

South Pasadena High School Tiger Booster Club, Inc. ("Booster Club")

Conflict of Interest Policy

Members of the Board of Directors of the Booster Club have an affirmative obligation to act at all times in the best interests of Booster Club and without conflict to the interests of Booster Club. This policy serves to define the term "conflict of interest," to assist members of the Board in identifying and disclosing such conflicts, and to provide a means of determining whether a conflict exists and resolving conflicts.

Conflict of interest defined. A conflict of interest may arise when the ability of a director to make unbiased and impartial decisions on behalf of Booster Club is compromised, particularly when a personal financial interest may be at stake. Such circumstances may involve family relationships, business transactions, professional activities, or personal affiliations.

Disclosure. The Board recognizes that conflicts of interest are not uncommon, and that not all conflicts of interest are necessarily harmful to Booster Club. However, the Board requires full disclosure of all actual and potential conflicts of interest. Each Director shall disclose any and all facts that may be construed as a conflict of interest, both through an annual disclosure process and whenever such actual or potential conflict occurs.

Process and remedy. The Board will determine whether or not a conflict of interest exists, and whether or not such conflict materially and adversely affects the interests of Booster Club. A Director whose potential conflict is under review may not vote or otherwise participate in such determination. If the Board determines that an actual or potential conflict of interest does exist, the Board shall also determine an appropriate remedy. Such remedy may include, for example, the recusal of the conflicted Director from participating in certain matters pending before the Board.

Resolution of conflicts. If the Board identifies an actual, potential, or apparent conflict of interest, the Board shall analyze and consider the circumstances presented and take appropriate action to resolve the conflict, which may include a decision to *waive* the conflict of interest as unlikely to affect the Director's ability to act in the best interests of the organization; to *recuse* the Director from deliberation and decision-making related to the particular matter that gives rise to the conflict of interest; or other appropriate action up to and including a determination that the only solution is for the Director to *resign* because the conflict is so pervasive that the Director would likely seldom, if ever, be able to act solely in the best interests of the organization.

Procedure for Allowing a Business Relationship with a Director. A potentially waivable conflict of interest exists any time a director seeks to enter into a business relationship with Booster Club. Similar conflicts may arise through family members or through organizations in which directors serve in a leadership, employment, or ownership capacity.

Such conflicts do not automatically preclude business relationships with Booster Club but may be waived if determined to be in the best interests of Booster Club. The following procedure is designed

to resolve conflicts of interest whenever a director, or a related party, seeks to provide goods or services to Booster Club as a paid provider of goods and/or services (a “business relationship”):

- The director must promptly disclose the intent to enter into a business relationship with Booster Club.
- The interested director may not vote or otherwise decide on whether to enter into the contemplated business relationship.
- The non-interested directors will determine whether alternatives to the proposed business relationship should be explored and if so, whether Booster Club could obtain a materially more advantageous transaction or arrangement from a person or entity that would not give rise to a Conflict of Interest, considering the totality of the proposed business relationship.
- After considering alternatives, if any, and considering the totality of the proposed business relationship, the Board shall determine by a majority vote of the disinterested members, without the presence or participation of the director under review, that the transaction is fair and in the best interest of Booster Club.
- If the Board of Directors approves the business relationship under consideration, the director may not participate in any process by which his or her performance as a vendor or other contracting party is evaluated, or in any such evaluation of a related party.

Annual disclosure process. On an annual basis, each member of the Board shall be provided with a copy of this policy, and shall complete and sign the acknowledgement and disclosure form provided herewith.

Adopted 21 October 2014

The Booster Club reserves the right to modify or amend this policy at any time.