

**COLLIE CLUB OF AMERICA, INC.  
CONFLICT OF INTEREST POLICY**

Section 1. Purpose. The purpose of the Conflict of Interest policy is to protect the interest of Collie Club of America, Inc. (the “Corporation”) when it is contemplating entering into a Related Party Transaction, or other transaction or arrangement that might benefit the private interest of an officer, director, or Key Person or might result in a possible excess benefit transaction. This policy supplements but does not replace any other applicable state and federal laws governing conflicts of interest applicable to the Corporation.

Section 2. Definitions.

(a) “*Affiliate*” of a corporation, as set forth in Section 102(a)(19) of the New York Not-for-Profit Corporation Law, as may be amended from time to time (the “NPCL”), means any entity controlled by, or in control of, such corporation.

(b) “*Compensation*” includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

(c) A “*Conflict of Interest*” shall exist (i) when an Interested Person has a Financial Interest in a proposed transaction, or (ii) with respect to all proposed Related Party Transactions or (iii) if the Deciding Body makes the determination in its sole discretion that a Conflict of Interest exists.

(d) “*Deciding Body*” means the Board, or a committee thereof appointed by the Board, which is responsible for overseeing the implementation of and compliance with the Corporation’s Conflict of Interest Policy, as required by Section 715-a of the NPCL.

(e) “*Financial Interest*”: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

(i) an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,

(ii) a Compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or

(iii) a potential ownership or investment interest in, or Compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

(f) “*Interested Person*”: An Interested Person is any (i) Related Party or (ii) any director, officer, Key Person or member of a committee with Board-delegated powers, who has a direct or indirect Financial Interest, or who has any other interest or relationship that could reasonably be viewed as having the potential to affect his or her decision-making judgment.

(g) “*Key Person*” as set forth in Section 102(a)(25) of the NPCL, means any person other than a director or officer, whether or not an employee of the Corporation, who (i) has responsibilities, or exercises powers or influence over the Corporation as a whole similar to the responsibilities, powers, or influence of directors and officers; (ii) manages the Corporation, or a segment of the Corporation that represents a substantial portion of the activities, assets, income or expenses of the Corporation; or (iii) alone or with others controls or determines a substantial portion of the Corporation’s capital expenditures or operating budget.

(h) “*Related Party*” as set forth in Section 102(a)(23) of the NPCL, means (i) Any director, officer or Key Person of the Corporation or any affiliate of the Corporation; (ii) any relative of any director, officer, or Key Person of the Corporation or any affiliate; or (iii) any entity in which any individual described in clause (i) or (ii) has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%. Said information shall be disclosed to the Corporation by a director upon joining the Board and annually thereafter.

(i) “*Related Party Transaction*” as set forth in Section 102(a)(24) of the NPCL, means any transaction, agreement, or other arrangement in which a “related party” has a financial interest and in which the Corporation or any of its affiliates is a participant, except that a transaction shall not be a related party transaction if: (i) the transaction or the related party’s financial interest in the transaction is *de minimis*, (ii) the transaction would not customarily be reviewed by the board or boards of similar organizations in the ordinary course of business and is available to others on the same or similar terms, or (iii) the transaction constitutes a benefit provided to a related party solely as a member of a class of the beneficiaries that the Corporation

intends to benefit as part of the accomplishment of its mission which benefit is available to all similarly situated members of the same class on the same terms.

(j) “*Relative*” of an individual, as set forth in Section 102(a)(22) of the NPCL, means (i) his or her spouse or domestic partner as defined in section twenty-nine hundred ninety-four-a of the public health law; (ii) his or her ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren; or (iii) the spouse or domestic partner of his or her brothers, sisters, children, grandchildren, and great-grandchildren.

### Section 3. Procedures.

(a) Duty to Disclose. In connection with any actual or possible Conflict of Interest, an Interested Person must disclose the existence of the financial or other interest and be given the opportunity to disclose all material facts to the Deciding Body.

(b) Determining Whether a Conflict of Interest Exists. After disclosure of the interest and all material facts, and after any discussion with the Interested Person, he or she will leave the Deciding Body’s meeting while the determination of a Conflict of Interest is discussed and voted upon. The remaining Deciding Body members will decide if a Conflict of Interest exists.

(c) Procedures for Addressing the Conflict of Interest. The Deciding Body will determine by a majority vote of the disinterested directors whether the transaction or arrangement is fair, reasonable and in the Corporation’s best interest. In conformity with the above determination it will make its decision as to whether to enter into the transaction or arrangement.

(d) Additional Procedures for Addressing Certain Conflicts of Interest. The Corporation shall not enter into a Related Party Transaction unless the transaction is determined by the Deciding Body to be fair, reasonable and in the Corporation’s best interest at the time of such determination. Any director, officer or Key Person who has an interest in a Related Party Transaction shall disclose in good faith to the Deciding Body the material facts concerning such interest.

(e) No Improper Attempts to Influence Vote. The Interested Person with the Conflict of Interest is prohibited from making any attempt to influence improperly the deliberation or voting on the matter giving rise to the Conflict of Interest. An Interested Person is precluded from being present at or participating in any board deliberation or vote related to the transaction or arrangement giving rise to a conflict of Interest or Related Party Transaction. Notwithstanding the foregoing, the Board of Directors may request that an Interested Person present information to the Board prior to the commencement of deliberations or voting relating thereto.

(f) Violations of the Conflicts of Interest Policy. If the Deciding Body has reasonable cause to believe that an individual has failed to disclose actual or possible Conflicts of Interest, it will inform the individual of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose. If, after hearing the individual's response and after making further investigation as warranted by the circumstances, the Deciding Body determines the individual has failed to disclose an actual or possible Conflict of Interest, it will take appropriate disciplinary and corrective action.

Section 4. Records of Proceedings. The minutes of the Deciding Body's meeting will contain the names of 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, the Deciding Body's decision as to whether a Conflict of Interest in fact existed, the names of persons who were present for discussions, 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.

Section 5. Compensation. Any person (or family member of such person) who receives Compensation or other payment, directly or indirectly, from the Corporation is precluded from voting on matters pertaining to his/her Compensation or other payment. Notwithstanding the previous sentence, no director will be prohibited from deliberating or voting concerning Compensation for service on the Board that is to be made available or provided to all directors of the Corporation on the same or substantially similar terms. Directors who receive

Compensation, directly or indirectly, from the Corporation may provide information to the Deciding Body regarding Compensation.

Section 6. Initial and Annual Statements. Each director will annually sign a statement which affirms that he or she is aware of and understands the Corporation's Conflict of Interest policy, has agreed to comply with the policy, and understands that the Corporation is charitable and, in order to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes. In addition, each director shall initially (prior to his or her initial election) and annually thereafter complete, sign and submit to the Secretary of the Corporation (or a designated compliance officer) a written statement identifying, to the best of his or her knowledge, any entity of which such director is an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or employee and with which the Corporation has a relationship, and any transaction in which the Corporation is a participant and in which the director might have a Conflict of Interest. The Secretary of the Corporation (or a designated compliance officer) shall provide a copy of all completed statements to the Chair of the Deciding Body.

Section 7. Periodic Reviews. To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its 501(c)(7) tax-exempt status, the Board will conduct periodic reviews, including, at a minimum, whether Compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining, and whether any partnerships, joint ventures, and arrangements with management organizations conform to the Corporation'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 in an excess benefit transaction. The Corporation may, but need not, use outside advisors to assist it in its periodic reviews. If outside advisors are used, their use will not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

Adopted: \_\_\_\_\_, 20\_\_