

# **OZARK OUTDOOR FOUNDATION (“OOF”)**

## **CONFLICT OF INTEREST AND COMPENSATION POLICY**

### **ARTICLE I**

#### **PURPOSE**

The directors, officers and key persons of the Ozark Outdoor Foundation (“Foundation”) owe a duty of loyalty to the Foundation. This duty requires that in serving the Foundation, they act solely in the interests of the Foundation and not in their personal interests or in the interests of their relatives, businesses or others.

The purpose of this Conflict of Interest and Compensation Policy (the "Policy") is to (a) help directors, officers and key persons to meet their ongoing responsibility to disclose any interests that conflict or may appear to conflict with the interests of the Foundation; and (b) protect the interests of the Foundation when it is contemplating entering into a transaction, agreement or other arrangement that might benefit the private interest of a director, officer or key person of the Foundation or might result in an “excess benefit transaction” (a transaction subject to IRS penalty taxes in which a director, officer or key person receives an economic benefit that exceeds the value of the services, property or payment the Foundation receives in return).

This Policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to charitable organizations.

#### **I.I**

#### **DEFINITIONS**

##### **1. Related Party**

- (a) a director or officer of the Foundation;
- (b) a key person of the Foundation;
- (c) a director, officer or key person of an affiliate of the Foundation;
- (d) a relative of any director, officer, or key person of the Foundation or an affiliate of the Foundation;
- (e) an entity in which a director, officer, or key person of the Foundation or of an affiliate of the Foundation or a relative of any such individual has a thirty-five percent (35%) or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent (5%).

## **2. Related Party Transaction**

Any transaction, agreement or other arrangement in which a director, officer, Key Person or other Related Party has an Interest (defined below) and in which the Foundation or any affiliate of the Foundation is a participant. However, a transaction is not a Related Party Transaction if: (i) the transaction or the Related Party's financial interest in the transaction is *de minimis* (which the Foundation defines as under \$1,000), (ii) the transaction would not customarily be reviewed by the Board of Directors or boards of directors of similar organizations and is available to others on the same or similar terms, or (iii) the transaction constitutes a benefit provided to the Related Party solely as a member of a class of the beneficiaries that the Foundation intends to benefit as part of the accomplishment of its mission, which benefit is available to all similarly situated members of the same class on the same terms.

## **3. Affiliate**

Any entity controlled by, or in control of, the Foundation.

## **4. Key person**

A person, other than a director or officer, whether or not an employee of the Foundation, who (i) has responsibilities, or exercises powers or influence over the Foundation as a whole similar to the responsibilities, powers or influence of directors and officers, (ii) manages the Foundation, or a segment of the Foundation that represents a substantial portion of the activities, assets, income or expenses of the Foundation, or (iii) alone or with others controls or determines a substantial portion of the Foundation's capital expenditures or operating budget.

## **5. Relative**

A person's spouse or domestic partner, ancestors, siblings (whether whole or half-blood), children (including adopted children), grandchildren, and great-grandchildren and the spouses or domestic partners of a person's siblings, children, grandchildren and great-grandchildren.

## **6. Financial interest**

A Related Party has a financial interest if the Related Party directly has or is negotiating a transaction, agreement or other arrangement with the Foundation from which the Related Party receives or will receive an economic benefit, or the Related Party has, directly or indirectly:

- a. A current or potential ownership or investment interest in any entity with which the Foundation has or is negotiating a transaction, agreement or other arrangement, or
- b. A current or potential compensation arrangement with any entity or individual with which the Foundation has or is negotiating a transaction, agreement or other arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

## **7. Interest**

A financial interest or other material interest. "Other material interest" includes any interest other than a financial interest that impairs or might impair a director's, officer's or Key Person's independence or objectivity in the discharge of his or her duties to the Foundation. Examples of a material interest include, but are not limited to: (i) a participant in a proposed transaction is an individual, or an entity owned by an individual, with whom the director, officer or Key Person has a close personal or business relationship; (ii) the director, officer or Key Person, or one of his or her Relatives, serves on the board of directors of another nonprofit organization that is a participant in, or competing with the Foundation in connection with, a proposed transaction; or (iii) the transaction or arrangement being considered by the Foundation is one that the director, officer or Key Person would like to pursue for his or her personal benefit or that of one of his or her Relatives.

### **ARTICLE III**

#### **CONFLICTS OF INTEREST**

A conflict of interest arises when a person has an actual or potential Interest that impairs, or might appear to impair his or her independence or objectivity in the discharge of his or her responsibilities and duties to the Foundation.

Related Party Transactions always involve conflicts of interest. They are not necessarily improper, but must be handled in accordance with the procedures below to ensure that the Foundation only enters into transactions that are in the best interests of the Foundation.

Directors, officers and Key Persons should err on the side of caution and make full disclosure of any situation that might impair or appear to impair their independence or objectivity.

