

American Amateur  
Mixed Martial Arts

# Corporate Compliance Policy

**COMPLIANCE W.I.N.S.**  
Wavering Integrity Never Succeeds

## Dear Officials,

AAMMA aims to create the safest and most reputable mixed martial educational organization in America. We can only sustain our reputable status if we act within the law and in accordance with ethical principles.

Every official is responsible for ensuring that his or her conduct is legally and ethically compliant. This applies to officials at all levels, in every state.

All our actions must be consistent with our good name and reputation. After all state commissions, competitors and coaches expect us to be competent, fair and reliable. My colleagues on the Board and I are proud of officials who conduct themselves accordingly.

Due to the growing importance of good and responsible corporate governance and the increase in legal risks, the Board has decided to issue a Corporate Compliance Policy. It is based on proven principles that characterize our operations and clearly explains where and how you can obtain help with compliance questions.

Let us work together to develop and uphold AAMMA's reputation. Integrity forms the basis for sustained success.



Terry Haven  
President  
AAMMA

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## Introduction

# Why be concerned about corporate compliance?






AAMMA continues to work hard to maintain a good reputation. While this reputation is a product of many people, the careless, improper actions of just one volunteer or official can damage our image in the blink of an eye. We must prevent this. To do so requires that all volunteer officials be guided in their activities by reasoned principles, particularly those set forth in this Corporate Compliance Policy.

**Remember that the way each official conducts the company's business can effect AAMMA's image.**

**Corporate compliance refers to the lawful and proper conduct of the company's business. Each volunteer official is obligated to obey all applicable laws and corporate guidelines in his or her work for AAMMA.**

The Corporate Compliance Policy serves as the basis for this. It does not, however, cover all conceivable situations or describe all of the particular rules that must be followed. Furthermore, the law in some states may prescribe stricter standards than those set forth here, in which case the stricter standards govern.

Unlawful and unethical behavior can have far-reaching consequences for AAMMA and its volunteer officials, including:

-  criminal penalties
-  administrative fines
-  civil and punitive damages
-  seizure of funds
-  exclusion from athletic commissions
-  termination of business relationships

Individual volunteer officials who violate the principles of this Corporate Compliance Policy also face serious consequences, such as fines or imprisonment, claims for damages, sanctions under labor laws and possible dismissal as an AAMMA Official.

Officials who disobey the rules cannot claim to have been acting in AAMMA's interests, because **any compliance violation ultimately harms the company.** In view of the possible consequences, any advantage somebody purports to have gained in a specific situation can never, not even economically, be advantageous to the company as a whole.

AAMMA desires to succeed in the competitive arena by being innovative,

quality-driven, reliable and fair. If the only way to close a deal is by acting in a way that is illegal or unethical, we will forego the deal. An official who declines business in such circumstances will never suffer retaliation as a result.

We are continuously in the public eye and under scrutiny of State Athletic Commissions. By systematically implementing this Corporate Compliance Policy, we show competitors, the authorities and our partners that compliance is an integral part of our corporate culture.

AAMMA is a nationally active company. Our officials, therefore, are exposed to a wide variety of norms and ethical principles, some of which are often unfamiliar to them. What at first sight appears to be a purely local matter may also be subject to the laws of that state. This Corporate Compliance Policy is intended to give officials a point of reference in their daily work and thereby help them avoid violations. By definition, its focus is limited to areas of particular practical significance. However, it should also encourage employees to familiarize themselves with the rules that affect them and to seek counsel in case of doubt. Ignorance is no defense against the potential consequences of breaking the rules. For support, officials can turn to

their state supervisors, their respective Compliance Officer or any of the board members. Officials should especially avail themselves of these resources when others may be harmed, or the legal situation is unclear.

# Our Principles of Business Conduct

## 1. We are committed to fair competition - no antitrust violations

➡ AAMMA is a firm supporter of the free market economy. Antitrust law is the free market's most important tool for ensuring fair, unrestricted competition.

