Potential Conflicts of Interests **I-105**

1. *Directors and Officers*. Any member of the Board of Directors who may be involved in an Optimist International business transaction in which there is a possible conflict of interest shall promptly notify the Immediate Past President. The reporting member shall refrain from voting on any such transaction, participating in deliberations concerning it, or using personal influence in any way in the matter. The reporting member's presence may not be counted in determining the quorum for any vote with respect to Optimist International in which he or she has a possible conflict of interest. Furthermore, the reporting member, or the Immediate Past President in the reporting member's absence shall disclose a potential conflict of interest to the other members of the Board before any vote on an Optimist International business transaction and such disclosure shall be recorded in the Board minutes of the meeting at which it is made. Any Optimist International business transaction, which involves a potential conflict of interest with a member of the Board of Directors, shall have terms, which are at least as fair and reasonable to Optimist International as those, which would otherwise be available to Optimist International if it were dealing with an unrelated party.

2. *Senior Staff*. Any senior staff member who may be involved in an Optimist International business transaction in which there is a possible conflict of interest shall promptly report the possible conflict to the Executive Director. If the possible conflict involves the Executive Director, the possible conflict shall then be reported to the Immediate Past President.

3. *Executive Director.* The Executive Director, or where applicable, the Immediate Past President, after receiving information about a possible conflict of interest, shall take such action as is necessary to assure that the transaction is completed in the best interest of Optimist International without the substantive involvement of the person who has the possible conflict of interest. (This does not mean that the purchases or other transactions must necessarily be diverted, but simply that persons other than the one with the possible conflict shall make the judgments involved and shall control the transaction.)

   Each Board member and senior staff member shall complete the attached questionnaire on an annual basis.

   A written record of any report of possible conflict and of any adjustments made to avoid possible conflicts of interest shall be kept by the Executive Director or, where applicable, the Immediate Past President.

4. *Definitions*.

   A. "Involved in Optimist International transaction" means initiating, making the principal recommendation for, or approving a purchase or contract; recommending or selecting a vendor or contractor; drafting or negotiating the terms of such a transaction; or authorizing or making payments from Optimist International accounts. That language is intended to include not only transactions for Optimist International's procurement of goods and services, but also for the disposition of Optimist International property, and the provision of services or space by Optimist International.

B. A "possible conflict of interest" is deemed to exist where the Director, or staff member, or a close relative, or a member of that person's household, is an officer, director, employee, proprietary, partner, or trustee of, or, when aggregated with close relatives and members of that person's household, holds 1% or more of the issued stock in the organization seeking to do business with Optimist International. A possible conflict is also considered to exist where such a person is (or expects to be) retained as a paid consultant or contractors by an organization which seeks to do business with Optimist International, and whenever a transaction will entail a payment of money or anything else of value to the official, member, to a close relative, or to a member of that person's household.

C. A "possible conflict of interest" exists when an individual affiliated with Optimist International has an interest in an organization which is in competition with a firm seeking to do business with Optimist International if the individual's position gives him or her access to proprietary or other privileged information which cold benefit the firm in which he or she has an interest.

D. A "possible conflict of interest" exists when an individual affiliated with Optimist International is a trustee, director, officer or employee of a not-for-profit organization which is seeking to do business with or have a significant connection with Optimist International or is engaged in activities which could be said in a business contest to be "in competition with" the programs of Optimist International.

E. "Gifts" No officer or employee, or member of his or her immediate family shall accept entertainment, gifts, or favors provided by any person with whom Optimist International has businesses dealings under circumstance which would suggest that the donor intends to influence the judgment or conduct of the officer or employee. An Optimist International officer or employee should never solicit gifts or favors. Business dealing includes not only present dealing, but also where the person seeks to have business dealing in the future. Gifts intended for Optimist International may be accepted by the President or other Optimist International officers on behalf of Optimist International

   Officers or employees may accept unsolicited advertising or promotional materials, such as pens, pencils, notepads, calendars, mouse pads, and other similar items of nominal intrinsic value. In addition, tickets to entertainment events (offered without the expectation of compensation or special consideration) may be accepted.

Acceptance of food or refreshment of nominal value on an infrequent, reciprocal basis in the ordinary course of a meeting or other official function is permitted.

5. This policy statement shall be made available to each trustee and each person appointed to an Optimist International position, which regularly involves initiation, review, or approval of significant Optimist International contracts or other commitments. Such people will be asked to sign the attached acknowledgement concerning reporting of potential conflicts of interests.

I have read an understand Optimist International's policy on Potential Conflicts of Interests. I agree to report promptly any such interest, which arises in my conduct of Optimist International business and, in other respects, to comply with the policy and its procedures.

______________________________ ________________
Signature Date

(Dec 1992; Mar 1994; Dec 1994; March 1995; Dec 2004)

QUESTIONNAIRE

(To be completed annually by The Board of Directors and Senior Staff)

____
Name

____
Office or Position Held

In responding to these questions, please note that a "yes" answer does not imply that the relationship or transaction was necessarily inappropriate.

Potential Conflicts of Interests **I-105**

1. Are you an officer, director, or employee of any corporation with which Optimist International has business dealings?

   Yes__________ No__________

   If the answer to the foregoing question is "yes," please list the names of such corporations, the office held and the approximate dollar-amount of business involved with Optimist International last year.

   ____

   ____

   ____

   ____

2. Do you, or does any member of your immediate family, have a financial interest in, or receive any remuneration or income from, any business organization with which Optimist International has business dealings?

   Yes__________ No__________

   If the answer to the foregoing question is "yes," please supply the following information:

   a. Names of the business organizations in which such interest is held and the person(s) by whom such interest is held:

      ____

      ____

      ____

      ____

      ____

b. Nature and amount of each such financial interest, remuneration or income:

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3. Did you, or any member of your immediate family receive during the past 12 months any gifts or loans from any source from which Optimist International buys goods or services or with which Optimist International has significant business dealings?

   Yes_________ No_________

   If the answer to the foregoing questions is "yes," list such gifts or loans as follows:

   Name of Source *Item* *Approximate Value*

   ____

   ____

   ____

   ____

   ____

4. Were you involved in any other activity during the past year that might be interpreted as a possible conflict of interest?

   Yes_________ No_________

   If "yes," please describe:____

   ____

   ____

Potential Conflicts of Interests **I-105**

I certify that the foregoing information is true and complete to the best of my knowledge.

____________________ ____
Date Signature

(Dec 1992; Mar 1994; Dec 1994; March 1995; Dec 2004)