

**Central Motorcycle Roadracing Association**  
**2019 Confidentiality and Conflicts of Interest**  
**Policy and Disclosure Form**

Central Motorcycle Roadracing Association (“CMRA”) avoids situations in which the business or personal interests of a director, officer, staff member, or committee member (collectively, “Associates”) may unduly or inappropriately influence CMRA’s decision-making process. Associates are expected to conduct their affairs with the CMRA with the highest ethical standards of integrity, honesty, fairness, and objectivity; no Associate may use his position to derive, directly or indirectly, any significant personal benefit of any nature. Individuals worthy of affiliation with the CMRA will govern themselves by spirit. To provide guidance to its Associates in order to accomplish this goal, the CMRA adopts this Confidentiality and Conflicts of Interest Policy.

Among the fiduciary obligations of an Associate of every non-profit corporation is a duty of loyalty to the corporation. The duty of loyalty requires that one put the interests of the organization ahead of his or her personal interests. This duty includes supporting, and not opposing directly or indirectly, the policies and positions duly adopted by organization’s Board of Directors. As representatives of CMRA, Associates are obligated to uphold this duty of loyalty in all manner of activities during their terms of office. This duty of loyalty is not intended to discourage debate within board, committee, or staff meetings. Such debate is encouraged and is part of the individual’s responsibility in the deliberative process. However, once the Board as a whole has decided its course of action, each individual actor has a duty of loyalty to that decision.

**COMMITMENT TO CONFIDENTIALITY**

One fundamental component of the duty of loyalty is the duty of every Associate to keep confidential information received (orally or in writing) in the course of work for CMRA. In order to encourage and foster open and candid discussion at its meetings, it is essential that confidential matters remain confidential. Therefore, it is the policy of CMRA that all Associates shall keep confidential any and all information obtained in the course of their work for CMRA, unless compelled by legal process to disclose such information, or as otherwise agreed by the Board. Associates acknowledge that any violation of this policy could cause harm to CMRA and frustrate Board deliberations. Therefore, any Associate who violates this policy may be removed from their position and legal and equitable relief may be sought against the Associate in order to protect the interests of CMRA.

## CONFLICTS OF INTEREST

Another fundamental component of the duty of loyalty is the duty to avoid “conflicts of interest.” A conflict of interest is a transaction in which there is or may be a conflict between the Associate’s fiduciary obligations to CMRA and the individual’s personal or business interests.

It is the CMRA’s policy to deal with conflicts in as open and as flexible a way as possible. In no event should the CMRA’s conflict of interest prevent an Associate from briefly stating his or her position on a matter or from answering pertinent questions of other Associates, since his knowledge may be of great interest and assistance. Nonetheless, when a potential conflict arises, it must be handled according to these procedures:

1. When a potential conflict with an Associate arises, including a potential conflict with entity in which an Associate has a beneficial interest, then that Associate, prior to any discussion or decision concerning the transaction, shall fully disclose to the CMRA President the material facts of the transaction and the Associate’s interest or relationship.
2. The President shall advise the relevant decision makers of the potential conflict. After receiving such disclosure, prior to approving the transaction, the relevant decision makers must conclude that the transaction is fair to CMRA and must approve the transaction without the participation or the vote of the interested Associate.
3. The interested Associate’s presence at the meeting may be counted in determining whether a quorum of the Board or committee is present, but that Associate may not vote on the transaction.
4. The minutes of any board and committee meetings that consider any real or potential conflict of interest discussion shall include: (1) the name of the conflicted Associate and whether he was present during the discussion; (2) a description of the conflict; (3) individuals present during the discussion; (4) a complete summary of the content of the discussion, including any alternatives considered to avoid a conflict of interest; (5) a record of who voted and how; (6) the result of the vote; and (7) any action taken as a result of the vote.
5. Annually, all Associates shall be provided with a copy of this policy and required to complete and sign the acknowledgment and disclosure form below. The President is responsible for making sure that all completed forms are provided to and reviewed annually by all Associates.
6. Any Associate who violates this policy may be removed from his or her position. Legal and equitable relief may be sought against the Associate in order to protect the interests of CMRA.

