

CHAPTER XV LEGAL

A. LIONS CLUBS INTERNATIONAL TRADEMARK POLICIES

1. **GENERAL TRADEMARK POLICIES.** As a matter of legal protection to the International Association of Lions Clubs and its members, clubs and districts (single, sub- and multiple, hereinafter referred as “districts”), the association name and emblem (and variations thereof) are registered as trademarks in countries around the world. The association has a legal obligation to be alert to infringements of its trademarks, and to take all necessary steps to prevent, and to provide against legal risks, which may flow from any unauthorized use.
 - a. **Definition of “TRADEMARKS.”** Any existing and future association names, emblems, logos, seals, registered trademarks and other trademark interests, including but not limited to Lions, Lioness, Leo, Lions Clubs, Lions International or Lions Clubs International.
 - b. **Emblem Of Association.** The emblem of this association and each chartered club and district (single, sub- and multiple) shall be of a design as set forth below. Each club and district (single, sub- and multiple) shall only use the official emblem of the association without alteration.



- c. **Trademark Registrations.** The association’s trademarks are registered and managed by the Legal Division of Lions Clubs International. No Lions district (single, sub- or multiple), club or member may register Lions trademarks.
 - d. **LEO or Other Official Association Programs:** Lions clubs and districts are automatically granted permission and license to use the association trademarks in connection with sponsorship of Leo Clubs, Official Contests, Youth Camps or other official association programs in accordance with the policies governing such programs, so long as said trademarks are not used on any item to be sold or otherwise available from the Club Supplies and Distribution Division or official licensees.
 - e. **Duty to Enforce and Report Unauthorized Use.** All association officers, board appointees, council chairpersons and vice district governors have a duty to agree to abide by and encourage enforcement of the association trademark policies, report any and all unauthorized use of the association trademarks to the Legal Division, and acknowledge such duty in writing annually to the Legal Division.

- f. **General Standards of Quality and Content.** In order to maintain general quality and content standards in the use of the association trademarks, said trademarks shall not be used in a way that may be offensive in the relevant Lions community or in a way that may harm the reputation or the image of the association.
2. **OPERATIONS OF ASSOCIATION.** The association, its officers, directors and authorized staff may use the association trademarks in the promotion and furtherance of the association's purposes and general operations, so long as such use is done in accordance with the policies adopted from time to time by the International Board of Directors. General operations shall include but are not limited to the International Convention, club supplies, The LION Magazine, corporate sponsorships, cooperative alliances, and all other association programs and publications. The expenses for all new trademark registrations must be budgeted by the respective division, department or program. The expenses for all trademark renewals will be the responsibility of the Legal Division
3. **NON-DUES REVENUE PROGRAMS OFFERED BY THE ASSOCIATION.** The association, from time to time, may offer special non-dues revenue programs and services to all members, when feasible. Royalty income derived from the use of the association trademarks on such non-dues revenue programs will accrue to the general fund. The following products/programs shall not be offered as non-dues revenue programs by the association: Insurance products, mortgages, health products and financial services – excluding affinity credit cards.
4. **AUTOMATIC LICENSE TO MEMBERS, CLUBS AND DISTRICTS.** Lions members, clubs and districts are automatically granted permission and license to use the association trademarks in the promotion and furtherance of the association's purposes and club or district operations, such as sponsored programs, projects, community service and other events, so long as such use is done in accordance with the policies adopted from time to time by the International Board of Directors and the trademarks are not used on any goods or services to be sold or items otherwise available from the Club Supplies and Distribution Division and official licensees.
- a. **Printed Material.** Lions members, clubs and districts are automatically granted permission and license to use the association trademarks on printed material reasonably related to club and district operations and promotion, (such as letterhead, business cards, envelopes and brochures), so long as such items are not to be sold.
- b. **Digital Media Authorization.** Lions members, clubs and districts may use the association trademarks on their respective websites, in social media or other digital media uses and as part of domain names and personal email addresses, provided that, all such use of the association trademarks are in accordance with the policies and procedures adopted from time to time by the International Board of Directors and such use clearly identifies the member, club or district to ensure that Lions Clubs International is not identified as the source of content.

- c. **Downloaded Emblems.** Any reproduction of the association trademarks may be downloaded by Lions members from the official formats provided on the association's website. These are the only trademarks that may be reproduced electronically or otherwise.

5. **AUTHORIZED USE BY LIONS MEMBERS, CLUBS AND DISTRICTS.** In addition to the automatic permission and license as provided in this policy, Lions members, clubs and districts are authorized to use the association trademarks as provided below:

- a. **Use of Items Bearing the Association Trademarks.** Lions members, clubs and districts are authorized to use, purchase and sell items bearing the association trademarks obtained through the Club Supplies and Distribution Division and official licensees. For items not available through the Club Supplies and Distribution Division and official licensees, Lions clubs and districts are authorized to use, purchase, manufacture, distribute or sell items bearing the association trademarks as provided below:

(1) **Automatic Permission and License For Apparel Items (Excluding Vests):** For all apparel items excluding vests, Lions members and districts are automatically granted permission and license to use, purchase, sell, manufacture or distribute items bearing the association trademarks when the total number of each individual item does not exceed thirty (30) in one fiscal year, and clubs are automatically granted permission and license to use, purchase, sell, manufacture or distribute items bearing the association trademarks when the total number of each individual item does not exceed thirty (30) or a total of one (1) per club member, whichever is greater, in one fiscal year. For purposes of this section, apparel items are defined as clothing such as caps, shirts and ties that one would wear to cover, protect or decorate your body.

(2) **All Other Items Requiring Approval:** For all vests, apparel items exceeding thirty (30) in one fiscal year, and all other items not otherwise identified, Lions members, clubs and districts which desire to use, purchase, sell, manufacture or distribute items bearing the association trademarks, must obtain approval from and pay such license fees and/or royalty payments as determined by the Club Supplies and Distribution Division or the Legal Division.

b. **Sponsors of Club or District Projects**

(1) Lions clubs and districts are authorized to use the association trademarks in connection with the name and/or emblem of a sponsor of a club and/or district project as provided below, so long as the club or district name is clearly identified in all such use and such use does not conflict with the purposes of the association, compete with the activities, programs or existence of the association or Lions Clubs International Foundation, and:

