

Conflict of Interest Policy¹

A. **Purpose:** The purpose of this conflict of interest policy is to protect Yellowstone Wildlife Sanctuary (YWS), as a tax-exempt organization, when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an Officer or Director of YWS or might result in a possible excess benefit transaction.

B. Definitions

1. Interested Person: Any director, principal officer, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
 - a. Financial Interest: A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - b. an ownership or investment interest in any entity with which YWS has a transaction or arrangement,
 - c. a compensation arrangement with YWS or with any entity or individual with which YWS has a transaction or arrangement, or
2. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which YWS is negotiating a transaction or arrangement.

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

A financial interest is not necessarily a conflict of interest. In accordance with this board policy, a person who has a financial interest may have a conflict of interest only if the Board or Executive Committee decides that a conflict of interest exists.

C. Procedures

1. Duty to Disclose: In connection with any actual or possible conflict of interest, an interested person, including any Officer, Director, or committee member of YWS, must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement. The YWS Board or Executive Committee shall determine whether a conflict of interest exists and how to address it.

¹ This policy is based on the IRS model Conflict of Interest policy, which is an attachment to Form 1023. It adds information needed to allow YWS to assess director independence in order to answer questions on Form 990.

2. Determining Whether a Conflict of Interest Exists: After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the interested person shall leave the Board or Executive Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or Executive Committee members shall decide if a conflict of interest exists.
 3. Procedures for Addressing the Conflict of Interest
 - a. An interested person may make a presentation at the Board or Executive Committee meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - b. The President of the Board or Chair of the Executive Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - c. After exercising due diligence, the Board or Executive Committee shall determine whether YWS can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
 - d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, Board or Executive Committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in YWS's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.
 4. Violations of the Conflicts of Interest Policy
 - a. If the Board or Executive Committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
 - b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board or Executive Committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.
- D. **Records of Proceedings.** The minutes of the Board and all committees with board delegated powers shall contain:
1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the

financial interest, any action taken to determine whether a conflict of interest was present, and Board's or Executive Committee's decision as to whether a conflict of interest in fact existed.

2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

E. **Compensation**

1. A voting member of the Board who receives compensation, directly or indirectly, from YWS for services is precluded from voting on matters pertaining to their compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from YWS for services is precluded from voting on matters pertaining to their compensation.
3. A voting member of the Board or any committee of the Board whose jurisdiction includes compensation matters and who has a family or household member who receives compensation, directly or indirectly, from YWS for services is precluded from voting on matters pertaining to that family or household member's compensation.
4. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from YWS, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

F. **Annual Statements.** Each director, principal officer and member of a committee with governing board delegated powers shall annually sign a statement which affirms such person:

1. Has received a copy of the conflicts of interest policy,
2. Has read and understands the policy,
3. Has agreed to comply with the policy, and
4. Understands YWS is charitable and in order to maintain its federal tax exemption, it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

G. **Periodic Reviews.** To ensure YWS operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining,
 2. Whether partnerships, joint ventures, and arrangements with management organizations conform to YWS's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.
- H. **Use of Outside Experts.** When conducting the periodic reviews as provided for in Article VII, YWS may, but need not, use outside advisors. If outside experts are used, their use shall not relieve Board of its responsibility for ensuring periodic reviews are conducted.

Adopted by the Board of Directors on November 19, 2020.