

## **ARTICLE VII**

### **Amendments**

This Code of Regulations may be amended at any regular Choir meeting, provided a written notice of the proposed amendment, accompanied by the precise matter in which the Code of Regulations is to be amended, was given to the President at the previous regular Choir meeting. Approval by a majority of the members present shall be required to approve any amendment.

## **ARTICLE VIII**

### **Ratification**

This Code of Regulations shall be ratified only by a majority vote of the members of the Clintonville Community Choir present at any regularly scheduled or duly called meeting.

On March 28, 2008, this Code of Regulations shall take full effect and all previous constitution codes of regulations, or bylaws shall be null and void.

## **ARTICLE IX**

### **Conflicts of Interest Policy**

#### **Section 1. Purpose.**

The purpose of the conflicts of interest policy is to protect the corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Interested Person (as defined below). An Interested Person may not use his or her position with respect to the corporation, or confidential corporate information obtained by him or her relating to the corporation, in order to achieve a financial benefit for himself or for a third person. This policy is intended to supplement but not replace any applicable state law governing conflicts of interest applicable to nonprofit and charitable corporations.

#### **Section 2. Definitions.**

(a) **Compensation.** "Compensation" includes direct and indirect remuneration, as well as gifts or favors that are substantial in nature.

(b) **Family.** "Family" shall have the meaning set forth in § 4958 of the Code and any Treasury Regulations promulgated thereunder.

(c) **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, or

(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.

(d) Interested Person. "Interested Person" shall mean any Director, principal Officer, or member of a committee with board-delegated powers who has a direct or indirect financial interest, as defined below. If a person is an Interested Person with respect to any entity related to the corporation, he or she is an Interested Person with respect to all entities related to the corporation.

(e) Related To. An organization or entity is "related to" the corporation if the organization is a "35-percent controlled entity" within the meaning of § 4958 of the Code and any Treasury Regulations promulgated thereunder.

(f) Unless specifically defined otherwise in this policy, all terms used in this policy shall have the meaning when used in § 4958 of the Code or any Treasury Regulations promulgated thereunder, and if terms used herein are not defined in this policy or in § 4958 of the Code and/or any Treasury Regulations promulgated thereunder, all terms used in this policy shall be given their-ordinary, everyday meaning and shall be construed in accordance with the rules of grammar and common usage.

### Section 3. Procedures.

(a) Duty to Disclose. In connection with any actual or possible conflicts of interest, an Interested Person must disclose the existence and nature of his or her financial interest to the Directors and members of committees with board-delegated powers considering the proposed transaction or arrangement.


(b) Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest, the Interested Person shall leave the board or committee meeting while the financial interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

(c) Procedures for Addressing the Conflict of Interest.

(i) The chairperson of the board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(ii) After exercising due diligence, the board or committee shall determine whether the corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

(iii) If a more advantageous transaction or arrangement is not

 reasonably attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

(d) Violations of the Conflicts of Interest Policy.

(i) If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

(ii) If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has, in fact, failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

(iii) The violation of this conflict of interest policy is a serious matter and may constitute "cause" for removal or termination of a Director, committee member or Officer, or the termination of any contractual relationship the corporation may have with an Interested Person.