- i. If the sponsor or project is a club(s) and/or one district (single or sub) project, then approval to use the association trademarks in connection with such project is automatically granted to said club(s) and/or district.
 - ii. If the sponsor or project involves more than one sub-district and/or one multiple district, then the sponsor shall be approved by the respective multiple district council of governors.
 - iii. If the sponsor or project involves more than one multiple district, then the sponsor shall be approved by each respective multiple district council of governors and the Legal Division.
- (2) An authorized Lions club and/or district sponsor may use the association trademarks on any written communication or promotional material, so long as use is done in accordance with the policies adopted from time to time by the International Board of Directors and meets the following requirements:
 - i. The name of Lions club and/or district responsible for the sponsorship of such project is clearly identified along with the association trademarks;
 - ii. Any use of the association trademarks are subject to the scope and duration of the Lions club or district project; and
 - iii. Upon the termination of the Lions club and/or district authorized sponsorship, authorization to use the association trademarks shall automatically terminate.
- c. **Lions Mobile Applications.** Lions clubs and districts seeking to use the association trademarks in connection with or within mobile applications must receive prior written approval from the Marketing Division, in consultation with the Legal Division.
- d. **Non-Dues Revenue Programs.** Lions clubs, districts, Lions-sponsored foundations, or other Lions-sponsored entities (hereinafter referred to as “sponsors”) may offer non-dues revenue programs and services within its defined boundaries, as provided below:
 - (1) The non-dues revenue programs or services shall not compete or otherwise conflict with an existing program, sponsored by the association, except as authorized by the International Board of Directors. Permission will be granted to use the association trademarks in connection with the sponsorship of said programs only where a similar program is not currently in existence.

- (2) Sponsors of a non-dues revenue program or service shall be required to apply for use of the association trademarks. The application shall include a resolution of support by the sponsoring district cabinet or multiple district council of governors as applicable. The association may require such other documentation as it deems necessary to consider the application.
 - (3) In order to receive authorization to use the association trademarks, the sponsor must agree to review all solicitation materials, including any website content, to ensure that the same are consistent with general standards of quality and content and the applicable trademark policies of the International Board of Directors. Before solicitation begins, all material including proposed website design, must be submitted to the Legal Division for approval.
 - (4) The sponsor must be clearly identified on the proposed solicitation materials and any other item on which the association trademarks will be printed or otherwise affixed, including, if applicable, credit cards.
 - (5) The sponsor and the non-dues revenue program vendor agree to pay a royalty of 10% of the lesser of the gross revenue or net profit received by the sponsor from the vendor as a royalty for use of the association trademarks. The Finance Division will communicate with each licensed sponsor at least annually to determine royalty owing to the association. Each sponsor is encouraged to reserve the right to inspect all relevant records and documentation of the vendor to verify the accuracy of the royalty.
 - (6) The International Board of Directors reserves the right to revoke the license to use the association trademarks upon giving notification to the sponsor and, if known, any vendor. If appropriate and feasible, any such revocation would take into consideration sponsor and vendor contract obligations. In the event the license is revoked, the vendor is required to immediately cease and desist from using the association trademarks.
 - (7) The sponsor and the non-dues revenue vendor shall use the mailing lists provided by the association for program solicitation purposes only and shall not duplicate or use such mailing lists, for any other purpose whatsoever. If the sponsor and/or non-dues revenue vendor use or make available the association mailing lists for any purpose other than the program, the association reserves the right to immediately revoke authorization to use the association trademarks. Such revocation will be effective immediately upon issuance of the notification to the offending party. A penalty of US\$5000.00 shall be assessed against the sponsor and/or non-dues revenue vendor who uses or makes available the mailing lists for any improper purposes or duplicates such lists without authorization.
- e. **District Endorsement of International Convention Tour Coordinator.** A district is authorized to endorse a tour coordinator to coordinate travel and/or tours related to the International Convention. An application for endorsement of a tour coordinator

must be submitted to the Convention Division. If an endorsed tour coordinator wishes to use the association trademarks in connection with a travel brochure or similar related literature, the tour coordinator must submit to the Convention Division the following:

- (1) A sample of the brochure or similar literature, which must include the following disclaimer: “The International Association of Lions Clubs as well as the Lions district (single, sub- and multiple) shall not be responsible for losses incurred.”
- (2) Payment of US\$25.00 as a royalty for use of the association trademarks.

6. FOUNDATIONS. The International Board of Directors or its designee, the General Counsel, may grant license to use the association trademarks to any legal entity other than Lions clubs or districts (hereinafter referred to as “foundation”), provided that such entity complete an application in the form attached hereto as Exhibit A. Prior to authorization, the foundation must submit sufficient documentation demonstrating that the proposed activities of the foundation meet the following criteria:

a. **Name of Foundation.** The name of the proposed foundation shall:

- (1) Include Lions in the name of a foundation;
- (2) Include a community, city, district, state, geographic area or other local designation in the name of a foundation;
- (3) Not conflict with or cause confusion with Lions Clubs International or Lions Clubs International Foundation; and
- (4) Not include the word “Association” in the name of a foundation.

b. **Governing Document Requirements.** The Articles of Incorporation By-laws, and/or other governing documents (hereinafter referred to as “governing documents”) of the proposed foundation must contain provisions which provide:

- (1) At least a majority of its board of directors are Lions club members in good standing;
- (2) Amendments to its governing documents shall be approved by the general membership of the foundation at a district convention or regular annual meeting;
- (3) Membership consists of Lions clubs or club members in good standing;
- (4) Proxy voting is not permitted; and
- (5) Mandatory dues are not assessed against members of the foundation.

- c. **Purposes.** The purposes of the applying foundation must further the purposes and enhance the image of the association. The applying foundation shall not engage in activities that may conflict with the activities, programs or existence of the association or Lions Clubs International Foundation. Other factors deemed relevant may be considered.
 - d. **Formation Approval.**
 - (1) If the applying foundation is being sponsored by a single club or a group of three (3) or fewer clubs, the applying foundation must submit evidence that each of the sponsoring Lions clubs have approved the formation of the foundation.
 - (2) If the applying foundation is being sponsored by one or more districts (single, sub- or multiple), a group of four (4) or more clubs, or its name implies district level involvement, the applying foundation must submit evidence that the districts (single, sub- or multiple) have approved the formation of the foundation.
 - (3) If the applying foundation is being sponsored at the national level, the applying foundation must submit evidence that the districts (single, sub- or multiple) have approved the formation of the foundation and the foundation must receive the approval of the Board of Directors of Lions Clubs International.
 - e. **Annual Filing Requirements.** The foundation must annually submit its current governing documents along with a list of its current officers to the Legal Division.
 - f. **Use of Association Trademarks.** Approved foundations must use the Lions name and emblem prominently in its name and operations, including literature, promotional materials and activities. Use of the association trademarks must be in accordance with the policies adopted from time to time by the International Board of Directors. The trademarks shall not be used on any item to be sold or otherwise available from the Club Supplies and Distribution Division and official licensees.
 - g. **Revocable License.** Foundations meeting the criteria established herein may be issued a revocable license to use the association trademarks. Such use shall continue only if the foundation continues to meet all the criteria set forth herein, comply with the annual filing requirements and maintain the continued support of Lions. Failure to follow these policies may result in the revocation of the license.
7. **OFFICIAL LICENSEES.** The Club Supplies and Distribution Division may initiate agreements with manufacturers or other vendors throughout the world to provide Lions members, Lions clubs and districts with items bearing the association trademarks. The terms under such license agreements shall be determined by the Club Supplies and

Distribution Division and shall include license fees and/or royalty payments on all items sold.

