

other volleyball operations of KRVA are located, and all other pertinent factors. The consideration of those factors shall not constitute a violation of this section.

f. Every Board of Directors member shall, upon written demand under oath stating the purpose thereof, have a right to examine, in person or by agent or attorney, during the usual hours for business for any proper purpose, the books and records of account, and records of the proceedings of the Board of Directors and committees, and to make copies or extracts therefrom. A proper purpose shall mean a purpose reasonably related to the interest of such person as a Board of Directors member. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the Board of Directors member. The demand under oath shall be directed to the Corporation at its registered office in this Commonwealth or at its principal place of business wherever situated.

g. KRVA shall indemnify each of its Directors, Officers, and employees whether or not then in service as such (and his/her executor, administrator and heirs), against all reasonable expenses actually and necessarily incurred by him or her in connection with the defense of any litigation to which the individual may have been a party because he/she is or was a Director, Officer or employee of the Corporation. The individual shall have no right to reimbursement, however, in relation to matters as to which he/she has been adjudged liable to the Corporation for negligence or misconduct in the performance of his/her duties or was derelict in the performance of his/her duty as Director, Officer or employee by reason of willful misconduct, bad faith, gross negligence or reckless disregard of the duties of his/her office or employment. The right to indemnity for expenses shall also apply to the expenses of suits which are compromised or settled if the court having jurisdiction of the matter shall approve such settlement. The right of indemnification shall be in addition to, and not exclusive of, all other rights to that which such Director, Officer or employee may be entitled.

h. Each KRVA Director acknowledges that during his/her service with KRVA that the Director will be exposed to confidential information of KRVA, and therefore is required to execute an appropriate Confidentiality Agreement to protect the aforesaid confidential information from improper use or dissemination.

i. Conflicts of Interest

1. The purpose of this conflicts of interest policy is to protect this tax-exempt Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.
2. Definitions.
 - (a) Interested Person: Any Director, Officer, or member of a committee with Board of Directors delegated powers, who has a direct or indirect financial interest, as defined below, is an Interested Person.

- (b) 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.
 - iv. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A Financial Interest is not necessarily a conflict of interest. Under this Section, a person who has a Financial Interest may have a conflict of interest only if the appropriate Board of Directors or committee decides that a conflict of interest exists.

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 Interest and be given the opportunity to disclose all material facts to the directors and members of committees of the Board of Directors that are delegated with powers to consider the proposed transaction or arrangement.
- (b) Determining Whether a Conflict of Interest Exists. After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person, he/she shall leave the Board of Directors or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Directors or committee members shall decide if a conflict of interest exists.
- (c) Procedures for Addressing the Conflict of Interest
 - i. An Interested Person may make a presentation at the Board of Directors or committee meeting, but after the presentation, he/she
 - ii. shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - iii. The Commissioner shall, if appropriate, appoint a non-Interested Person or committee to investigate alternatives to the proposed transaction or arrangement.

- iv. After exercising due diligence, the Board of Directors or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- v. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

(d) Violations of the Conflicts of Interest Policy

- i. If the Board of Directors or committee has reasonable cause to believe 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 member's response and after making further investigation as warranted by the circumstances, the Board of Directors or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action, and/or institute disciplinary proceedings under the procedures as set forth in **KRVA General Operating Codes** Section VIII. Violations of Codes/Policies and Due Process.

(e) It is expressly disclosed and permitted that a law firm, accounting firm, or book keeping company owned and/or operated by a Director and/or Officer (or a relative of a Director and/or Officer) may be retained to provide legal, accounting, professional, or other services for the Corporation, provided that the fees are reasonable (at or below market rates).

(f) It is expressly disclosed and permitted that the Directors and/or Officers of the Corporation will likely be coaches or athletes on teams participating in the Corporation's tournament(s). Further, said Directors and/or Officers may hire referees, officials, and other contractors for tournaments who they may have a coaching, professional, or financial relationship with, provided that the fees paid are reasonable (at or below market rates).

4. Records of Proceedings.
 - (a) The minutes of the Board of Directors and all committees with Board of Directors delegated powers shall contain:
 - i. The names of the 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, and the Board of Directors' or committee's decision as to whether a conflict of interest in fact existed.
 - 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, and a record of any votes taken in connection with the proceedings.
5. Compensation.
 - (a) A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
 - (b) A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
 - (c) No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.
6. Annual Statements. Each Director, principal Officer and member of a committee with Board of Directors delegated powers may annually sign a statement which affirms such person:
 - (a) Has received a copy of the conflicts of interest policy,
 - (b) Has read and understands the policy,
 - (c) Has agreed to comply with the policy, and
 - (d) Understands the Corporation is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

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 tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:
 - (a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
 - (b) Whether 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.

2. **Board Membership.** Membership on the Board is open to persons interested in advancing the purpose of the Region who are members in good standing of the Region during the current season prior to the date of election, and meet all requirements and qualifications set forth in these By-Laws.

3. **Board Composition.** The Board is composed of a three (3) person Administrative group and a six (6) person At-Large policy-making group. Members of the Board shall be elected for a term of three (3) years. The Administrative group is responsible for the daily direction and organization of the Region. The elected members of the Administrative group are the Commissioner, the Secretary and the Treasurer. The At-Large group is responsible for the direction, organization and proposed budgeting of events and programs within their designated areas and assigned committees.

4. **One Office.** No individual may hold more than one position on the Board concurrently. However, if there is no qualified candidate for an available position and the Board is unable to find a qualified person to accept the position, an existing Board member may temporarily accept a second post for the sole purpose of aiding the administration of the Region. This member will receive no additional vote for this second Board post.

5. **Board Meetings.** The Commissioner shall preside over all Board meetings and the Annual Meeting. In the absence of the Commissioner, a member of the Board shall preside in the following order: Secretary, treasurer, or a commissioner appointed voting board member if a member of the administrative board is not available. If an appointed voting member has not been identified, the order of presiding board member would be alphabetical by title.

6. **Nominations.** All elected Board positions with terms scheduled to expire on July 31 in any given year shall be announced at the Annual Meeting in the summer prior to that year and advertised on the Region's Web Page. Those individuals interested in becoming candidates for any office must apply to the Nominating Committee by December 1. The Nominating Committee shall identify, solicit and nominate appropriate and qualified candidates for Board positions open for election. All Nominees will be presented to the Board by December 15. Candidates' names, bios and backgrounds will be published between December 15 and April 1.