

**BOZEMAN SUNRISE ROTARY FOUNDATION,  
a Montana Nonprofit Corporation**

**ARTICLE I – PURPOSE**

The purpose of this Conflicts of Interest Policy ("Policy") is to protect the interest of BOZEMAN SUNRISE ROTARY FOUNDATION, ("Corporation"), a Montana nonprofit corporation, when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a member of the Corporation's Board of Directors ("Director") or an officer of the Corporation ("Officer"), or that might result in a possible excess benefit transaction. This Policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit corporations and charitable organizations.

**ARTICLE II- DEFINITIONS**

**Section 2.1 – "Interested Person"** includes the following:

- a) any Director, Officer, or member of a committee with board-delegated powers who has a direct or indirect financial interest, as defined below;
- b) family members (i.e., spouses, brothers or sisters, spouses of brothers or sisters, ancestors, descendants, and spouses of descendants) of an Interested Person; and
- c) any entity in which thirty five percent (35%) or more of the combined voting power (in the case of a corporation), profits interests (in the case of a partnership), or beneficial interest (in the case of a trust) is owned by an Interested Person.

**Section 2.2 – "Financial Interest"** includes a person who has, directly or indirectly, through business, investment or family:

- a) an ownership or investment interest in any entity with which the Corporation has a transaction or arrangement;
- b) a compensation arrangement with the Corporation or any entity or individual with which the Corporation has a transaction or arrangement; or
- c) a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

A Financial Interest is not necessarily a conflict of interest, subject to the determination that conflict of interest exists pursuant to Section 3.2.

**Section 2.3 – "Compensation"** includes direct or indirect remuneration as well as gifts or favors that are substantial in nature (i.e., having a value in excess of \$250).

### ARTICLE III - PROCEDURES

**Section 3.1 – Duty to Disclose.** In addition to the annual disclosure defined in Article VI below, each Director, Officer, and any Interested Person must disclose the existence of his or her Financial Interest in connection with any actual or potential conflict of interest. Upon disclosure, the disclosing party must be given the opportunity to disclose all material facts to the Trustees and members of committees with board-delegated powers considering the proposed transaction or arrangement.

**Section 3.2 – Determining Whether a Conflict of Interest Exists, Addressing Conflict; Procedures.** Following disclosure or discovery of a potential conflict of interest:

- a) The Board or an appropriate committee shall, by majority vote, determine:
  - i. whether a conflict does exist;
  - ii. whether said conflict is material; and
  - iii. whether, in spite of said conflict, the Corporation may still proceed with the transaction or choose an alternative.
- b) In making said determinations, the Board or committee shall consider:
  - i. information provided by the Interested Person, if any, during or in advance of the meeting to consider the potential conflict;
  - ii. in the case of compensation, compensation data from three (3) comparable organizations in the geographic area;
  - iii. in the case of property transactions, independent appraisals, current market analysis or data, and/or offers received as part of an open, competitive bidding process.
- c) Except while presenting information referenced in Section 3.2(b)(i), the Interested Person may not participate in or be present, whether in person or via remote means, for any meeting, discussion, or vote pertaining to the conflict of interest.

**Section 3.3 – Violations of the Conflicts of Interest Policy.**

- a) If there is reasonable cause to believe that an individual failed to disclose a conflict of interest, the Board shall inform the individual of the basis for such belief and afford him/her the opportunity to explain the alleged failure to disclose.
- b) If, after hearing the response of the individual and making any further investigation, the Board determines a failure to disclose did, in fact, occur, the Board shall take appropriate disciplinary and corrective action up to and including removal of the Director or Officer.

### ARTICLE IV – RECORDS OF PROCEEDINGS

**Section 4.1 – Content of Minutes.** The minutes of the meeting at which a conflict of interest is discussed shall contain:

- a) names of the persons who disclosed or were found to have an actual or possible conflict of interest, the nature of the conflict of interest, any action taken to determine whether a conflict of interest was present, and the decision;
- b) names of those 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;
- c) a statement that the Interested Person was excluded from the meeting, discussion, and vote pursuant to Section 3.2(c);
- d) a description of the information or data that was relied upon, and how it was obtained; and
- e) a description of the transaction that was approved and the date approved.

**Section 4.2 – Time for Completing Records of Proceedings.** The minutes described in Section 4.1 above must be prepared before the later of the next Board or committee meeting or sixty (60) days after the final determination has been made.

**Section 4.3 – Approval of Records of Proceedings.** The minutes described in Section 4.1 above must be approved by the Board or committee within a reasonable time period thereafter and shall be made part of the Corporate record.

#### **ARTICLE V – COMPENSATION**

Anyone who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that individual's compensation. However, said individual may provide information to the Board or compensation committee regarding compensation.

#### **ARTICLE VI – ANNUAL STATEMENTS**

Each Director, Officer and member of a committee with board-delegated powers shall annually sign a statement which affirms he/she:

- a) received a copy of this Policy;
- b) read and understands this Policy;
- c) will comply with this Policy; and
- d) understands the Corporation is a charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

#### **ARTICLE VII – PERIODIC REVIEWS**

To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, the Corporation

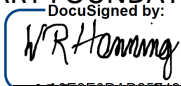
Approved: September 2022  
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shall conduct periodic reviews of compensation arrangements, benefits, partnerships, joint ventures, and other contractual arrangements, and any other related subject matter to ensure its reasonableness and fairness to the Corporation.

### ARTICLE VIII – USE OF OUTSIDE EXPERTS

In fulfilling its responsibilities under this Policy, the Board may, but need not, use outside advisors. However, such use of outside experts shall not relieve the Board of its fiduciary obligations.

ADOPTED this Fourth day of October, 2022 by the Board of Directors of BOZEMAN SUNRISE ROTARY FOUNDATION.

DocuSigned by:  
  
Signature: \_\_\_\_\_  
Printed Name: Britt Henning

**ANNUAL CONFLICT OF INTEREST DISCLOSURE**  
**for**  
**BOZEMAN SUNRISE ROTARY FOUNDATION**  
(hereafter, "Corporation")

**Print Name:** \_\_\_\_\_

**Position:** Are you a voting Director? Yes No  
(circle) Are you an officer? Yes No  
If yes, which officer title do you hold? \_\_\_\_\_

By signing this disclosure, I hereby affirm: (initial)

\_\_\_\_\_ I received a copy of the Corporation's Conflicts of Interest Policy;  
\_\_\_\_\_ I read and understand the Corporation's Conflicts of Interest Policy;  
\_\_\_\_\_ I agree to comply with the Corporation's Conflicts of Interest Policy; and  
\_\_\_\_\_ I understand that, as a non-profit, charitable organization, the Corporation's must engage primarily in activities that accomplish one or more of its tax-exempt purposes to maintain this status.

**Disclosures:**

1. Do you have a financial interest (current or potential), including a compensation arrangement, as defined in the Corporation's Conflicts of Interest Policy? Yes No
  - If yes, please describe: \_\_\_\_\_
  - If yes, has the financial interest been disclosed, as provided in the Corporation's Conflicts of Interest Policy? Yes No
  
2. In the past, have you had a financial interest, including a compensation arrangement, as defined in the Corporation's Conflicts of Interest Policy? Yes No
  - If yes, please describe, including when: \_\_\_\_\_
  - If yes, has the financial interest been disclosed, as provided in the Corporation's Conflicts of Interest Policy? Yes No
  
3. Are you an independent trustee as defined in the Corporation's Conflicts of Interest Policy? Yes No
  - If you are not independent, please describe why: \_\_\_\_\_

I hereby affirm that the foregoing information and disclosures are an accurate representation as of the date shown below.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date