8. CONVENTION TRADING PINS. The association trademarks may be used on convention trading pins as follows:

a. **Definition of a Convention Trading Pin.** A convention trading pin is a pin bearing the association's registered trademarks which:

- (1) Is ordered from an authorized licensee;
- (2) Is clearly identified with the club, district (single, sub- or multiple) or member's name to ensure that Lions Clubs International is not identified as the source of the pin;
- (3) Is used solely for trading or gift purposes at Lions conventions or similar functions;
- (4) Is in conformance with the association's trademark policies adopted by the International Board of Directors;
- (5) Contains the permanent marking of ® as required by trademark law;
- (6) Contains licensee's identifying mark on the back side of the pin;
- (7) Is fitted on the back side with a single clutch, multiple clutch, safety pin, straight pin or screw-back attachment;
- (8) Does not designate or relate to any office on any Lions entity;
- (9) Is not manufactured for the purpose of recognition, special achievements, training, awards or support of any Lions entity or partners;
- (10) Is not manufactured to indicate attendance at, or participation in Lions meetings or special events; and
- (11) Is not a jewelry item or piece that is in the same class as an item available in the Lions Official Supply Catalog or special sales promotion brochures or flyers published from time to time by the association's Club Supplies and Distribution Division.
 - i. The official membership lapel pin shall not be considered a Convention Trading Pin.

- ii. Lions Convention Trading Pins may be obtained solely from Club Supplies and/or an official licensee authorized to manufacture, sell and distribute trading pins.

9. CONVENTION HOST COMMITTEE. The International Convention Host Committee shall be permitted to use the association trademarks in promotion of the International Convention, including the sale of items before and during the International Convention, provided the Host Committee obtains approval from and pays such royalties as determined by the Convention Division and the Legal Division.

10. ENFORCEMENT OF TRADEMARK POLICIES. As the owner of the association trademarks referenced herein, the association has a legal obligation to be alert to infringements of its trademarks, and to take all necessary steps to prevent, and to provide against legal risks, which may flow from any unauthorized use.

a. Unauthorized Use by Lions Members, Clubs and/or Districts. In the event the association receives sufficient evidence that a Lions member, club or district is engaged in the unauthorized use, sale, purchase, manufacture and/or distribution of items bearing the association trademarks, such individual or entity may be notified to immediately cease and desist any such unauthorized use, may be assessed a fee equal to the royalty that the association would have otherwise received in accordance with the policies set forth herein, or may be subject to other appropriate action as determined by the International Board of Directors or the Legal Division.

b. Continued Violation by Lions Members, Clubs and/or Districts. In the event that the association receives sufficient evidence that a Lions member, club or district continues to violate the association trademark policies after receiving proper notice, the association may take any or all of the following actions:

(1) A Lions club may be directed by the International Board of Directors to discontinue membership of the offending Lion member. If the club fails to take such action, then the Lions club may be placed in “status quo” and/or the club charter may be cancelled by the International Board of Directors.

(2) Additional sanctions as may be assessed by the International Board of Directors.

(3) Appropriate legal action may be taken to enforce the association’s trademark interests.

B. USE OF FUNDS POLICY

1. General Policy on Funds Raised from Lions Clubs Activities. Funds raised from the public must be used for the benefit of the public and community in which the Lions Clubs serve. The International Constitution and By-Laws and Articles of Incorporation (the “governing documents”) provide that chartered Lions clubs shall be not-for-profit of the

individual club or its individual members. Consequently, no part of the net earnings of funds raised from the public shall benefit any individual Lions member, or other private individual or entity. These policies are intended to provide guidance for clubs to meet the purposes of the International Association of Lions Clubs. Key in determining the proper use of funds is considering transparency to the public and developing trust from the community in which the Lions operate. How Lions use funds must meet the legal and tax requirements for the local jurisdiction in which they operate.

- a. **Definition of Public/Activity Funds.** Funds raised from the public are the net earnings of income raised from activities open to the public, public contributions, bequests and money accumulated from invested public funds.
 - b. **Definition of Administrative Funds.** Administrative funds are contributions from Lions through dues, fines, advertisement revenue, rental fees and other individual Lions contributions. These funds may be used for either public projects or for internal Lions use such as meeting and convention expenses, incorporation fees, audit fees, newsletters, bulletins and other club and/or district operating and administrative expenses.
2. **Direct Expenses of Fundraiser.** Direct Expenses of a public fundraiser may be deducted from the proceeds of the fundraiser to replenish the administrative funds used to hold the fundraiser.
3. **Lions Property.** A percentage of the net proceeds from funds raised through the use of property owned by Lions clubs and districts may be used toward the operating and maintenance expenses of the property under the following guidelines.
 - a. **Property Used for Public Purposes.** Expenses for operating and maintaining the property may be paid from public funds to support the use of the property for the public.
 - b. **Property Used for Administrative Purposes.** Expenses for operating and maintaining the property must be paid from administrative funds if the use is for the benefit of the Lions.
 - c. **Mixed Use of Property.** When Lions property is used for both public and administrative purposes, then a pro-rata percentage of the expenses may be paid from public funds related to the percentage of use of the property by the public. For example, a Lions Club House that is used 20% of the time for the public may use public funds to offset 20% of the expenses of maintaining and operating the property.
4. **Political Activity.** As a non-partisan charitable organization, Lions Clubs and Districts (single, sub- or multiple) cannot contribute public or administrative funds to support or endorse an elected official or candidate for local, state, federal or foreign office.

C. CONSTITUTIONAL INTERPRETATIONS

1. **Status International Organizations – District Organization**

The board of directors shall and hereby does declare that in matters which concern a multiple district as a whole, including but not by way of limitation dues structure, multiple district convention and matters of like nature, constitutions and by-laws of each sub-district making up the respective multiple district shall be consistent with the constitution and by-laws of the respective multiple district, the association and the policies of the International Board of Directors.