### **ARTICLE IV**

#### **PROCEDURES**

##### **1. Duty to Disclose**

**a.** Upon initial election or appointment, and annually thereafter, each director, officer, and Key Person must complete, sign and submit to the Chair of the Audit Committee a written statement in the form of the Acknowledgment and Disclosure Statement attached to this Policy.

**b.** In addition, directors, officers and Key Persons must disclose in good faith any possible conflict of interest, including any Interest which they have (or, to the best of their knowledge, any of their Relatives or businesses have) in any proposed transaction, agreement or other arrangement, as soon as they become aware of the Interest and always before the consideration of the transaction, agreement or other arrangement by the Board of Directors ("Board") or authorized committee of the Board ("Committee"). The disclosure should be made in writing to the Chair of the Audit Committee and include all material facts about the Interest. The Chair of the Audit Committee shall provide a copy of all disclosures to the Board or Committee considering the transaction.

## **2. Procedures for Addressing a Related Party Transaction**

**a.** Upon receiving a disclosure (or otherwise becoming aware) that a Related Party has an Interest in a proposed Related Party Transaction, the Board or Committee shall determine whether the transaction, agreement or other arrangement in fact meets the definition of a Related Party Transaction (e.g., involves an Interest which is not de minimus and is the type of transaction that the Board typically reviews)<sup>1</sup>

**b.** The director, officer or Key Person with the Interest may make a presentation to and respond to questions by the Board or Committee but may not be present at, participate in, or attempt to improperly influence Board or Committee deliberations or voting regarding whether the transaction, agreement or other arrangement constitutes a Related Party Transaction and, if so, further deliberations or voting regarding the Related Party Transaction.

**c.** If a Related Party has a substantial financial interest in the proposed Related Party Transaction, the Board or Committee shall consider alternatives to the Related Party Transaction to the extent available (e.g., alternatives that would be equally or more advantageous that could be obtained with reasonable effort). A financial interest shall be considered substantial if it involves:

- (i) an ownership or investment interest representing more than 1% of the outstanding shares of a publicly traded company or 10% of the outstanding shares or comparable interest of a privately owned company with which the Foundation has or is negotiating a transaction, agreement or arrangement or which is otherwise involved in a transaction, agreement or arrangement with the Foundation; or
- (ii) an ownership or investment interest which produces a significant amount of income for or constitutes a significant part of the net worth of the director, officer or Key Person, or a Relative of the director, officer or Key Person, in any entity with which the Foundation has or is negotiating a transaction, agreement or arrangement or which is otherwise involved in a transaction, agreement or arrangement with the Foundation; or
- (iii) a compensation arrangement of any kind with any entity or individual with which the Foundation has or is negotiating a transaction, agreement or arrangement or with any entity or individual which is otherwise involved in a transaction, agreement or arrangement with the Foundation if the compensation of the director, officer or Key Person is contingent on the transaction, agreement or arrangement or is likely to be materially increased as a result of it.

The Board or Committee may, after review, consider other financial interests to be substantial.

**d.** After considering alternatives if required, the Board or Committee shall determine by majority vote of the directors present (provided a quorum is present at the time of the vote),

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<sup>1</sup> Example: The Foundation is considering the purchase of some office equipment. A director, officer or Key Person discloses that she owns a small number of shares in the company that produces the equipment. The Board or Committee may decide that there is no Related Party Transaction either because the transaction is too small or routine to warrant the attention of the Board or because her ownership is too insignificant to impair or appear to impair her objectivity in deciding whether the Foundation should buy the equipment.

whether the Related Party Transaction is fair, reasonable and in the Foundation's best interest at the time of the determination, and, if so, whether to enter into the Related Party Transaction.

### **3. Procedures for Addressing Conflicts other than Related Party Transactions**

a. Upon receiving a disclosure (or otherwise becoming aware) that a director, officer or Key Person has or may have a conflict of interest not involving a Related Party Transaction, the Board or Committee shall determine whether a conflict of interest exists. The director, officer or Key Person with the conflict or possible conflict may make a presentation to and respond to questions by the Board or Committee but may not be present at, participate in, or attempt to improperly influence Board or Committee deliberations or voting regarding whether a conflict exists.

b. If the Board or Committee determines that a conflict does exist, the Board or Committee shall decide how to handle the conflict, taking care to ensure that any resolution is consistent with the best interests of the Foundation. The person with the conflict may not be present for or participate in deliberations or voting with respect to the conflict.

### **4.. Violations of the Conflict of Interest Policy**

a. If the Board or Committee has reasonable cause to believe that a director, officer or Key Person has failed to disclose an actual or possible Interest or otherwise violated this Policy, it shall inform the director, officer or Key Person of the basis for such belief and afford the director, officer or Key Person an opportunity to explain the alleged failure or violation.

b. If, after hearing the response of such individual and after making further investigation as warranted by the circumstances, the Board or Committee determines that the director, officer or Key Person has failed to disclose an actual or possible Interest or otherwise violated this Policy, it shall take appropriate disciplinary and corrective action.