Violations of the antitrust laws of the individual state in which AAMMA does business can have dramatic consequences for the company. As mentioned in the introduction, we could face a variety of negative repercussions, including serious fines, lawsuits, and harm to our reputation.

Volunteers who violate antitrust laws also face severe external repercussions, including possible imprisonment. Internally, AAMMA will not show any leniency towards employees who disregard antitrust laws. Even if a business matter runs into difficulties through no fault of the employee, resorting to unlawful agreements with competitors is not acceptable. Compliance is the only permissible course of action, even in a crisis.

The “effects doctrine” of antitrust law is particularly important to note. According to the effects doctrine, determining the occurrence and punishability of an antitrust violation does not depend only on the jurisdiction in which the violation occurred. In some cases, causing an adverse effect on competition in another jurisdiction may constitute an antitrust violation.

Antitrust law protects competition in three ways:

- by forbidding collusion among competitors and anticompetitive arrangements among sanctioning providers and customers, as discussed below in Section 1.1
- by forbidding the abuse of a dominant market position, as discussed below in Section 1.2
- by overseeing the acquisition and sale of companies as well as other business combinations (merger control), as discussed below in Section 1.3

# 1.1 Antitrust Violations

The major types of antitrust violations include:

- price fixing
- allocating market shares
- agreements on production capacities
- allocating geographical markets
- allocating customers

Any kind of concerted actions, informal talks or “gentlemen's’ agreements” that are intended to restrict competition or may have the effect of doing so are prohibited. Officials or board members must not even give the appearance of being a part of any such conspiracy. Acting in concert with other organizations when competing for any form business is not only an antitrust violation, it is a criminal act. Please involve the legal board when entering into or contemplating any kind of agreement with a competitor, even if the subject matter of the agreement lies outside of the area in which AAMMA and the other party compete.

Trade association meetings provide the opportunity to get together with

competitors and discuss matters of mutual interest. This is quite legitimate, provided, however, that the limits imposed by antitrust law are respected. Accordingly, officials should normally consult a board member before participating in such meetings.

Care is called for in the mere handling of market information. In all cases there are certain acknowledged “rules of the game” to ensure that information which is sensitive from an antitrust viewpoint is given in a sufficiently anonymous manner that its origin cannot be identified and it therefore cannot influence current market developments. For example, we are not allowed to exchange information concerning school relationships, prices imminent price changes or the like with our competitors, nor are we permitted to disclose our own calculation, capabilities or plans to competitors.

Finally, bear in mind the provisions of antitrust law when negotiating the terms and conditions of agreements where AAMMA acts as a provider of products and/or services. Clauses that impact resale prices, restrict use or resale, or stipulate exclusive arrangements always require legal review.

## 1.2 Abuse of market power

Dominant market positions are by no means illegal per se if they accrue, for example, from our own achievements. In addition, patents provide legally protected monopolies for certain periods of time. A company is said to dominate a market when it has no substantial competition in that market. The behavior of companies with dominant market positions is subject to particularly strict antitrust controls as a means of compensating for this lack of competition. Dominant market positions must not be abused, that is they must not be exploited in ways that would be unfeasible or at least unrealistic in a true competitive environment.

Companies with a dominant market position may not deliberately undercut competitors' prices with the aim of driving them out of the market. Nor may they execute agreements with customers that contain contract periods, exclusive arrangements, discount offers or package

deals that make it impossible for their competitors to vie for the same customers' business. Companies may not abuse dominant market positions in their relationships with customers either, for example by demanding prices that are not economically justified. AAMMA's officers must seek legal counsel anytime they suspect that certain steps are being taken or certain terms enforced because of a dominant market position.

## 1.3 Observing merger guidelines

Business divestitures, acquisitions and joint ventures generally require the approval of antitrust agencies once the volume of the deal reaches a particular threshold. Failure to follow the corresponding registration requirements can result in steep fines and, more particularly, render the deal null and void. In order to ensure that registration requirements are adequately accounted for during planning, the board must be involved at an early stage.