2. **Clarification Constitutional Areas – Europe**

The board of directors shall and hereby defines the European constitutional area to include District 128 (Israel) and District 118 (Turkey).

3. **Interpretation of the Phrase “Currencies Selected by the Board of Directors”**

The phrase “currencies selected by the board of directors” as it appears in the International Constitution and By-Laws is interpreted to mean U.S. dollars until a different currency is selected by the international board.

4. **Interpretation of Vacancy in the Office of Immediate Past President of The International Association of Lions Clubs**

A vacancy on the board of directors resulting from death of the immediate past president of The International Association of Lions Clubs shall remain vacant until filled by the successor immediate past president of said association.

5. **Interpretation of the Phrase “Immediate Past District Governor”**

The phrase immediate past district governor shall be interpreted to mean the Lion (whether living or dead) who last served and completed the term for which they were elected or appointed as district governor.

6. **Interpretation of the Phrase “Free Transfer”**

The phrase “free transfer” means the legal authority to exchange association funds in local currencies for United States dollars and to transfer said funds to association accounts outside the original country of deposit.

7. **Delegate Status for Current International Officers, Past International Presidents, Past International Directors, Council Chairpersons and Past District Governors**

A current or past international officer who is granted delegate privileges at an international or district (single, sub, multiple or provisional) convention independent of their club’s delegate quota shall only be permitted to cast one vote of their choice for each office to be filled and one vote of their choice for each question submitted to the respective convention.

8. Interpretation of the Phrase “Good Moral Character and Good Reputation in Their Community”

The phrase “good moral character and good reputation in their community” as used in Article VIII, Section 2 of the International Constitution is intended to apply to present Lions clubs members as well as prospective Lions clubs members.

If a prospective or present Lions member pleads guilty or is found guilty by a court of law of a crime of moral turpitude they do not satisfy the criteria of good moral character and good reputation in their community and shall be removed as a member of their Lions club.

The term “moral turpitude” shall be defined in accordance with the laws of the jurisdiction in which the association has chartered clubs.

If a prospective or present Lions member has been formally charged or indicted by a court of law of a crime of moral turpitude, they do not satisfy the criteria of good moral character and good reputation in their community until such time as a final binding decision has been made on the matter and the member has been cleared of all such charges. In such circumstance, the member shall be removed as a member of their Lions club until the member has been cleared of all charges of a crime of moral turpitude.

If an individual has satisfied the terms of their conviction, is no longer under any further restrictions as a result of the conviction of a crime of moral turpitude, they may be eligible to be a member of a Lions club, if the club has determined that the individual has sufficiently demonstrated that they are of good moral character and good reputation in their community.

Provided however, that in the exceptional event that it is necessary to take immediate action in order to prevent harm to members of the association or to the public, or to preserve the image of the association, the Constitution and By-Laws Committee and the International Board of Directors are authorized to review Lions club membership and take any and all appropriate action.

9. Interpretation of the Phrase “Vacancy” as it Appears in the International Constitution

The word “vacancy” as it appears in the International Constitution and By-Laws shall be interpreted to mean an existing as well as an anticipated vacancy.

10. Interpretation of the phrase “membership of this association shall consist of Lions clubs”

The phrase “membership of this association shall consist of Lions clubs” as it appears in the International Constitution shall be interpreted to include individual Lions members as members of the association by virtue of their membership in a chartered Lions Club.

11. Revised Geographical Boundaries of Districts

Whenever a district's (single, sub- or multiple) constitution and by-laws expressly sets out its geographical boundaries, the district must formally amend its governing documents to alter or otherwise change such boundaries. This proposal, like any other proposed amendment, shall require a favorable vote for adoption in accordance with the district's governing documents.

12. Interpretation of the Phrase "Shall have Completed Their Term, by Election or Appointment, as International Director."

The interpretation of the requirement in Article II, Section 2(a)(2) of the International By-Laws that a third vice president candidate "shall have completed or be completing their term, by election or appointment, as international director" requires completion of a full term or majority thereof as international director.

13. Interpretation of Eligibility to be Elected

The concept of "otherwise eligible under these by-laws or constitution to be elected" is interpreted as follows:

- a. A third vice president or international director candidate is eligible to be elected when the candidate's endorsements have been issued on or more than the required number of days before the convening date of a particular international convention and, in such circumstances, that particular international convention shall be counted as one (1) of the three (3) succeeding international conventions under the term of validity as provided in the International By-Laws.
- b. The term of validity of endorsement does not begin until a candidate is eligible to be elected. In the event a candidate is not eligible to be elected at a particular international convention, then that particular convention is not counted as one (1) of the three (3) succeeding international conventions under the term of validity. For example, specific circumstances under which endorsed candidates are not eligible to be elected include, but are not limited to, the following:
 - (1) If a third vice president or international director candidate's district (single, sub- or multiple) endorsement is issued less than the required number of days before the convening date of a particular international convention, then the candidate is not eligible to be elected at that particular international convention.
 - (2) If a third vice president or international director candidate's multiple district endorsement has been issued less than the required number of days before the convening date of a particular international convention, then the term of validity of the candidate's sub-district endorsement shall carry forward and that particular convention shall not be counted as one (1) of the three (3) succeeding international conventions under the term of validity for both district (sub- and multiple) endorsements (even if the sub-district endorsement was issued on or more than the required number of days before the convening date of a particular international convention).

- (3) If a succeeding International Convention is held within an endorsed candidate's single or multiple district, then the candidate is not eligible to be elected at that particular international convention.
- (4) If an international director candidate receives an endorsement from a particular single or multiple district, but an international director from the same single or multiple district is presently serving on the International Board of Directors, then the candidate is not yet eligible to be elected until the international convention at which the term of the sitting international director expires.

14. Interpretation of the method of withdrawal of candidacy for International Office

The method of withdrawal of candidacy for international office has been interpreted to mean that they must either:

- a. Personally appear before the Nominating Committee of the international convention and announce their intention to withdraw their candidacy; or
- b. Deliver to the Nominating Committee of the international convention a letter stating that they are withdrawing as a candidate for international office. Said letter of withdrawal will be considered at the meeting of the Nominating Committee of the international convention.