## **ARTICLE V RECORDS OF PROCEEDINGS**

The minutes of meetings of the Board or Committee at which a Related Party Transaction or other conflict of interest was discussed or voted on shall be prepared contemporaneously and shall contain:

- c. The names of the directors, officers and Key Persons who disclosed or otherwise were found to have an Interest in a Related Party Transaction or other possible conflict of interest, the nature of the Interest, and the extent of the director's, officer's or Key Person's participation in the meeting;
- d. A record of any determination as to whether the disclosed transaction, agreement or other arrangement constituted a Related Party Transaction or other conflict, and the specific reasons supporting the determination.
- e. A record of any determination as to whether the Related Party Transaction was fair, reasonable and in the best interest of the Foundation, notwithstanding the Interest, and the reasons for the determination, including any alternatives to the Related Party Transaction which were considered;

- f. A record of how a conflict other than a Related Party Transaction was handled, and
- g. The names of the persons who were present for discussions and votes relating to the Related Party Transaction or other conflict of interest and a record of any votes taken.

## **ARTICLE VI COMPENSATION**

**a.** No person who may benefit from compensation paid to members, directors, officers or Key Persons of the Foundation may be present at or otherwise participate in any Board or Committee deliberations or voting on such member's, director's officer's or Key Person's compensation, except to present information or answer questions at the request of the Board or Committee prior to the start of deliberations or voting. The foregoing restriction does not prohibit any director from deliberating or voting on compensation for service on the Board if the compensation is to be available or provided to all directors of the Foundation on the same or substantially similar terms.

**b.** If the compensation under consideration is or may be subject to the IRS rules on excess benefit transactions and the Foundation wishes to satisfy the safe-harbor requirements of the excess benefit transaction rules, the following procedures apply:

- (i) Disinterested members of the Board or Committee shall approve compensation before it is paid.
- (ii) No person shall be present for or participate in the discussion or vote pertaining to:
  - (a) his or her own compensation;
  - (b) the compensation of his or her relative;
  - (c) the compensation of any person who is in a position to direct or control him or her in an employment relationship; or
  - (d) the compensation of any person who is in a position to directly affect his or her financial interests.
- (iii) In determining compensation, the Board or Committee shall obtain and rely on appropriate data, including: (a) compensation paid by similarly situated organizations, both taxable and tax-exempt, for functionally comparable positions; (b) the availability of similar services in the geographic area of the Foundation; (c) current compensation surveys compiled by independent firms; and (d) written offers from similar institutions competing for the services of the director, officer or key person.
- (iv) The Board or Committee shall contemporaneously document: (a) the terms of compensation and date of determination; (b) the members of the Board or Committee who were present and those who voted for it; (c) the comparability data relied on and how it was obtained; (d) if the compensation is higher or lower than the range of comparable data, the basis for the determination, and; (e) any actions with respect to consideration of the compensation by anyone on the Board or Committee who had a conflict of interest with respect to the compensation arrangement.

## **ARTICLE VII**

### **CONFLICT OF INTEREST DISCLOSURE STATEMENT**

- a.** Prior to their initial election or appointment and annually thereafter, directors, officers and Key Persons shall complete the attached Conflict of Interest Disclosure Statement and submit it to the chair of the Audit Committee.
- b.** The Audit Committee shall review all disclosure statements and retain them in the confidential files of the Audit Committee.

## **ARTICLE VIII**

### **ADOPTION AND AMENDMENT**

This Board may amend this Policy by majority vote of the directors present at any meeting of the Board, provided that a quorum is present at the time of the vote.

**OZARK OUTDOOR FOUNDATION**

**Conflict of Interest Disclosure Statement**

Please complete this Statement and return it to the Chair of the Audit Committee.

I hereby acknowledge that I have: (1) received a copy of the Foundation's Conflict of Interest and Disclosure Policy ("Policy"); (2) read and understood the Policy; and (3) agree to comply with the Policy.

The information set forth below is correct and complete to the best of my knowledge. During the time I am a director, officer or Key Person of the Foundation, I agree to keep this information up to date and promptly report any actual or possible Interest that is required to be disclosed under the Policy.

**I hereby disclose:**

- (1) All entities in which I hold a position as director, trustee, officer, owner (either as a sole proprietor or partner), member, or employee and with which the Foundation has a relationship:

[list name of entity and position held]

- (2) Any transaction in which the Foundation is or may be a participant and as to which I may have a conflicting interest, either personally or through my Relative or business:

[list name of Relative or business (if relevant), name of entity and nature of interest]

- (3) Any other situation which poses or may pose a conflict of interest.

Dated: \_\_\_\_\_  
Name: \_\_\_\_\_  
Signature: \_\_\_\_\_