

UNITED STATES SOCCER FEDERATION
POLICY CONCERNING CONFLICTS OF INTEREST
Policy Updated: March 2021

A. Introduction

The United States Soccer Federation, Inc. (“U.S. Soccer”) is committed to ensuring all Conflicts of Interest (as defined below) are disclosed and properly addressed, and that its governance is free from improper influence that could result from Conflicts of Interest.

U.S. Soccer requires that Responsible Persons, as defined herein, disclose relationships, activities, or investments which involve, or could result in, a Conflict of Interest. To ensure that all Conflicts of Interest are disclosed and properly addressed, all Responsible Persons are required to comply with the terms of this Policy, including by submitting a Disclosure Statement upon becoming a Responsible Person and annually thereafter.

The disclosure or existence of a Conflict of Interest or potential Conflict of Interest will not necessarily prohibit the Responsible Person’s or U.S. Soccer’s involvement in the activities or Transactions that implicate a Conflict of Interest. Rather, each Disclosure Statement will be reviewed individually by the RAC Committee. For matters in which the Responsible Person is a Director, disclosed, potential conflicts will be reported to the Board as provided herein. This Policy may require, and the RAC Committee or the Board may implement, actions to protect U.S. Soccer from a Conflict of Interest. These actions may include limitation of involvement, separation from certain U.S. Soccer activities, or requests to cease the activity in question.

B. Definitions

B.1. As used in this Policy, the following capitalized terms shall have the meanings indicated.

- a. “Agent” refers to a person serving as a director, officer, or trustee of an entity or individual, or who has responsibilities that allow him or her to exercise powers or influence similar to that of a director, officer, or trustee, or over a substantial portion of the individual’s or entity’s decision-making, capital expenditures, or operating budget.
- b. “Board” is the Board of Directors of U.S. Soccer.
- c. “Director” is a voting or non-voting member of U.S. Soccer’s Board.
- d. “Control” exists if an entity or individual (i) owns, directly or indirectly, at least fifty percent (50%) of the equity ownership of an entity, or (ii) has the right, directly or indirectly, to direct or cause the direction of the management and policies of another entity, whether through the ownership of voting interests, by contract, or otherwise.
- e. “Disclosure Statement” is the written statement signed and submitted annually by a Responsible Person describing any potential Conflicts of Interest and confirming compliance with this Policy, which is found at Exhibit A to this Policy. The RAC Committee or Board may amend Exhibit A as either body deems appropriate, or as

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required by law, from time to time.

- f. “Financial Interest” means a direct or indirect financial interest, but excludes a financial interest that (i) is de minimis; (ii) comprises 1.0% or less of issued and outstanding securities of corporations whose securities are traded publicly, as well as financial interests held through mutual funds or similar investment vehicles; and (iii) would not customarily be reviewed by the board of similar organizations in the ordinary course of business and is available to others on the same or similar terms.
- g. “Key Persons” means any person, other than a Director or officer, whether or not an employee of U.S. Soccer, who (i) has responsibilities, or exercises powers or influence over the corporation as a whole similar to the responsibilities, powers, or influence of Directors and officers; (ii) manages U.S. Soccer, or a segment of U.S. Soccer that represents a substantial portion of the activities, assets, income or expenses thereof; or (iii) alone or with others controls or determines a substantial portion of the U.S. Soccer’s capital expenditures or operating budget.
- h. “Relative” is a spouse, parent, sibling, ancestor, child, grandchild, great-grandchild, or a spouse of a parent, sibling, ancestor, child, grandchild, or great-grandchild of a Responsible Person.
- i. “Related Organization” is an entity that Controls, is Controlled by, or is under common Control with U.S. Soccer.
- j. “Responsible Person” is any current Director or officer of U.S. Soccer, or Key Person as defined herein, or any other person determined by the RAC Committee to be subject to this Policy.
- k. “Transaction” is any contract, transaction, agreement, or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a grant or loan, or the establishment of any other financial relationship with U.S. Soccer or a Related Organization.

C. Conflicts of Interest

C.1. A “Conflict of Interest” or “Conflict” exists when a Responsible Person’s activities, interests, or obligations materially interfere with, materially influence, or have the potential to materially interfere with or materially influence his or her responsibilities on behalf of U.S. Soccer or materially undermine the interests of U.S. Soccer. Examples of circumstances in which a Conflict of Interest or the appearance of a Conflict of Interest could arise as a result of U.S. Soccer’s constituency structure include:

- a. personal involvement with, or a Financial Interest in, licensees, suppliers, service providers, sellers, contractors, or customers of U.S. Soccer.