15. Interpretation of the Phrase "Members who have been enrolled for at least one year and a day in the club"

The phrase "members who have been enrolled for at least one year and a day in the club," as the phrase appears in the International Constitution and By-Laws, shall be interpreted to mean the following:

- a. A transferee shall be counted as a member for the purpose of calculating the delegate entitlement of the club if the transferee has been a member of receiving transfer club for at least one year and one day.
 - b. Any member shall be counted as a member of that club for the purpose of calculating the club's delegate entitlement provided that the member has been a full-dues paying member of that club for a continuous period of not less than one year and one day.
- ~~A reinstated member shall be counted as a member of that club for the purpose of calculating the club's delegate entitlement provided that the reinstated member has been a member of that club for an aggregate period or periods of not less than one year and a day.~~
- c. A newly chartered club will be entitled to one delegate and one alternate delegate until it has been chartered for one year and one day. Thereafter, its delegate quota will be based on the number of members enrolled in the club for one year and one day.

- d. Clubs being released from status quo will have their delegate quota based on the number of members enrolled in the club for at least one year and one day at the time of being released from status quo. Provided, however, a club being released from status quo will be entitled to a minimum of one delegate and one alternate delegate.

16. Interpretation of First and Second Vice District Governor Qualifications as the Qualifications Concern an Equivalency Between Lions and Lioness Club Offices

It is recognized and unchanged that Article IX, Sections 6(b)(1) and 6(c)(1) of the International By-Laws provides a first and second vice district governor candidate shall: “Be an active member in good standing of a chartered Lions club in good standing in their single or sub-district” and for the limited purpose of interpreting the qualifications for district position of first and second vice district governor, service as a club president or as a member of the board of directors of a Lioness club shall be construed as equivalent to serving as club president or as a member of the board of directors of a Lions club.

Lions club members may; therefore, apply service as Lioness club president or as a member of the board of directors of a Lioness club toward fulfilling the election qualifications for first and second vice district governor.

17. Interpretation of the Phrase “Withdrawal” as it Appears in the International By-Laws.

The interpretation of the word “withdrawal” as it appears in Article II, Section 4(a)(iii) of the International By-Laws is not intended to mean the endorsed candidate’s decision to stand down or to refrain from submitting his or her name to the International Nominating Committee at a specific international convention.

18. Interpretation of District Procedural Requirements

Article IX, Section 5 of the International By-Laws restricting the requirement of qualifications in addition to those set forth in the International Constitution and By-Laws for international office candidacy also applies to first and second vice district governor candidates, notwithstanding the fact that a first or second vice district governor is not an international officer.

19. Interpretation of the Notice Requirements for the Official Convention Call and Notice of Amendments.

The publication of the Official Convention Call and Notice of Amendments as required under Article IX, Section 2 of the International Constitution and Article VI, Section 2 and Article XIV, Section 2 of the International By-Laws are deemed to be sufficiently met by the following: (a) publishing these notices in English in the official headquarters edition of Lion Magazine within the time frame required and submitting these notices to all other official editions of Lion Magazine in the appropriate languages for publication as soon as received or at the time specified in accordance with Chapter XVI of the Board Policy Manual; (b) publishing these notices on the association’s website in all official languages within the time frame required; and (c) sending an email message regarding the

availability of these notices on the association's website in all official languages to an officer in each club for which the association has received an email address.

20. Interpretation of whether a multiple district can levy assessments to finance campaigns for international office.

The International Constitution grants multiple districts the right of representation at the international level. Inherent in this right is the right to finance efforts necessary to gain such representation. Therefore, it is implied that such funds may be raised from the membership of the respective multiple district. Said levy must be made in accordance with provisions contained in the multiple district constitution for a dues increase.

21. Interpretation of the phrase "alternative procedures"

The phrase "alternative procedures" as used in Article V, Section 4(a) of the International Constitution is intended to allow for voting by the delegates by electronic or other means, in the discretion of the International Board of Directors, in the rare event it would be impossible or unsafe to conduct the International Convention in person.

22. Interpretation of the Club Delegate Formula

In the event that a district's (single, sub- and multiple) respective constitution and by-laws grants full delegate status to past district governors, independent of the club delegate quotas provided for in the International Constitution and By-Laws, the past district governor must be an Active Member or other category of membership which permits voting at a district convention.

D. LEGAL OPINIONS

1. Affiliation with Non-Lion Organizations

No Lions club or district or multiple district or forum or Lion organization shall affiliate with any multinational non-Lion organization in a way which establishes rights and duties between the parties except upon prior approval of the International Board of Directors.

2. Past Club, District and International Officer Organizations

The board of directors shall and hereby does withhold official recognition of past club, district and international officer organizations, but shall permit their existence and operation so long as they shall not in operation:

- a. contravene the International Constitution and By-Laws and policies of the International Board of Directors;
- b. levy and/or collect dues;
- c. involve participation on other than a voluntary basis;
- d. superimpose or create any governing structure over and above, or which hinders the proper function of, the regular club and district organizations.

3. Violations of the International Constitution, Board Policy Manual, Principles and/or Objectives of Lionism by Individual Lion Members

In the event that any individual Lions club member shall, in the opinion of the International Board of Directors, be engaged in conduct which is in violation of the International Constitution and By-Laws, Policy of the board of directors, or against the Lions Code of Ethics and/or objectives of Lionism, the following procedure shall apply.

- a. The individual Lion member and their club shall be advised of the violation and instructed to discontinue the said violation;
- b. If the individual Lions club member does not comply with the directive of the international board, their club shall be instructed to terminate their Lions club membership;
- c. If the individual's club does not remove the Lion from its membership rolls within thirty (30) days of notification, the club shall be placed in status quo.

4. Ballot Retention

The association shall retain all original international convention ballot cards, whether voted or blank, until sixty (60) days after the adjournment of the international convention immediately following the close of the convention where the election occurred. At that time if it is determined that an election challenge has not been filed, or resolution of a challenge timely made, the ballot cards will be destroyed without keeping a permanent record of such cards.

5. Meetings by Video/Teleconference

The international president may authorize the convening of any regular and special meeting(s) of the international board of directors by a video/teleconferencing format. Voting during video/teleconferencing meetings shall be conducted by ballot, cast by electronic or other suitable means. Request for secret ballots shall be according to the procedure set out in Chapter III, Paragraph A.3. of the International Board Policy Manual.

6. Promotion of Professional And/Or Private Commercial Interest

Lions members, clubs, districts (single, sub- and multiple) and Lions-sponsored entities are authorized to use the Lions membership relationship to network, discuss and promote a member's professional and/or private commercial interests, including activities such as personal member-to-member discussions, invited presentations or providing promotional materials or other information to members upon request. Undesired, unrequested or unsolicited promotion of professional and/or private commercial interests, and/or the use of mailing lists, directories or any other member, club, district or international listing for unsolicited mailings (direct mail, electronic, fax or otherwise) for any professional and/or private commercial purpose or benefit are prohibited.

