

**WAUBONSIE VALLEY RUGBY FOOTBALL CLUB, INC.
RESOLUTION NO. 2011-01
DATE OF PASSAGE: FEBRUARY 9, 2011**

**A RESOLUTION APPROVING
A CONFLICT OF INTEREST POLICY**

WHEREAS, the Waubonsie Valley Rugby Football Club, Inc., (the "Club") was created as an Illinois not-for-profit corporation on October 27, 2010; and

WHEREAS, the Club was organized pursuant to by-laws (the "By-Laws") approved by the Club's founding board of directors on January 19, 2011; and

WHEREAS, the By-Laws vest the general governing powers of the Club with the Club's Board of Directors (the "Board"); and

WHEREAS, the Board deems that it is in the best interest of the Club to establish a conflict of interest policy to prevent inurement, impermissible private benefit, and excess benefit transactions; and

WHEREAS, a conflict of interest policy is generally required for an exemption from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE WAUBONSIE VALLEY RUGBY FOOTBALL CLUB, INC., THAT the attached conflict of interest policy is hereby approved and effective immediately.

PASSED AND APPROVED ON this 9th day of February 2011.

Bob McNeil

Brian W. Caputo

Bryan Elliott

Walter Kelly

Celeste Deryn

AYES 5 NAYS 0 ABSENT 2

Bob McNeil

Brian W. Caputo

Head Coach

President

ATTEST:

Celeste Deryn
Secretary/Registrar

WAUBONSIE VALLEY RUGBY FOOTBALL CLUB, INC.
CONFLICT OF INTEREST POLICY
FEBRUARY 9, 2011

Article I: Purpose

The purpose of the conflict of interest policy is to protect the Waubonsie Valley Rugby Football Club, Inc., (the "Club") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Club or might result in a possible excess benefit transaction. 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 officer, director, or member of a committee with powers delegated by the Club's Board of Directors (the "Board"), 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 Club has a transaction or arrangement; or
 - b. A compensation arrangement with any entity or individual with which the Club 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 Club 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 Board decides that a conflict of interest exists.

Article III: Procedures

1. *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 Board.

2. *Determining Whether a Conflict of Interest Exists.* After disclosure of the financial interest and all material facts, and after any discussion with the potentially interested person, he/she shall leave the Board while the determination of a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

3. *Procedures for Addressing the Conflict of Interest.*

- a. An interested person may make a presentation at the Board meeting. However, 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 President of the Club shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board shall determine whether the Club 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 Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Club's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

4. *Violations of the Conflict of Interest Policy.*

- a. If the Board has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain 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 Board determines the person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV: Records of Proceedings

The minutes of meetings of the Board shall contain:

- 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, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes related 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: Annual Statements

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

- a. Has received a copy of the conflict of interest policy; and
- b. Has read and understands the policy; and
- c. Has agreed to comply with the policy; and
- d. Understands that the Club is charitable and, in order to maintain its federal tax exemption, the Club must engage primarily in activities which accomplish its tax-exempt purpose.

Article VI: Periodic Reviews

To ensure the Club operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include examining whether transactions and arrangements with outside organizations conform to the Club'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 excess benefit transactions.

Article VII: Use of Outside Experts

When conducting the periodic review as provided for in Article VI above, the Club may, but need not, use outside experts. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

**WAUBONSIE VALLEY RUGBY FOOTBALL CLUB, INC.
AFFIRMATION OF
CONFLICT OF INTEREST POLICY**

I, _____ (insert name), _____ (insert position), of the Waubonsie Valley Rugby Club, Inc., (the "Club") hereby affirm that:

1. I have received a copy of the Club's Conflict of Interest Policy, dated February 9, 2011; and
2. I have read and understand said policy; and
3. I agree to comply with said policy; and
4. I understand that the Club is charitable and, in order to maintain its federal tax exemption, the Club must engage primarily in activities which accomplish its tax-exempt purpose.

Signature

Name

Date