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- b. when U.S. Soccer is considering a Transaction with a Responsible Person or Relative.
- c. when U.S. Soccer is considering a Transaction with an entity in which a Responsible Person or Relative is an Agent or has a Financial Interest, as defined herein.
- d. when a Responsible Person engages in activities that compete with U.S. Soccer or a Related Organization, including for the provision of services for, or other transaction with, a third party.
- e. when a Responsible Person has a Financial Interest in an entity or individual that competes with U.S. Soccer or a Related Organization, including for the provision of services for, or other transaction, a third party.
- f. when a Responsible Person accepts gifts, excessive entertainment, or other favors from any individual or entity that does, or is seeking to do, business with U.S. Soccer or a Related Organization, if such action was intended to influence the Responsible Person in his or her responsibilities to U.S. Soccer. This does not preclude the acceptance of items of nominal or insignificant value.
- g. when a Responsible Person uses their position at U.S. Soccer to extend an offer of employment with U.S. Soccer, a Related Organization, or a U.S. Soccer affiliate, to a Relative or business associate.
- h. when a Responsible Person has a Financial Interest in, or is an Agent of, an entity that is reasonably likely to be impacted (financially or otherwise) by an action or decision made by the Responsible Person in his or her capacity acting on behalf of U.S. Soccer.

C.2. U.S. Soccer is a constituency-based organization as required by the Ted Stevens Olympic and Amateur Sports Act, 36 U.S.C. §§ 220501 *et seq.* Accordingly, no Responsible Person is deemed to have a Conflict of Interest solely because of their membership or involvement with a constituent member of U.S. Soccer. Unless the RAC Committee or Board determines otherwise, it shall not be a Conflict of Interest under this Policy if U.S. Soccer is considering, or enters into, a Transaction or matter which constitutes a benefit provided to a Responsible Person solely as a member of a class of beneficiaries that U.S. Soccer intends to benefit as part of the accomplishment of its mission which benefit is available to all similarly situated members of the same class on the same terms.

C.3. It is recognized that persons serving in paid, volunteer, or other roles with U.S. Soccer may also have volunteer, employment, management, ownership, or other relationships with other entities that give rise to fiduciary and similar obligations to those third party entities. Nothing herein shall prevent a Responsible Person from fulfilling employment, contractual, or fiduciary duties to a third party entity. Should a conflict arise between a Responsible Person's obligations to U.S. Soccer and a third party entity, however, a Responsible Person's fiduciary or other responsibilities to U.S. Soccer, including to act in U.S. Soccer's best interests, will be unaffected. In the event a Responsible Person makes a reasonable determination that he or she is faced with conflicting obligations, the Responsible Person shall inform the

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RAC Committee in order for the RAC Committee or the Board to make recommendations or take appropriate action.

D. Policy and Procedures

D.1. The procedures set forth in Sections E through H are designed to ensure the disclosure of potential Conflicts of Interest and to establish procedures for U.S. Soccer's review of, and decisions or activities involving, a Responsible Person's Conflict of Interest. The Policy is intended to comply with the requirements and procedures prescribed in the New York Not-For-Profit Corporation Law § 715-A (2020) ("Section 715-A") which regulates conflicts of interest for directors of nonprofit corporations. Amendments to Section 715-A that post-date this Policy and impose requirements on U.S. Soccer are incorporated by reference herein. This Policy also implements the requirements of U.S. Soccer's Bylaws.

E. Disclosure of Conflicts of Interest

E.1. Individuals shall complete and submit the Disclosure Statement upon joining the U.S. Soccer Board or otherwise becoming a Responsible Person, and annually thereafter. In the case of candidates for Independent Director seats on U.S. Soccer's Board, candidates must submit a Disclosure Statement in advance of the Board's nomination of such candidate to the National Council. If the Responsible Person or candidate is unable to determine or is unsure whether a Conflict exists, he or she must include such potential Conflict in the Disclosure Statement. Anyone submitting a Disclosure Statement must provide all material information related to the potential Conflict, regardless of whether the Disclosure Statement specifically asks for such information. Responsible Persons or candidates shall submit completed Disclosure Statements to the Chair of the RAC Committee or to the Chief Legal Officer, who will provide all completed Disclosure Statements to the Chair of the RAC Committee, or Board as applicable.

E.2. If a Responsible Person becomes aware that his or her Disclosure Statement is inaccurate, incomplete, or should otherwise be updated due to any material change in circumstances or information, the Responsible Person shall promptly submit an amended Disclosure Statement to the Chief Legal Officer or Chair of the RAC Committee.

E.3. Disclosure Statements and other notices shall be treated as confidential, with the information available only to the RAC Committee, Board, and U.S. Soccer legal department and counsel, unless any of those recipients deem disclosure to others necessary.

F. Procedures for Reviewing Conflicts of Interest

F.1. Not all Conflicts of Interest are material or disabling. Nothing herein shall be interpreted to prohibit a Responsible Person's involvement with U.S. Soccer, or U.S. Soccer's involvement in a Transaction or activity that gives rise to a Conflict of Interest, solely because U.S. Soccer determines a Conflict exists.

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F.2. Pursuant to U.S. Soccer's Bylaws, the RAC Committee shall have the responsibility for the review and maintenance of all Disclosure Statements. Potential Conflicts disclosed by Directors must be reported to the Board as provided herein. The RAC Committee may report potential Conflicts disclosed by non-Director Responsible Persons to the Board as deemed appropriate by the RAC Committee.

F.3. When a candidate for an Independent Director seat on U.S. Soccer's Board discloses a potential Conflict, such candidate's Disclosure Statement, including all material information related thereto, shall be reviewed by the Board in advance of the Board's nomination of such candidate.