7. Definition of "Sufficient Notice" following withdrawal of international officer endorsement

When a candidate withdraws his or her endorsement for international office at the sub-district or multiple district, such withdrawal must be within a sufficient time to give notice to and allow other candidates time to submit their intentions to seek an international office endorsement at the sub-district and/or multiple district in accordance with the procedures established in their respective constitution and by-laws. Sufficient time shall mean at least fifteen (15) days' notice to submit their intention to seek an international office endorsement.

8. Good Standing

In the event the International Board of Directors issues a waiver of international dues, the payment of international dues should not be considered in determining if a club is in good standing as defined in Chapter V, Clubs, of this Board Policy Manual. Clubs remain obligated to pay any and all required district and multiple district dues.

E. INTERNATIONAL TRADING PIN CLUB

An "International Trading Pin Club" may be organized provided, however, that no such club shall commence operation until its basic documents have been submitted to, and approved by, the International Board of Directors.

F. STAMP CLUBS IN LION COUNTRIES

Stamp clubs for Lions only may be established in any club or district (single, sub or multiple) provided the same is approved by the respective club or district (single, sub or multiple) and a working relationship is established with the Lions Clubs International Stamp Club.

G. CONTRACTS

No contract committing the association shall be executed on behalf of or bind the association unless the same shall have been reviewed and approved in accordance with the association's Purchasing Policy. Funds to cover such contracts must be provided in the budget approved by the board of directors.

H. CONFLICT OF INTEREST

For a period of two (2) years after the expiration of his or her term of office or appointment, the association shall not enter, nor become, nor be a party to, any contract or transaction of any kind, in which any officer, director, past international president, past international director or international board appointee of the association, or any business or entity of any kind in which such officer, director, past international president, past international director or international board appointee has a controlling stock or other interest, may or shall realize any direct or indirect financial benefit.

I. NEUTRAL OBSERVER POLICY

1. Purpose

Support the conduct of district (single, sub- and multiple) elections that meet the standards of the International Association of Lions Clubs.

2. Selection

A past international officer will be selected and appointed by the Chairperson of the Constitution and By-Laws Committee in consultation with the General Counsel of the Association.

3. Qualifications

- a. Prior experience serving as a member of the International Board of Directors;
- b. Familiarity with the people, culture and customs of the assigned country or district (single, sub- and multiple).

4. Request for Observer

An election observer may be requested and subsequently appointed by the Constitution and By-Laws Committee, upon availability, to monitor international third vice president, international director, district governor, first vice district governor and second vice district governor elections under the following conditions:

- a. At the request of the Constitution and By-Laws Committee at any time prior to a district (single, sub- and multiple) convention.
- b. At the request of the Constitution and By-Laws Committee succeeding a sustained election complaint.
- c. At the request of the international third vice president, international director, district governor, first vice district governor or second vice district governor candidates at least twenty-five (25) days prior to a district (single, sub- and multiple) convention upon a showing of good cause, as determined by the Constitution and By-Laws Committee or its designee.

- d. At the request of the district governor or upon the affirmative vote of three (3) or more district cabinet members or at the request of the council chairperson or upon the affirmative vote of three (3) or more multiple district council members at least twenty-five (25) days prior to a district (single, sub- and multiple) convention upon a showing of good cause, as determined by the Constitution and By-Laws Committee or its designee.

5. Fees

Fees for the use of an election observer shall be assessed under the following conditions:

- a. In the event that a neutral observer is appointed by the Constitution and By-Laws Committee, a non-refundable US\$1000.00 filing fee, or its equivalent in the respective local currency, will be assessed to the district (single, sub- and multiple). The fees assessed under this section may be reduced by a showing of good cause as determined by the General Counsel in consultation with the Chairperson of the Constitution and By-Laws Committee.
- b. A request for a neutral observer by a district (single, sub- and multiple) or candidate must be accompanied by US\$1000.00 filing fee, or its equivalent in the respective national currency, payable to the district (single, sub- and multiple) for use in the costs associated with the observer. In the event the International Board of Directors or its designee determines there is not sufficient cause to appoint a neutral observer, the fee in total shall be refunded.
- c. In the event a neutral observer is assigned, the fee is non-refundable.
- d. In addition to the fee paid, the district (single, sub- and multiple) shall be responsible for the payment of travel, housing and meals for the observer for the duration of the assignment.

6. Responsibilities of the Neutral Observer

Once appointed in accordance with this policy, a neutral observer shall be responsible for the following:

- a. Gather accurate and comprehensive information concerning the constitutional requirements, rules of procedure and local customs related to the conduct of elections.
- b. Report observed inaccuracies and conduct deemed impartial, inappropriate or detrimental to the electoral process.
- c. Provide impartial and professional analysis of observations of the election process.
- d. Issue recommendations for improving the integrity and effectiveness of electoral and related processes, while not interfering in and thus hindering such processes.

7. Reporting

Neutral election observers are required to submit a written report to the Legal Division no more than fifteen (15) days following the conclusion of the district (single, sub- and multiple) convention. This report should contain accurate and impartial statements presenting findings, conclusions, and appropriate recommendations concerning overall adherence to electoral procedures, including standards for accuracy and impartiality.

J. CHANGE OF THE ABBREVIATED NAME OF THE ASSOCIATION

The words “Lions International” where they appear on printed material of the international association be changed to read “Lions Clubs International.”

K. LITIGATION INVOLVING THE INTERNATIONAL ASSOCIATION

1. Initiation of Litigation

No litigation shall be initiated on behalf of The International Association of Lions Clubs unless approved by either the board of directors; or the Executive Committee; or the international president (or available ranking international executive officer), an administrative officer and general counsel.

2. Reporting Status of Current Litigation

The association’s general counsel shall prepare for inclusion in the administrative officers’ report to the board a summary showing the current status of litigation involving the association. Any change in the status of litigation shall be reported in the administrative officers’ report to the board.

L. “REGISTERED” AGENT OF THE ASSOCIATION

Effective October 2017, The International Association of Lions Clubs (“Lions Clubs International”) authorizes CSC (Corporation Service Company) to serve as the association’s registered agent for all states and countries in which the association must have a registered agent.

M. LEGAL RESPONSIBILITIES OF MEMBERS OF THE INTERNATIONAL BOARD OF DIRECTORS AND EXECUTIVE OFFICERS

Information detailing and emphasizing the principal areas of the statutory and common law duties and responsibilities of corporate officers and directors shall be included in the New Director Orientation program offered to all incoming international directors.

N. GIFTS FROM COMMERCIAL LICENSEES

The International Board of Directors hereby prohibits all officers, directors and employees of the association from accepting gifts of any kind from both the commercial licensees of the association as well as those who seek to become such licensees.



APPLICATION FOR USE OF LIONS NAME AND/OR EMBLEM

APPLICATION OF:

(Name of Sponsoring Club or District)

(Address)

TO: The International Association of Lions Clubs
 Attn: Legal Division
 300 22nd Street
 Oak Brook, IL 60523-8842 USA

Article I of the International By-Laws provides:

The name, goodwill, emblem and other insignia of this association and Lions clubs chartered thereunder may not be used, published or distributed by any Lions club, Lions club member or any Lions district or by any entity (legal or natural, in corporate or any other form) organized and/or controlled by any Lions club, Lions club member or members or any Lions district for any purpose except those expressly authorized by the provisions of the constitution or by policies of the International Board of Directors; and no other individual or entity (legal or natural, incorporated or any other form) may use the name, goodwill, emblem and other insignia of the association and Lions clubs chartered thereunder without such written consent and license as shall be required by the International Board of Directors.

I. Nature of activity or project:

(A) Name of proposed Project/Foundation: _____

(B) Website of proposed Project/Foundation: _____

(C) Name(s) of clubs and/or districts involved:

(D) Describe how approval is given by clubs and/or districts (attach copy of minutes/resolution).

(E) Source of funds (state in detail):

(1) How are funds raised?

(2) Who determines expenditures therefrom, and on what basis?

(3) How much, generally, of funds raised in one year are disbursed in same year?

(F) What type information is furnished to participating members and/or clubs concerning operation of activities? _____

(G) Describe in detail nature of participation by clubs (other than contribution or raising of funds), i.e., what other details in actual operation are handled by clubs.

(H) Describe all insurance coverage, in addition to the Lions General Liability Insurance Program, that is in effect or will be obtained for this project (such as directors and officers liability, fiduciary, fraud/theft, excess umbrella, property, workers compensation, etc.). _____

(I) Internal organization or structure:

(1) Submit copy of Articles of Incorporation and By-Laws, Certificate of Incorporation.

(2) List present officers and term of office.

(3) Is corporation considered charitable by state, province or country in which incorporated?

II. Participation of Clubs and/or Districts

- (A) If any club or club member chooses to refrain from participating, either originally or by withdrawal, will it or he or she incur any pressure or disadvantage of any kind within district or club (or area)? If answer is "yes," please give details.

- (B) In order to participate in the project or activity, is it necessary for a club or club member, to contribute funds or pay dues of any kind? If answer is "yes," please give details.

III. Purpose

State the purpose of the project/foundation and type of persons or institutions, etc. to be beneficiaries.

IV. Duration

- (A) How long is project expected to continue? (perpetual, etc.) _____

- (B) How long has activity been in operation prior to this application? _____

- V. We understand the traditional policy of the association, as implemented and enforced by the International Board of Directors over the years, that no district or club or group of clubs or club members may, by legislation or otherwise, force any club or member thereof to participate, monetarily or otherwise, in any activity project. We understand and have made it clear to the clubs and members thereof that district and club dues are separate and apart from any funds raised for district or club activities; and that while dues for administrative purposes are necessary for the operation of districts and clubs and, therefore, each club and member thereof must bear its and his or her proportionate share, nevertheless, all funds raised for district or club activities are to be subscribed voluntarily. We understand no club or club member may be discriminated against or denied the right to participate in other matters of the club or district as a result of a decision not to participate in, or to contribute to, any club or district activity project. We understand and agree that if this application is approved by the International Board of Directors, it will be upon the express condition that the foregoing provisions of this paragraph VI will be strictly observed and that the license and permission granted thereby may be revoked by said board at any time for breach thereof or for any other action our district or group may take or omit to taken which, in the sole discretion of said board, shall be deemed to be detrimental to the image and purposes of the association or any club or district therein.

Signature of Club/District Officer: _____ Date: _____

Printed Name of Officer: _____ Title: _____

Email of Officer: _____

Did you remember to submit the following with your application?

- ☐ **Articles of Incorporation (if applicable)**
- ☐ **Constitution and By-Laws/Governing Documents**
- ☐ **Minutes or Resolution of the Club/District indicating their support in the formation of the said Lions Foundation**

**LEGAL RESPONSIBILITIES OF MEMBERS
OF THE INTERNATIONAL BOARD OF DIRECTORS
AND EXECUTIVE OFFICERS**

MEMBERS OF THE BOARD OF DIRECTORS

ILLINOIS STATUTORY RESPONSIBILITIES

The General Not-For-Profit Corporation Act of Illinois states in Chapter 32, Section 108.05 that, "The affairs of a corporation shall be managed by or under the direction of a Board of Directors." The purpose of this brochure is to more specifically define this broad authorization of power that has been assigned to the International Board.

THE DIRECTORS' BASIC DUTIES

The Directors have general responsibility for the management of the business and affairs of the corporation. They have the legal duty to use reasonable care and diligence and must act within the scope of authority conferred upon them. Directors owe three basic duties to the corporations they serve: obedience, diligence and loyalty.

The duty of obedience requires the Directors to contain their activities within the authority conferred upon them by the Association's Articles of Incorporation and the Constitution and By-Laws. For a willful violation of this rule and usually for their negligent disobedience of it, the Directors will be held liable to the corporation.

The second duty, diligence, requires the Directors to exercise "reasonable care and prudence" when acting on behalf of the corporation they represent. The courts have traditionally interpreted the general standard to mean that a Director must exercise the degree of care and prudence that people prompted by self-interest exercise in their own affairs. Directors must take an interest in the business affairs of the corporation, including keeping themselves informed of the corporation's activities. It is not a defense to the Directors that they are ignorant or inexperienced in the corporation's activities or that their own intentions are honest.

The third duty is that of loyalty. It contemplates that a Director must refrain from engaging in their own personal activities in such a manner as to injure or take advantage of their corporation. Loyalty also includes the requirement that a Director act fairly with respect to transactions involving the corporation. Among the factors considered in determining fairness are the adequacy of consideration, corporate need to enter into the transaction, financial position of the corporation, alternatives available and full disclosure.

In accordance with this Common Law Duty of Loyalty Illinois has, by statutory provision, expressly prohibited the making of loans by the corporation to its Directors and Officers. Should such a loan be approved by the Board, each Director of the corporation who votes for or assents to the making of the same shall be jointly and severally liable to the corporation for the amount of such loan until the repayment thereof.

