



POLICIES AND PROCEDURES FOR BOARD MEMBER CONFLICTS OF INTEREST

PURPOSE: To ensure the integrity of the Board by establishing a policy and procedures for disclosure of a conflict of interest by a Director, to ensure that proper voting procedures are followed when a conflict of interest exists.

AUTHORITY: The Bylaws of the Cañon City Geology Club (hereinafter "Bylaws"), Articles of Incorporation, and Colorado law.

1. General Duty. Directors shall at all times act in good faith and in the best interests of the Cañon City Geology Club.
2. Definitions.
 - (a) "Director" means any member of the Cañon City Geology Club's Board of Directors, including Officers.
 - (b) "Conflicting interest transaction" means a contract, transaction, or other financial relationship between the Cañon City Geology Club and:
 - i. a Director,
 - ii. a Party Related to a Director, or
 - iii. an entity in which a Director of the Cañon City Geology Club or a Party Related to a Director is a director or officer or has a financial interest.
 - (c) "Party Related to a Director" means a spouse, descendant, ancestor, sibling, or the spouse or descendant of a sibling.
3. Disclosure of Conflict. If a transaction is being considered and a Director has a potential conflict of interest with that transaction, the potential conflict must be disclosed to the Board prior to any discussion or vote on the matter. The Board will review the circumstances of the potential conflict of interest and determine by a majority vote of the disinterested Directors whether a conflict of interest exists.
 - (a) If the disinterested Board members determine that a conflict does not exist, the interested Director shall be permitted to participate in the discussion and vote on the matter. The minutes of the meeting shall state that the potential conflict of interest was disclosed and that the disinterested Directors determined that a conflict did not exist.



- (b) If the disinterested Directors determine that a conflict exists, the interested Director shall not participate in the discussion and shall not vote on the matter. However, the interested Director may answer questions posed by the remaining Directors regarding the transaction. The interested Director may be asked to leave the room during the remainder of the discussion. The minutes of the meeting shall reflect the disclosure, the determination that a conflict exists, the abstention from voting on the transaction and record who voted for and against the transaction.
5. Procedure. If the Board President has a conflict of interest and is removed from the meeting during the discussion, the Vice President shall preside over the meeting until the President returns.
6. Failure to Disclose Conflict. If conflict of interest is brought to the Board's attention after a transaction has been approved, then the Board must determine if the transaction is fair to the Cañon City Geology Club by a majority vote of the disinterested Directors.
- (a) If the transaction is determined to be fair, the Board shall ratify its previous decision regarding that transaction.
- (b) If the transaction is determined not to be fair, then the transaction and the approval for that transaction shall be null and void.
7. Deviations. The Board may deviate from the procedures set forth in this Policy if in its sole discretion such deviation is reasonable under the circumstances.
8. Amendment. This policy may be amended by the Board of Directors.