

**UNITED STATES PARKOUR FEDERATION INC.  
CONFLICT OF INTEREST POLICY**

This Conflict of Interest Policy (the “Policy”) is hereby adopted by the Board of Directors (“Board”) of United States Parkour Federation Inc. (“Corporation”) effective the \_\_\_\_ day of November, 2017.

**ARTICLE I. PURPOSE**

The purpose of the Policy is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This Policy is intended to supplement but not replace any state and federal laws governing conflict of interest and applicable to nonprofit and charitable organizations.

**ARTICLE II. DEFINITIONS**

**2.1 Interested Person.** Any director, officer, or member of a committee with powers delegated by the Board, who has a direct or indirect Financial Interest, as hereinafter defined, is an “Interested Person.”

**2.2 Financial Interest.** An Interested Person has a “Financial Interest” if the Interested Person 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 with any entity or individual with which 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.

As used herein, “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. Under Section 3.2, an Interested Person who has a Financial Interest may have a conflict of interest only if the disinterested directors of the board conclude that a conflict of interest exists.

**ARTICLE III. PROCEDURES**

**3.1 Duty to Disclose.** In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts to the Board.

**3.2 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 meeting while the determination of a conflict of interest is discussed and voted upon. The remaining directors of the Board shall decide if a conflict of interest exists.

### **3.3 Procedures for Addressing the Conflict of Interest.**

(a) An Interested Person may make a presentation at the Board meeting, but after the presentation, the Interested Person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

(b) The Board 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 shall determine whether the Corporation 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, the disinterested Directors of the Board shall determine by a majority vote whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the disinterested Directors of the Board shall make a decision as to whether to cause the Corporation to enter into the transaction or arrangement.

### **3.4 Violations of the Policy.**

(a) If the Board has reasonable cause to believe an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.

(b) If, after hearing the Interested Person's response and making further investigation as warranted by the circumstances, the Board determines the Interested Person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

## **ARTICLE IV. RECORDS OF PROCEEDINGS**

The minutes of the meetings of the Board shall contain:

**4.1** The names of the Interested 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 conflict of interest, any action taken to determine whether a conflict of interest was present, and the Board's decision as to whether a conflict of interest in fact existed.

**4.2** 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.

## **ARTICLE V. COMPENSATION**

**5.1** Any Director of the Board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that person's compensation.

**5.2** No Director of the Board who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

## **ARTICLE VI. ANNUAL STATEMENTS**

Each Interested Person shall annually sign a statement which affirms such person:

**6.1** has received a copy of this Policy;

**6.2** has read and understands this Policy;

**6.3** has agreed to comply with this Policy; and

**6.4** understands the Corporation is charitable and to maintain its federal tax exemption it must engage primarily in activities which 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, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

**7.1** whether the compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining;

**7.2** whether partnerships, joint ventures and arrangements with management organizations conform to the Corporation'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.

## **ARTICLE VIII. USE OF OUTSIDE EXPERTS**

When conducting the periodic reviews provided for in Article VII, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

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