## 2. We are committed to integrity in business dealings - no corruption

### ➡ AAMMA will not tolerate corruption.

Corruption is contrary to fair competition and harms AAMMA's reputation and our standing with state athletic commissions. Some states treat corruption as a crime.

Thus, AAMMA's officers and board members are strictly prohibited from attempting to unlawfully influence business partners, whether through favors, gifts or the granting of other advantages, anywhere in the country. This rule particularly applies to dealings with individual acting on behalf of government agencies or other public institutions.

AAMMA will not entertain any business deals that involve breaking the law or violating company rules relating to the granting or acceptance of favors, mindful of the fact that some business may be lost as a result. No amount of potential additional revenues or earnings can justify illegal business practices. This applies without exception throughout AAMMA. No officials or board members, regardless of the state in which he or she works, is entitled to violate the law or AAMMA policy.

Any gift, even those given indirectly (for example to friends, relatives or associations), is considered an advantage. Examples include: cash, invitations to events, airline tickets, non-business related hotel stays, employment for friends or relatives, special personal favors and even provision of expensive food and drink.

The granting or acceptance of gifts must take place in compliance with the law as well as AAMMA guidelines. If the stricter rules and laws exist, then the stricter standard must be observed.

AAMMA officials and board members are not allowed, under any circumstances, to demand personal gifts. Likewise, they may not offer or grant gifts of cash, or gifts equivalent to cash, to any public official.

AAMMA officials can not oversee or participate in any official capacity in an event in which he has a financial interest or an interest in the outcome of a match.

### 3. We are committed to the principle of sustainability - no inappropriate risks for human health

➡ AAMMA is aware that all pugilistic sports are inherently risky. It is our goal to make all sanctioned events safe as possible.

Maintaining the health of our officials, competitors and the public is in everyone's - official's and AAMMA's - best interest. Officials receive support in preventing accidents and injuries from specialists on the board and the board's advisers.

AAMMA's rules and regulations help to ensure this. Officials share in the responsibility for safety at sanctioned events.

Extreme care must be exercised when dealing with potential sources of danger. Every official and volunteer is called upon to strictly and constantly observe all safety rules in his or her respective role: for his or her personal benefit, and for the benefit of colleagues, competitors, the public, and AAMMA as a whole.

When an incident occurs, the Chief Sanctioning Official must immediately notify the ringside physician and stand by

ambulance. The ringside physician will determine if further medical care for the injured party is needed.

An incident report must be filled out by the Chief Sanctioning Official and filed with AAMMA's office.

Data collected from the incident reports will be used by AAMMA's risk management department to improve safety policy and procedures.

## 4. We are committed to proper record-keeping and transparent financial reporting - no deception

➡ An internal control system must provide for the proper documentation of an entity's key business processes and the establishment of controls to ensure that all transaction details relevant for accounting purposes are fully and correctly captured.

Files must therefore be complete, orderly and readily understandable. All records and files must be kept in such a way as to permit delegation to a colleague at any time. Officials and board members should retain records for as long as statutory or internal provisions require, and must never destroy documents relevant to threatened or pending official or judicial proceedings.

Any item of correspondence, whether a letter, fax, email or even verbal comment, must be communicated in observance of proper etiquette and be clear and consistent in content so that it can be presented or surrendered to a third party (such as an investigative body, court of law, other governmental institutions or certified public accountants). Comments attributable to the company that are inappropriate, unclear, incomplete or made in haste may be extremely

damaging because they can be misinterpreted, misused or taken out of context. Employees must be courteous and efficient when using email and other forms of online communication. The volume of emails should be kept to the necessary minimum.

The following guidelines are essential for ensuring accurate and timely financial reporting:

All items with accounting relevance must be supported by complete and correct documentation and entered into the books accordingly. The company's accounting records and related documents must fully and accurately reflect all business transactions and give a true and fair view of the company's assets.

Every officer and board member tasked with presenting information that is relevant to our financial reporting and destined for public disclosure is responsible for ensuring that this information is complete and accurate. Officers must promptly notify their supervisors or the responsible board member if ever they have reason to doubt whether material business transactions

have been correctly presented in the financial reporting.

