

**Conflict of Interest Policy
Of Lake Champlain Yacht Club (“LCYC”)**

1. Overview

Directors, officers and employees of LCYC have a legal duty to act in LCYC’s best interests and may not use their positions for their own financial or personal benefit.

1.1. Purpose

The purpose of this Conflict of Interest Policy (the “policy”) is to protect LCYC’s interests when it is considering taking an action or entering into a transaction that might benefit the private interests of a Board of Governor (BOG) member, committee chair, or key person¹, or otherwise violate state and federal laws governing conflicts of interest applicable to nonprofit organizations; and in general matters of LCYC governance.

1.2. Why is a policy necessary?

As a nonprofit, LCYC is accountable to both government agencies and members of LCYC for responsible and proper use of its resources. Conflicts of interest must be taken seriously since they can damage LCYC’s reputation and expose both LCYC and affiliated individuals to legal liability if not handled appropriately. Even the appearance of a conflict of interest should be avoided, as it could undermine public support for LCYC.

1.3. To whom does the policy apply?

This policy applies to all LCYC BOG members, committee chairs, and key persons.

2. Identifying Conflicts of Interest

2.1. What is a conflict of interest?

A potential conflict of interest arises when a BOG member, committee chair, or key person, or that person’s relative² or business (a) stands to gain a financial benefit from an action LCYC takes or a transaction into which LCYC enters; or (b) has another interest that impairs, or could be seen to impair, the independence or objectivity of the BOG member, committee chair, or key person in discharging their duties to LCYC. .

¹ Key person means a person, other than a director or officer, whether or not an employee of LCYC, who:

- a. has responsibilities, or exercises powers or influence over LCYC as a whole similar to the responsibilities, powers, or influence of BOG member and committee chairs;
- b. manages LCYC, or a segment of LCYC that represents a substantial portion of the activities, assets, income, or expenses of LCYC; or
- c. alone or with others controls or determines a substantial portion of LCYC’s capital expenditures or operating budget.

² Relative means a person’s spouse or domestic partner, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses or domestic partners of brothers, sisters, children, grandchildren and great-grandchildren

**Conflict of Interest Policy
Of Lake Champlain Yacht Club (“LCYC”)**

2.2. What are some examples of potential conflicts of interest?

There are many circumstances that could present conflicts of interest, which may or may not result in financial gain, the following are a few examples where a BOG member, committee chair or that person’s relative or business:

- has an ownership or investment interest in any third party that LCYC is considering dealing with;
- receives or may receive compensation or other benefits in connection with a transaction into which LCYC enters;
- receives or may receive personal gifts or loans from third parties dealing with LCYC.;
- serves on the board of directors of another nonprofit organization that is competing with LCYC for a contract;
- has a close personal or business relationship with a participant in a transaction being considered by LCYC;
- would like to pursue a transaction being considered by LCYC for their personal benefit.
- wants to make a physical change or inhibit a change to the Club’s house or grounds for their personal interest.

2.3. In situations where you are uncertain, err on the side of caution and disclose the potential conflict as set forth in Section 3 of this policy.

2.4. A potential conflict is not necessarily a conflict of interest. A person has a conflict of interest only if the governance committee decides, in accordance with Section 4 of this policy, that a conflict of interest exists.

3. Disclosing Potential Conflicts of Interest

3.1. You must disclose to the best of your knowledge all potential conflicts of interest as soon as you become aware of them and always before any actions involving the potential conflict are taken. Submit a written statement disclosing all the material facts to the BOG.

3.2. Additionally, you must file an annual disclosure statement in the form attached to this policy. If you are a BOG member, committee chair, or key person, you must also file this statement prior to your initial appointment. Submit to the BOG.

4. Determining if a Conflict of Interest Exists and How to Address

4.1. After a potential conflict is disclosed and after gathering any relevant information from the individual reporting the potential conflict, the BOG shall determine whether a conflict of interest exists, or potentially exists.

4.2. The individual reporting the potential conflict shall not be present for deliberation or vote on the matter and must not attempt to influence the determination of whether a conflict of interest exists.

**Conflict of Interest Policy
Of Lake Champlain Yacht Club (“LCYC”)**

- 4.3. A conflict always exists in the case of a related party transaction – a transaction, agreement or other arrangement in which a BOG member, committee chair, or key person has a financial interest and in which LCYC is a participant.

5. Minutes and Documentation

- 5.1. The minutes of any BOG meeting at which a matter involving a conflict of interest or potential conflict of interest was discussed or voted upon shall include:
- 5.1.1. the name of the interested party and the nature of the interest;
 - 5.1.2. the decision as to whether the interest presented a conflict of interest;
 - 5.1.3. any alternatives to a proposed contract or transaction considered by the board; and
 - 5.1.4. if the transaction was approved, the basis for the approval

6. Prohibited Acts

- 6.1. LCYC shall not make a loan to any BOG member, committee chair, or key person

Dated: November 7, 2023

By signing below, I affirm that:

- 1. I have received and read a copy of the Conflict of Interest Policy;
- 2. I agree to comply with the policy;
- 3. I have no actual or potential conflicts as defined by the policy or if I have, I have previously disclosed them as required by the policy or am disclosing them below.

Disclose here, to the best of your knowledge:

- 1. any entity in which you participate (as a director, officer, employee, owner, or member) with which LCYC has a relationship;
- 2. any transaction in which LCYC is a participant and to which you might have a conflicting interest; and
- 3. any other situation that may pose a conflict of interest.

Name:

Position:

Date:

List of Potential Conflicts: