

Speedway Children’s Charities
Conflict of Interest Policy

Article I
Purpose

The purpose of this Conflict of Interest Policy (“Policy”) is to protect the interests of Speedway Children’s Charities (“SCC”) when it is considering entering into a transaction or arrangement that might benefit the private interest of an officer or director of SCC or might result in a possible excess benefit transaction. This policy is intended to supplement, but not to replace, any applicable state and federal law governing conflicts of interest applicable to nonprofit and charitable organizations.

Article II
Definitions

1. **Board** – The national Board of Directors of Speedway Children’s Charities and any Board of Directors for any local chapter of SCC.

2. **Financial Interest** -- A person has a financial interest if he or she has, directly or indirectly, through business, investment, or family: (a) an ownership or investment interest in any entity with which SCC or any chapter of SCC enters a transaction or arrangement, (b) a compensation arrangement with SCC or with any entity or individual with which SCC enters a transaction or arrangement, or (c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which SCC is negotiating a transaction or arrangement. For this purpose, “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 Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

3. **Interested Person** -- Any director, principal officer, or member of a committee with powers delegated by the Board who has a direct or indirect financial interest is an interested person.

Article III
Procedures

1. **Duty to Disclose** -- In connection with any actual or possible conflict of interest, an interested person must disclose the existence of any financial interest and shall have an opportunity to disclose all material facts to the national Board of Directors of SCC and any committee with powers delegated by such Board that is considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists -- After disclosure of a financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or committee meeting while the determination of a whether a conflict of interest exists is discussed and voted on. The remaining Board or committee members shall decide whether a conflict of interest exists.

3. Procedures for Addressing a Conflict of Interest –

a. An interested person may make a presentation at the applicable national Board or committee meeting, but he or she shall leave the meeting during the discussion of and the vote on the transaction or arrangement involving a possible conflict of interest.

b. The chair of the national Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the governing board or committee shall determine whether SCC 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.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances that do not produce a conflict of interest, the national SCC Board or committee shall determine by a majority vote of the disinterested directors or committee members whether the transaction or arrangement is in SCC's best interest, for its own benefit, and fair and reasonable. In conformity with the above determination, the national Board or committee shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy –

a. If any Board of SCC or committee has reasonable cause to believe that a member has failed to disclose an actual or possible conflict of interest, the Board or committee shall inform such member of the basis for such belief and afford him or her an opportunity to explain the alleged failure to disclose.

b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or committee determines that the member has failed to disclose an actual or possible conflict of interest, the Board or committee shall notify the national SCC Board, which will then take appropriate disciplinary or corrective action.

Article IV Records of Proceedings

The minutes of the Board and each committee with powers delegated by the Board shall contain:

a. 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 existed, and the Board's or committee's decision as to whether a conflict of interest in fact existed.

b. The names of the persons who were present for the discussion and vote 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 vote taken in connection with the proceedings.

Article V Compensation

1. A voting member of any Board who receives compensation, directly from SCC, or indirectly for services for or on behalf of SCC, is precluded from voting on matters pertaining to his/her compensation.

2. A voting member of any committee whose jurisdiction includes compensation matters who receives compensation, directly from SCC, or indirectly for services for or on behalf of SCC, is precluded from voting on matters pertaining to his/her compensation.

3. A voting member of any Board or any committee whose jurisdiction includes compensation matters who receives compensation directly from SCC, or indirectly for services for or on behalf of SCC, either individually or collectively, is not prohibited from providing information to any committee regarding compensation.

Article VI Annual Statements

Each director, principal officer and member of a committee with powers delegated by any Board shall sign a statement affirming that such person:

- a. Has received a copy of the Policy,
- b. Has read and understands the Policy,
- c. Has agreed to comply with the terms of the Policy, and
- d. Understands that SCC is a charitable organization and that in order to maintain its federal tax exemption, SCC must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Article VII Periodic Reviews

To ensure that SCC operates in a manner consistent with its charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, each Board shall conduct periodic reviews, which shall, at a minimum, address the following:

a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining, and

b. Whether partnerships, joint ventures, and arrangements with management organizations conform to SCC's written policies, are properly recorded, reflect reasonable investment or payment for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit or an excess benefit transaction.

Article VIII
Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Board may, but need not, use outside advisors. Use of outside advisors shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

**Acknowledgment of Receipt of
Speedway Children’s Charities
Conflict of Interest Policy**

I hereby acknowledge the following:

- I have received a copy of the Speedway Children’s Charities (“SCC”) Conflict of Interest Policy (the “Policy”);
- I have read and understand the Policy;
- I agree to comply with the terms of the Policy; and
- I understand that SCC is a charitable organization and that in order to maintain its federal tax exemption, SCC must engage primarily in activities that accomplish one or more of its exempt purposes.

Signature: _____

Printed Name: _____

Date: _____