

PROPOSED CONFLICTS OF INTEREST POLICY

Conflicts of interest have the potential to cause legal problems as well as embarrassment for The Alaska State Hockey Association ("Organization"). While conflicts of interest are not prohibited, they must be duly considered by an appropriate body or party of Organization, based on disclosures as required by Organization. This Conflicts of Interest Policy (this "Policy") is intended to help directors, officers, employees, members of councils, committees and similar bodies, and certain other persons identify situations that present possible conflicts of interest and to provide Organization with procedures whereby potential conflicts may be reviewed by an appropriate body or party of Organization.

Conflicts of interest exist where an individual's activities or relationships present the potential for improper personal gain or advantage, or an adverse effect on the interests of Organization. It is impossible to list every circumstance giving rise to a conflict of interest; however, this Policy will serve as a guide to the types of circumstances that create conflicts of interest. Because the nature of the business of Organization requires great public respect for and trust in the reputation and integrity of Organization, and because Organization operates in the public spotlight, Organization is expected to conduct its affairs in a manner consistent with high ethical principles. Organization correspondingly requires Responsible Persons (as defined below) to act in the same manner.

It is recognized that many persons serving in paid, volunteer and other roles with Organization may also have volunteer, employment, management, ownership and other relationships with other entities involved in hockey that give rise to fiduciary and similar obligations to those other third parties. Ordinarily a Responsible Person's obligations to Organization and a third party are not in conflict; however, when Conflicts of Interest arise, a Responsible Person has a primary fiduciary duty to Organization and must always act in the best interests of Organization. If a Conflict exists, then the Responsible Person must recuse themselves from involvement in the matter as more fully set forth in Section C below. Recognizing that Conflicts of Interest arise, this Policy is intended to preserve the integrity of the decisions and actions taken by Organization.

A. Definitions

As used in this Policy, the following capitalized terms shall have the meanings indicated.

"Agent" refers to a person serving as a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative of an entity or individual.

"Board" is the Board of Directors of Organization.

"Transaction" is any contract, transaction, agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a grant or

loan, or the establishment of any other financial relationship with Organization or a Related Organization.

"Control" exists if an entity or individual either (i) owns, directly or indirectly, at least fifty percent (50%) of the equity ownership of another entity, or (ii) has the right, directly or indirectly, to direct or cause the direction of the management and policies of another entity, whether through the ownership of voting interests, by contract, or otherwise.

"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.

"Related Organization" is an entity that controls, is controlled by, or is under common control with Organization.

"Responsible Person" is any person who holds one or more of the following positions with Organization or a Related Organization: Director; Director Emeritus; officer; member of a council, committee or similar body; member of the Organization staff; member of a task force or other similar ad hoc committee; member of a hearing or appeal panel regarding a disciplinary matter, or any other person determined by the President of Organization to be subject to this policy.

B. Existence of a Conflict of Interest

A "Conflict of Interest" or "Conflict" exists when a Responsible Person's activities or interests, whether direct or indirect, interfere with, influence, or have the potential to interfere with or influence his or her responsibilities in any material respect on behalf of Organization or undermine the interests of Organization; provided, however, where a Responsible Person has a financial interest (regardless of the materiality of the financial interest) in a Transaction, a potential Conflict of Interest may exist. This definition of Conflict of Interest is intended to be interpreted broadly because the appearance of impropriety can be just as damaging as actual impropriety. Therefore, a Conflict of Interest exists whenever the public may reasonably infer from the circumstances that there is or could be such a conflict. Conflicts of Interest include, without limitation, the following types of circumstances and related examples, which are presented for illustration purposes and are not intended to be an exhaustive list of all potential Conflicts of Interest:

- When Organization is considering entering into a Transaction with a Responsible Person or Family Member.

Example: Approval of the Board is sought for an agreement for the provision of consulting services by a director of Organization.

- When Organization is considering entering into a Transaction with an entity (other than a Related Organization) or individual in which a Responsible Person or Family Member has a financial interest or is an Agent.

Example: Approval of the Finance Committee of Organization is sought for a banking relationship with a company of which an Organization director is the Vice President.

- When a Responsible Person engages in activities competing with Organization or a Related Organization, including in the provision of services for, or in any other transaction or arrangement with, a third party.

Example: An officer of Organization agrees with a national governing body other than USA Hockey to promote the other national governing body in negotiations with potential sponsors or licensees.

- When a Responsible Person has a financial interest in an entity or individual that competes with Organization or a Related Organization, including in the provision of services for, or in any other transaction or arrangement with, a third party.

Example: The spouse of an officer of Organization works for or is an investor in a company that competes with Organization or a Related Organization, or in a company that provides services to a company that competes with Organization or a Related Organization.

- When a Responsible Person accepts gifts, excessive entertainment or other favors from any individual or entity that does, or is seeking to do, business with Organization or a Related Organization, if it might be concluded that such action was intended to influence or might influence the Responsible Person in his or her duties to Organization. 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 Organization or a Related Organization.

Example: The chair of the Finance Committee of Organization is offered free use of a lake home belonging to the President of an organization that has a financial proposal under review by Organization.

- When a Responsible Person has a financial interest, or is an Agent of an organization that is reasonably likely to be impacted (financially or otherwise) by an action or decision made by the Responsible Person in his or her capacity acting on behalf of Organization.

Example: A committee member who works for a league, program or other organization is called upon to vote or make a decision on a matter materially impacting the league, program or other organization.

Example: A director working or volunteering for a Tier I program serves on a committee for determining whether to grant Tier I status to competing programs.

- When a Responsible Person's activities or interests, whether direct or indirect, interfere with, influence, or have the potential to interfere with or influence his or her responsibilities on behalf of Organization or undermine the interests of Organization.

Example: A director has a significant client that owns or operates a facility being considered as the host of an Organization event.

Example: An officer serves on a hearing panel or appeal panel involving discipline against a member of the officer's program.

C. Policy and Procedures

The procedures set forth below are designed to help Responsible Persons identify situations that present potential Conflicts of Interest and to provide Organization with a procedure for independent review and, when appropriate, approval of a circumstance in which a Responsible Person has or may have a Conflict of Interest. The policy is intended to comply with the procedure prescribed in: (1) Alaska Statute 10.20.136 which prohibits a non-profit corporation from paying any part of the income or profit for the corporation to its members, directors or officer in the form of a distribution, but does not prohibit the corporation from paying compensation in a reasonable amount to its members, directors, or officers for services rendered, may confer benefits upon its members in conformity with its purposes; and (2) Alaska Statute 10.20.141 which prohibits an Alaskan non-profit corporation from making loans to its directors or officers, and dictates that a director or officer who assents to or participates in the making of such a loan will be liable to the corporation for the amount of the loan until its repayment.

Reporting Conflicts of Interest

Prior to Board, Executive Committee or other action on a matter involving a Conflict of Interest (including any decision or any Transaction), a Responsible Person who believes he or she has a Conflict of Interest shall disclose all facts material to the Conflict of Interest as follows:

- (a) In the case of Board or Executive Committee action, to the President;
- (b) In the case of action by a council, committee, task force, other ad hoc committee, or hearing or appeal panel, to the applicable chair (for example, a member of a Committee who believes that he or she has a Conflict of Interest shall report the matter to the chair of the committee); or
- (c) In the case of action by Organization staff, to the President.

Such disclosure shall be made by the person with the Conflict prior to or at the meeting.

The individual to whom the disclosure is made shall report the disclosure at the meeting prior to consideration of the matter involving the Conflict, and the disclosure shall be reflected in the minutes of the meeting. If the person having the Conflict of Interest is the President, then the required disclosure shall be made to, and the required report shall be made by, a Vice President or another officer.

For any other Conflicts of Interest not described above, the Responsible Person who believes he or she may have a Conflict of Interest shall disclose to the President the facts relating to the potential Conflict of Interest.

A Responsible Person with a Conflict of Interest shall refrain from any action that may affect Organization's participation in the subject Transaction or other decision or action of

Organization and shall not attempt to exert his or her personal influence regarding the matter.

Individuals or bodies of Organization with questions about procedures for disclosure and review of Conflicts of Interest may seek advice from designated legal counsel for the Organization, who may answer such question or refer such question to a member of the Organization or other designee.

Unreported Conflicts of Interest

At the direction of the President or designated legal counsel for the Organization, Organization may review any matter to be considered by the Board, or a council, committee, task force, other ad hoc committee, hearing or appeal panel or other body of Organization, to determine whether a Responsible Person has a Conflict of Interest, and if it is determined that a Conflict exists the Conflict of Interest procedures herein shall apply.

Review of Conflicted Transactions

For matters in which a Responsible Person has a Conflict of Interest, the Board, Executive Committee, council, committee, task force, other ad hoc committee, hearing or appeal panel, or other body of Organization, as applicable, shall review each Conflict of Interest that is reported to it, and may approve the matter if the material facts as to the matter and the Conflict of Interest are fully disclosed or known to the body considering the matter, and the body approves the matter in good faith by the affirmative vote (without counting the person(s) with the Conflict) of a majority of the disinterested members of the body at the meeting, even though the disinterested members constitute less than a quorum for such meeting.

A Responsible Person who believes he or she has a Conflict of Interest may participate in the body's discussion of the matter if they have disclosed the material facts related to the Conflict and all parties related to the subject of the matter are present or represented; provided however, the chair of the body considering the matter may provide an opportunity for the body to discuss the matter without the person with the Conflict of Interest present. The person with a Conflict of Interest may not vote on the subject matter. The chair has the power to require the interested person to leave the room while the vote is taken and/or during deliberations.

The minutes of the meeting of the body reviewing a Conflict of Interest and making a decision on the underlying matter shall reflect (1) the matter under consideration, (2) the Responsible Person with a Conflict of Interest, (3) the Responsible Person's ineligibility to vote and/or absence from the meeting during any discussion or vote, and (4) the decision of the body on the matter under consideration.

For all other Conflicts of Interest, the President shall determine whether the Conflict of Interest should be reported to or acted on by the Board or other body of Organization. The President may also determine whether review and resolution of a Conflict of Interest should be handled by another party or body of Organization, including a special committee

designated by the President. In each case, the President may direct and address review and resolution of the matter in the President's discretion, and shall make a written record of the disclosure of the Conflict of Interest and related decision on referral of the matter.

Questions

If it is not clear whether a Conflict of Interest exists, then a Responsible Person with a potential Conflict shall disclose the circumstances to the President, who shall determine whether there exists a Conflict of Interest that is subject to this Policy.

Individuals or bodies of Organization with questions about procedures for disclosure and review of Conflicts of Interest may seek advice from the organization's designated legal counsel, who may answer such question or refer such question to a member of the Organization or other designee.