AAMMA provides the general public with regular, timely reports on the company's situation and material changes in its business so as to maintain the greatest possible degree of transparency. The annual financial statements are published within 90 days of the end of the respective fiscal year.

AAMMA also makes use of the Internet as a way to provide interested parties with the latest corporate information. The AAMMA website includes a important publications and event dates, including dates for the annual report, and interim reports.

## 5. We are committed to fair and respectful working conditions - no discrimination

➡ No person is to be unfairly treated, disadvantaged, favored, harassed or ostracized because of race or ethnicity, color, nationality, religion, ideology, gender, age, physical characteristics, appearance or sexual orientation.

Everyone has the right to be protected against discrimination and harassment of any kind whether within AAMMA or in their contacts with outside parties.

AAMMA expects its officers and board members to be friendly, objective, fair and respectful in their dealings with colleagues and third parties, including customers, suppliers and officials. By doing so, they also make an active contribution toward protecting AAMMA's good reputation.

The responsibility for maintaining these standards of conduct rests with each and every officer, not just with board members. A violation of these standards will not be tolerated. Any conflicts should be referred to the board. If necessary, the AAMMA Board will take the required action to appropriately address any

wrongdoing and prevent a repeat violation.

For more information on sexual harassment, please refer to AAMMA's sexual harassment policy.

## 6. We are committed to keeping corporate and personal interests separate - no conflicts of interest

### ➡ All volunteers must separate their own personal interest from those of AAMMA

During working hours, in particular, officers and board members have a primary duty to promote AAMMA's corporate interests. Conflicts of interest – or even the mere appearance of such conflicts – must be avoided. A list of typical areas of conflict is given below. Where a conflict appears likely, officers and board member should seek assistance from their supervisor.

- Personnel decisions: A person's own individual interests or relationships must not influence personnel decisions.
- Business relationships with third parties: Business relationships with third parties must be formed on the basis of objective criteria (for example, price, quality, reliability, technological standard, product suitability, existence of a long-standing and trouble-free business relationship). The execution of a contract or continuation or termination of a business relationship with a third party must not be influenced by

personal relationships, personal interest or tangible or intangible personal advantages. The supply of products or provision of services to AAMMA by companies that are controlled by AAMMA officers or board members or their close relatives must be subject to close scrutiny.

- Contracting of suppliers or other business partners of AAMMA for personal purposes: If an officer wishes to place a personal supply or other business contract with a person or entity that also has a pre-existing business relationship with AAMMA and that employee is in a position to directly or indirectly influence AAMMA's business relationship with the supplier or business partner in question, the officer must notify the board in advance and receive the board's permission before placing the contract.
- Using the services of AAMMA officials for personal purposes: Board members may not abuse their authority by availing themselves of the services of AAMMA officials for personal purposes.

- Use of AAMMA property (for example, equipment, goods, vehicles, office supplies, documents, files, data storage media): Officers may not use items belonging to AAMMA for their own personal purposes or remove such items from company premises without the board's express consent. Likewise, no data, programs or company papers may be copied or removed from the company's premises without approval.
- Outside employment: Any official intending to accept employment with an outside company – even on a freelance basis – or to set up his or her own business must inform the board. This applies particularly to positions with companies that already do business or compete with AAMMA or might reasonably do so.
- Personal involvement in political parties or other social or political institutions: AAMMA welcomes its officials' voluntary involvement in such organizations as long as it does not interfere with the performance of their duties for AAMMA.
- Public expression of personal opinions by employees: When expressing their personal

opinions in public, employees must not give the impression that these opinions represent the views of the company.

## 7. We are committed to cooperating with the authorities - no misinformation

➡ AAMMA endeavors to be cooperative in its dealings with all authorities and government agencies while at the same time defending its own interest and rights.

All officials responsible for collecting company information and communicating it to regulatory authorities or for other public announcements should communicate such information completely, openly, correctly, timely and understandably.

