

DISCOVERY BAY WOMEN'S CLUB CONFLICT OF INTEREST POLICY

1. PURPOSE

The purpose of this Conflict of Interest Policy (the "Policy") is to protect the interests of Discovery Bay Women's Club, a Washington nonprofit corporation (the "Corporation"), in connection with any transaction or arrangement that might benefit the private interests of any Covered Person, as defined below. This Policy provides (i) a systematic mechanism for disclosing and evaluating potential and actual conflicts; and (ii) procedures for the Board of Directors in considering any transaction or arrangement where a conflict may exist.

2. PERSONS COVERED BY THE POLICY

This policy applies to "Covered Persons," defined as any Corporation director, officer, or member of any committee of the Board of Directors that qualifies as a committee of the Board of Directors within the meaning of that term in the Corporation's Amended and Restated Bylaws, as amended and/or restated from time to time ("Bylaws"), and those Corporation employees, if any, who may be designated by the President of the Corporation. Every Covered Person shall complete an annual Conflict of Interest Questionnaire.

3. DUTIES OF COVERED PERSONS

- a. Duty of Care. Every Covered Person shall perform such person's duties for the Corporation in good faith and with the degree of care that an ordinarily prudent person would exercise under similar circumstances.
- b. Duty of Loyalty. Every Covered Person must act with loyalty to the Corporation, meaning that no Covered Person may use such person's position with the Corporation to make personal profit or gain other personal advantage. No Covered Person may personally take advantage of a business opportunity that is offered to the Corporation unless the Board of Directors determines (after full disclosure and a disinterested and informed evaluation) not to pursue that opportunity.
- c. Conflicts of Interest. No Covered Person may engage in any transaction or arrangement or undertake positions with other organizations that involve a conflict of interest, except in compliance with this Policy. Covered Persons should avoid both actual conflicts and the appearance of conflicts of interest. Every Covered Person shall:
 - (i) Disclose all actual and potential conflicts as set out below at Section 5; and
 - (ii) Recuse themselves from voting on any transaction or arrangement in which such person has a potential or actual conflict of interest, and shall not be present when any such vote is taken.

4. CONFLICT OF INTEREST

a. Potential Conflict. A Covered Person may have a conflict of interest with respect to a transaction or arrangement whenever such person, or any of such person's family members:

- (i) Receives compensation or other funding directly or indirectly from the Corporation and the transaction or arrangement involves such compensation or funding;
- (ii) Has or anticipates having a compensation arrangement with any entity or individual that either: (a) sells goods or services to, or purchases services from the Corporation ; (b) has any other transaction or arrangement with the Corporation; or (c) competes with the Corporation;
- (iii) Has or anticipates having any ownership interest, investment interest, or serves or anticipates serving as a director or officer of, any entity that either: (a) sells goods or services to, or purchases services from the Corporation; (b) has any other transaction or arrangement with the Corporation; or (c) competes with the Corporation; or
- (iv) Has accepted any gift, entertainment, or other favor where such acceptance might create the appearance of influence on the Covered Person (other than gifts of nominal value, which are clearly tokens of respect and friendship unrelated to any particular transaction).

b. No Conflict. A Covered Person does not have a conflict of interest only because:

- (i) the Covered Person owns securities of a publicly traded company with which the Corporation has a transaction or arrangement, if such securities are less than 5% of the outstanding securities of the publicly traded company and their fair market value is less than 2% of the Covered Person's net worth.

5. DISCLOSURE AND EVALUATION OF CONFLICTS

a. Disclosure. Each Covered Person shall promptly and fully disclose all material facts of every actual or potential conflict of interest:

- (i) Existing at the time when such person becomes a Covered Person;
- (ii) That arises while such person is a Covered Person, at the time such actual or potential conflict arises; and
- (iii) Annually through the annual Conflict of Interest Questionnaire.

All disclosures involving a transaction or arrangement being considered at a meeting of the Board of Directors or a committee of the Board of Directors shall

be made to all members present at such meeting. All other disclosures shall be made to the President (and the President shall disclose conflicts to the Board of Directors).

- b. Evaluation. The President shall disclose to the Board of Directors all conflicts of interest reported under this Policy. The Board of Directors will evaluate disclosures to determine whether they involve actual conflicts of interest and may attempt to develop alternatives to remove the conflict from the situation.

6. PROCEDURES FOR ACTING ON CONFLICT OF INTEREST TRANSACTIONS

- a. Formal Approval. The Corporation may enter into a transaction or arrangement in which a Covered Person has a conflict of interest if:
 - (i) The Covered Person has disclosed the conflict of interest in accordance with this Policy;
 - (ii) A majority of directors who have no interest in the transaction or arrangement approve the transaction or arrangement at a Board of Directors or committee of the Board of Directors meeting after determining, in good faith and after reasonable investigation, that the transaction or arrangement is fair and reasonable to the Corporation and is in the Corporation's best interest;
 - (iii) Any Covered Person who has an actual or potential conflict with respect to the transaction or arrangement does not participate in and is not present for the vote regarding any such transaction or arrangement (provided, however, that any such Covered Person may appear at a meeting to answer questions concerning the transaction or arrangement); and
 - (iv) The Board of Directors relies upon appropriate comparability data, such as an independent appraisal or an independent compensation study, in reaching its determination as to the fairness and reasonableness of the transaction or arrangement to the Corporation.
- b. Transaction Fair to the Corporation. It shall not be a violation of this Policy if all the requirements for formal approval, outlined above, are not satisfied, so long as the transaction or arrangement is in fact fair to the Corporation, furthers its tax-exempt purposes, and does not result in inurement, impermissible private benefit, or an excess benefit transaction under laws applicable to organizations exempt from federal income tax under Section 501(c)(7) of the Internal Revenue Code.

7. RECORDS OF PROCEEDINGS

- a. Content of Minutes. The minutes of the Board of Directors or any committee of the Board of Directors for any meetings described above shall contain:

- (i) The names of the persons who disclosed an actual or potential conflict of interest or otherwise were found to have a conflict of interest, and the nature of the conflict of interest; and
 - (ii) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement considered and the appropriate comparability data relied upon, and a record of any votes taken.
- b. Timing. The minutes of any meeting described above shall be prepared by the later of the next succeeding meeting of the Board of Directors or committee of the Board of Directors, as applicable, or sixty (60) days after the final action on the matter is taken by the Board of Directors or committee of the Board of Directors.

8. ENFORCEMENT

Each Covered Person shall sign a statement acknowledging that such person has received a copy of this Policy, has read and understands it, and agrees to comply with it. If the Board of Directors has reasonable cause to believe that a Covered Person has failed to comply with this Policy, the Board of Directors may counsel the Covered Person regarding such failure and, if the issue is not resolved to the Board of Director's satisfaction, may consider additional corrective action as appropriate.

**DISCOVERY BAY WOMEN'S CLUB
ANNUAL CONFLICT OF INTEREST QUESTIONNAIRE**

This Questionnaire is to be completed annually by all officers and directors of Discovery Bay Women's Club, and any employees designated by the President of Discovery Bay Women's Club.

1. NAME AND BACKGROUND INFORMATION

a. Name: _____

Address: _____

E-mail Address: _____

Telephone Number: _____

b. Position with the Corporation: _____

2. CONFLICT OF INTEREST INFORMATION

a. **Investments.** Identify any investments that you or a member of your family has or had during the last five (5) years in any organization that has, does, or is likely to provide goods or services to, or to compete with the Corporation:

_____ None

b. **Directive or Other Services.** Identify any services that you or a member of your family provides or has provided within the last five (5) years as a director, partner, principal, manager, employee, or consultant to any organization that does, has, or is likely to provide goods or services to, or compete with the Corporation:

_____ None

- c. **Interests in Transactions.** Identify any interest that you or a member of your family or any organization in which you have an interest (*e.g.*, a corporation or partnership) has had in any transaction during the last five (5) years, to which the Corporation was a party (*e.g.*, any loans, sales of goods or services, or guarantees).

_____ None

- d. **Other.** Identify all other circumstances affecting you or members of your family that might appear to involve a conflict of interest, actual or potential, and any circumstances that could be viewed as use of information relating to the business of the Corporation for personal profit or advantage.

_____ None

ACKNOWLEDGMENT AND SIGNATURE

To the best of my knowledge and belief, the above information is true and accurate. I have received a copy of the Conflict of Interest Policy of Discovery Bay Women's Club, which I have read and understand, and I hereby agree to comply with it.

DATED this ____ day of _____, 20____.

By _____