G. Procedures for Transactions or Other Matters that Involve a Conflict of Interest

G.1. No Transaction or other matter shall be voidable or void solely due to the existence of a Conflict of Interest, or because a Responsible Party with a Conflict is present at or participates in the meeting at which the Transaction or matter is voted on, so long as:

- a. the Conflict was disclosed and the Transaction or other matter was approved pursuant to this Policy; and
- b. the Transaction or matter was reasonable and fair to U.S. Soccer as of the time of the Board's decision.

G.2. Prior to Board action on a Transaction or matter giving rise to a Conflict of Interest, the Responsible Person who believes he or she has or may have a Conflict must disclose the Conflict and all known facts material to the Conflict to the Board. Should a Responsible Person fail to disclose such a Conflict, the RAC Committee will have the responsibility to report relevant Conflicts to the Board prior to Board action that could be affected by a Conflict. If the potentially conflicted Director does not voluntarily adhere to the procedures described in G.3. through G.5., the Board shall determine whether a Conflict exists as to the Transaction or matter by a majority vote of the disinterested Directors. The Board shall have final decision-making authority regarding the existence of Conflicts.

G.3. A Responsible Person determined to have a Conflict of Interest shall (a) abstain from deliberating or voting on the Transaction or matter giving rise to such Conflict; (b) not be present during or participate in the Board's deliberations and vote on the Transaction or matter giving rise to such Conflict; and (c) not attempt to improperly influence the Board or a committee's decision on the Transaction or matter giving rise to such conflict. Examples of "improper influence" include coercing, manipulating, threatening, or offering money, goods, or services to a Board or committee member when the Responsible Person knew or reasonably should have known that such action, if successful, could impact the outcome of a Transaction or matter that involves his or her Conflict.

G.4. For the avoidance of doubt, the following conduct does not constitute "improper influence" under this section, and nothing herein shall prohibit a Responsible Person with a Conflict of Interest from (a) participating in negotiations with U.S. Soccer or its representatives on behalf of a third party with which the Responsible Party is affiliated when such negotiations are in the third party's regular course of business; (b) presenting information or answering questions at a Board or committee meeting prior to the

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commencement of deliberations or voting on the matter that gives rise to the Conflict; or (c) engaging in discussions or debate concerning the matter that gives rise to the Conflict during the Board or committee meeting in which the matter will be decided prior to the commencement of deliberations or voting relating thereto. The President or committee Chair shall have the power to determine the Board or committee procedures, respectively, for implementation of these provisions of the Policy, including determining when deliberations and voting commence on an applicable matter.

G.5. For the avoidance of doubt, in the case of a “related party transaction” as defined in Section 715 of the New York Not-For-Profit law, U.S. Soccer, including the Board, as well as any Responsible Person shall adhere to the requirements set forth therein.

H. Administrative Procedures

H.1. The RAC Committee shall have initial responsibility, subject to Board approval, for interpretation of this Policy.

H.2. The RAC Committee may delegate the administration and collection responsibilities under this Policy to a designated Compliance Officer of U.S. Soccer. The Board, RAC Committee, or designated Compliance Officer may retain, and rely upon the advice of, outside counsel or other advisors in acting under this Policy.

H.3. In the minutes of the meeting in which the Board or a committee reviews or votes on a Conflict of Interest or matter involving a Conflict of Interest, and in other records as desired, U.S. Soccer will document (a) the existence of a Conflict of Interest; (b) the matter under consideration; (c) the Responsible Person with a Conflict of Interest; (d) the Responsible Person’s ineligibility to vote and/or absence from the meeting during any discussion or vote; and (e) the decision of the body on the matter under consideration.

H.4. A Responsible Person may appeal a determination of the RAC Committee to the Board, which shall make final decisions under this Policy. In any decision hereunder the Board shall act by a majority of the disinterested members of the body at the meeting, even though the disinterested members constitute less than a quorum for such meeting.

I. Violations of this Policy

I.1. Anyone wishing to report a violation or potential violation of this Policy may, and any Responsible Person upon knowledge of any violation or potential violation of this Policy must promptly, report all known and material information on the subject to the RAC Committee or Chief Legal Officer, who may refer such reports to U.S. Soccer’s Independent Ethics Committee.

I.2. Any Responsible Person found to be in violation of this Policy may be subject to censure or sanctions as determined by the RAC Committee and/or Independent Ethics Committee, and as approved by the Board. The determination of a Conflict of Interest or violation under the Policy necessarily implicates issues unique to the structure, purpose, policies, and procedures of U.S. Soccer

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and does not necessarily have fiduciary duty or other legal implications. Any finding for purposes of this Policy is not intended to be utilized in any other proceeding or action for any purpose.

J. Questions

J.1. Anyone with questions about procedures for disclosure, review, and determination of Conflicts of Interest may seek advice from the U.S. Soccer's legal department, who may answer such question or refer such question to a member of the RAC Committee or other designee. Such questions should be directed to:

Chief Legal Officer
United States Soccer Federation, Inc. 1801 S.
Prairie Avenue
Chicago, IL 60616
Telephone: (312) 808-1300