The board must be notified immediately when officials are contacted by any authority, such as the police or public prosecutor's office, whose job it is to investigate possible legal violations or prosecute violators. In particular, information or documents should be provided only after consulting and with the assistance of the responsible legal department.



# How does this policy effect each individual's daily work routine?

➡ All AAMMA officials, board members and volunteers must adhere to this Corporate Compliance Policy. It is intended to protect both AAMMA, it's officials and volunteers.

This policy defines the framework within which AAMMA officials, board members and volunteers can act with confidence and directly benefits them by, among other things, safeguarding them from discrimination and establishing rules for operational safety. Its observance therefore is in the best interest of the officers both as individuals and as important contributors to AAMMA's success as a whole – success from which officials and board members benefit.

Every official, board member and volunteer is called upon to review his or her own behavior in light of the standards set forth in this Corporate Compliance Policy and to ensure that these standards are observed. Compliance is factored into each person's performance review as a matter of course.

Officials should bear in mind that there are specific laws and internal guidelines

that address in greater detail the topics discussed here. Officers are required to familiarize themselves with the applicable laws and internal rules governing their areas of responsibility and to follow these laws and rules in their daily work. Any ambiguities should be clarified. The company provides its officials with access to all the necessary information resources and counsel to prevent violations of the law or company regulations. The provisions of this Corporate Compliance Policy take precedence over any conflicting instructions given by a supervisor.

In additions to support from the board, there are information resources accessible via the internet and printed documentation available.

Board members are expected to set an example for all officials by acting with integrity and thereby ensure that compliance is internalized as a fundamental part of our corporate culture.

**All officials are required to immediately report any violations of the Corporate Compliance Policy.**

Violations of this Corporate Compliance Policy should be reported to the board immediately.

When officials suspect corruption or the intentional mishandling of company property or finances, for example, embezzlement, fraud, breach of trust or the offering or acceptance of bribes, they should report the matter without delay directly to the board.

Promptly reporting this kind of information is likely to save the company from suffering additional, more serious harm or at least mitigate the damage. For this reason employees should direct this kind of information to the individuals and departments mentioned above, because they are most capable of taking the necessary legal steps.

The company also offers ways of reporting suspected compliance violations anonymously, for example via a telephone hotline.

The company will ensure that no official or board member is in any way disadvantaged because he or she, acting in good faith, reports a possible compliance violation. When the reporting official or board member is himself/herself involved in a violation of this Corporate Compliance Policy, the company, in

determining any action to be taken against that official or board member, will consider whether or not the report and any timely assistance given in investigating the possible violation helped avert further damage to the company.

# How is compliance structured at AAMMA?

➡ The board of AAMMA is the compliance office. The chief compliance officer is Terry Haven.

The compliance officer has the following core responsibilities:

- to provide advice
- to assess risk
- to conduct compliance training
- to establish communication channels for reporting suspected compliance violations
- to investigate alleged compliance violations and assist in deciding on possible sanctions against the officials or board members involved
- to arrange audits pertaining to
  - a) possible compliance violations
  - b) subject matters identified through risk assessment
- to introduce any necessary organizational changes as determined in the course of compliance investigations
- to prepare and issue reports (on individual cases and for the year)

AAMMA will ensure the ongoing viability of this Corporate Compliance Policy by creating the necessary framework for its operation and providing the necessary resources.

The viability and effectiveness of this Corporate Compliance Policy will be regularly reviewed. Constant monitoring along with frequent evaluation and reporting are designed to ensure its continual improvement. In addition, the board will carry out a review of the Policy's effectiveness on regular intervals.

**Publisher**

AAMMA

111 Willow Lake Dr.

Farihope, AL 36532

**Anonymous Compliance Hotline**

Phone: 251-599-0030

Fax: 815-301-6773

**Corporate Compliance on the Internet**

<http://www.aamma.info/>

[corporatecompliance.pdf](#)

**Scope of Validity**

This Corporate Compliance Policy applies to all volunteers, officials and board members of AAMMA.