouses of brothers, sisters, children, grandchildren and great-grandchildren) of mine is an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or an employee of the following entities with which the Corporation has a relationship: *[If none, please write "None." If such interests exist, please specify the Relative (for example, sibling or spouse) and the Relative's position (for example, employee, director, or owner). If an owner, please specify the percentage ownership].*

(5) **Transactions.** The Corporation is a participant in the following transactions in which I or my Relative may have a Financial Interest that may give rise to a Conflict of Interest and/or Related Party Transaction, as defined in the Conflict of Interest Policy. *[If none, please write "None." If such transaction(s) exists, please specify the transaction and the potential financial interest involved and whether you or a Relative has such an interest for any such transaction(s). Please specify the Relative and their position, if applicable.]*

I certify that the above statements are true and correct to the best of my knowledge.

Name: _____

Position: _____

Signature: _____

Date: _____