Illinois Case Law has adopted the Corporate Opportunity Doctrine. This principle states that a Director or Officer of the corporation may not divert a business opportunity in which their corporation may reasonably be interested without first giving the corporation an opportunity to act. In determining whether a corporate opportunity has been diverted, Directors are held to a standard of "good faith" measured by general business ethics.

The Corporate Opportunity Doctrine can extend to the purchase of land, business assets or anything else that the Director has reason to know the corporation would be interested in. A Director who fails to give the corporation a chance to act will be liable to the corporation for any profits made.

DIRECTORS AS FIDUCIARIES

It is generally accepted that the Directors and Officers of a corporation occupy a fiduciary relationship to the corporation. The Illinois courts have declared that "A fiduciary relationship automatically exists between a corporation and its Directors and Officers."

The fiduciary relationship requires that Directors act in good faith on all occasions and give their conscientious care and best judgment to their tasks.

A Director usually meets their duties to the corporation when they perform their duties in good faith and in a manner they reasonably believe to be in the best interest of the corporation. Illinois courts will not usually interfere with the Directors' management of the corporation in the absence of fraud and illegal conduct or impose liability on them because of erroneous judgment when the same is exercised in good faith.

ASSENT OF DIRECTOR IMPLIED BY MERE ATTENDANCE AT A BOARD MEETING

A Director who is present at a meeting of the Board of Directors at which action on any corporate matter is taken is conclusively presumed to have assented to the action unless their dissent is entered into the minutes of the meeting; or
Effective October 16, 2023

they file a written dissent with the person acting as secretary of the meeting before its adjournment; or they notified the secretary of the corporation by registered mail immediately after adjournment of the meeting. However, a Director who votes in favor of a proposition does not have the right to dissent by registered mail.

In summary, should a Director disagree with action taken at a Board Meeting they must voice their dissent by complying with the above-stated procedure or their assent will be conclusively inferred by their attendance.

CORPORATE OFFICERS

STATUTORY RESPONSIBILITIES

The statutory duties and authority of the corporate officers are rather broad and not specifically defined in the Illinois General Not-For-Profit Corporation Act. Generally, the officers have such authority and duties as are provided in the By-Laws or determined by the Board as long as they are not inconsistent with the By-Laws.

GENERAL AUTHORITY OF OFFICERS

The scope of authority of corporation's officers is not easily defined. The question of actual authority of an officer and their apparent authority may become of major importance when the reliance of an outsider on the officer's authority is involved.

Each officer is expected to stay within the limits of their authority and may be held liable to their corporation if they exceed those limits. An officer may also be held liable to an injured outsider, where the officer has exceeded their power and authority, unless the corporation ratifies their unauthorized actions and thus assumes corporate liability for them.

LEGAL AUTHORITY OF OFFICERS—ACTUAL, APPARENT OR THROUGH RATIFICATION OF ACTIONS

The authority of corporate officers may be actual (express or implied), apparent or derived from ratification of an act beyond the officer's power.

ACTUAL AUTHORITY

An officer derives their express authority from statutes, the Articles of Incorporation, or the corporation's Constitution and By-Laws or Resolutions of the Board of Directors. For example, the By-Laws might enumerate the various officers and define their respective authority.

Actual Authority other than express authority is usually referred to as "implied" or "inherent" authority. An officer may derive implied authority based on the inherent powers of their office.

Modern Illinois Case Law tends to establish a rebuttable presumption that the President has authority to act on behalf of the corporation in the ordinary course of corporate affairs (day-to-day business). Where the President is in fact General Manager, he/she has the implied authority inherent to the office of the General Manager. The General Manager has implied authority to make any contract or to do any other act appropriate in the ordinary business of the corporation. The fact that a person is permitted to act as General Manager is sufficient to clothe them with such implied authority. The International President, therefore, must always be cognizant of the fact that there is a legal presumption that he/she possesses such implied authority and must conduct their actions with the idea that the same may be binding upon the Association.

The Vice-Presidents, unlike the President, have no inherent powers other than to act when the President is unavailable because of death, illness or other incapacity.

APPARENT AUTHORITY

Apparent Authority, sometimes referred to as Ostensible Authority, exists when the corporation holds out that an officer or agent possesses certain authority and a third person in good faith believes that such authority exists. In such a case, the corporation and possibly such third person are estopped from denying such authority. In summary, where there is Apparent Authority the absence of Actual Authority, express or implied, is immaterial. The relationship stressed is that between the corporation and the person transacting business with its purported agent.

AUTHORITY THROUGH RATIFICATION OF ACTIONS

Should an officer act beyond the scope of their authority, such action may be ratified by the Board of Directors. Ratification may be expressed, such as by Resolution of the Board of Directors, or implied; for example, by acceptance of benefits of the unauthorized act with knowledge of the facts.

Where an officer purports to contract on behalf of a corporation without authority such officer may be personally liable to the third person on the contract. The rationale of this ruling is that one who purports to contract on behalf of a principal is liable if the principal is not, or for breach of implied warranty of authority. Authorized officers may become liable for the contract if they do not disclose that they are executing the contract only in the capacity as an agent for the corporation. Officers who personally guarantee their corporation's obligations are subject to the same liability.

CONFLICT OF INTEREST POLICY

Considering the association's accountability to its membership and the public, the International Board of Directors adopts the following policy and procedures with respect to disclosure requirements concerning transactions and relationships that may involve potential conflict of interest.

- Each officer, director and employee shall avoid situations where their personal interest could conflict with, or appear to conflict with, the interest of the association.
- The use of association assets for any unlawful or improper purpose is strictly prohibited.
- No undisclosed or unrecorded asset is to be established for any purpose
- No false entries are to be made in the books for any reasons, and no employee shall engage in any arrangement that results in such prohibited act.
- No payments are to be approved or made with the intention that any part is to be used for any purpose other than that described in the supporting documents.
- Any employee who knows of any unrecorded asset or any prohibited act must promptly report it to the management of the association.
This policy requires the annual submission from association board members, key management personnel, and employees in sensitive positions, of a statement certifying their compliance with the policy.

The association's Finance and Headquarters Operation Committee is responsible for review and enforcement of this policy. Staff disclosure statements will initially be reviewed and evaluated by the executive administrator. Upon completion of this review, the executive administrator will forward his findings to members of the Finance and Headquarters Operation Committee for final analysis and action.

- This policy shall be construed to also apply to the Lions Clubs International Foundation trustees and employees.