



December 2023

THE WINGS CLUB FOUNDATION, INC.

CONFLICT OF INTEREST POLICY

This Conflict of Interest Policy (the "**Policy**") for The Wings Club Foundation, Inc. ("**The Foundation**") is designed to protect The Foundation's interests when it is contemplating entering into or continuing a transaction or arrangement that might benefit the private interest of a member of the Board of Governors (such Board of Governors, the "**Board**," and such member, a "**Board Member**"), a member of a Key Committee¹ who is not a Board Member (a "**Non-Board Committee Member**"), an officer (an "**Officer**"), or the Executive Director, Director of Advancement, or any other senior management employee who may be designated by the Board (generally, each a "**Key Employee**") of The Foundation or who may be involved in a possible excess benefit transaction. Board Members, Non-Board Committee Members, Officers and Key Employees shall not engage in any transaction or arrangement or undertake positions with other organizations that involve a conflict of interest, except in compliance with this Policy. In addition, persons who exercise similar powers over the affairs of the corporation or any affiliate corporation as those designated above shall be subject to the same obligations.

This Policy is intended to supplement, but not replace, any applicable state or federal laws governing conflicts of interests applicable to The Foundation.

To assist the Board Members, Non-Board Committee Members, Officers and Key Employees of The Foundation in performing the duties imposed on them by state and federal law with respect to their management responsibilities and fiduciary obligations to The Foundation and to the public, the Board has adopted the following Policy by resolution:

I. DEFINITIONS

a. A Board Member, Non-Board Committee Member, Officer or Key Employee has a "**Financial Interest**" with respect to a particular transaction or arrangement whenever such individual, or any Related Party with respect to such individual, has, or in the near future will have, directly or indirectly:

¹ A Key Committee is one that can authorize significant expenditures or investments of Foundation funds. The Audit and Finance, Historical and Educational, Regional Events, and Scholarship Committees are Key Committees; the Board or the President may designate additional Key Committees.



- a compensation arrangement or other interest in a transaction with The Foundation or with an entity or individual with which The Foundation has entered into a transaction or arrangement;
- subject to de minimis exceptions, any ownership or investment interest in, or compensation arrangement or other affiliation with, any entity or individual: (1) that sells goods or services to or purchases goods or services from The Foundation; (2) that has any other transaction or arrangement with The Foundation; (3) that competes with The Foundation; or (4) with which The Foundation is negotiating, or contemplating negotiating, a transaction or arrangement; or
- accepted any gift, entertainment or other favor where such acceptance might create the appearance of influence on the Board Member, Non-Board Committee Member, Officer or Key Employee (other than gifts of nominal value that are clearly tokens of respect and friendship unrelated to any particular transaction).

Excluded from the definition of "Financial Interest" are situations in which (i) the transaction or interest in the transaction is de minimis, (ii) the transaction would not customarily be reviewed by The Foundation (or a similar organization) in the ordinary course of business and is available to others on the same or similar terms, or (iii) the transaction constitutes a benefit provided to a Board Member, Non-Board Committee Member, Officer, Key Employee or 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.

b. A "**Related Party**" with respect to a Board Member, Non-Board Committee Member, Officer or Key Employee means:

- A Family Member of the Board Member, Non-Board Committee Member, Officer or Key Employee;
- Any entity (including estate, trust, custodianship, guardianship, etc.) in which such an individual or Family Member of such an individual, has a present or vested future beneficial interest known to you in excess of 35%;



- Any partnership or professional corporation, in which such an individual or Family Member of such an individual, has a direct or indirect ownership interest in excess of five percent.
- Any person with whom the Board Member, Non-Board Committee Member, Officer or Key Employee has a Business Relationship.

c. A "**Family Member**" with respect to a Board Member, Non-Board Committee Member, Officer or Key Employee means that individual's spouse, domestic partner, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses or domestic partners of brothers, sisters, children, grandchildren and great-grandchildren.

d. A "**Business Relationship**" between two persons includes the following:

- One person is employed by the other in a sole proprietorship or by an organization with which the other is associated as a trustee, governor, director, officer, senior manager or greater-than-35% owner.
- One person is transacting business with the other (other than in the ordinary course of either party's business on the same terms as are generally offered to the public), directly or indirectly, in one or more contracts of sale, lease, license, loan, performance of services, or other transaction involving transfers of cash or property valued in excess of \$10,000 in the aggregate during the organization's tax year. Indirect transactions are transactions with an organization with which the one person is associated as a trustee, governor, director, officer, or greater-than-35% owner.
- The two persons are each a governor, director, trustee, officer or greater-than-10% owner in the same business or investment entity.²

e. "**Inside Information**" means confidential information related to The Foundation's business, obtained through the Board Member's, Non-Board Committee Member's, Officer's or Key Employee's position, that has not become public information, including, for purposes of illustration only, The Foundation's financial information and

² For purposes of determining whether a Business Relationship exists, ownership is measured by stock ownership (either voting power or value) of a corporation, profits or capital interest in a partnership or limited liability company, membership interest in a non-profit organization, or beneficial interest in a trust. Ownership includes indirect ownership (e.g., ownership in an entity that has ownership in the entity in question); there may be ownership through multiples tiers of entities.



other materials presented to the Board or disclosed to Officers and Key Employees that are not publicly distributed documents.

II. DUTIES OF BOARD MEMBERS, NON-BOARD COMMITTEE MEMBERS, OFFICERS AND KEY EMPLOYEES

a. Duty of Loyalty. Board Members, Non-Board Committee Members, Officers and Key Employees of The Foundation owe a duty of loyalty to The Foundation which requires that, in serving The Foundation, they act and reach decisions solely in the interests of The Foundation rather than in their personal interests or in the interests of others. Board Members, Non-Board Committee Members, Officers and Key Employees must have an undivided allegiance to The Foundation's mission and may not use their position as Board Members, Non-Board Committee Members, Officers or Key Employees, or information they have about The Foundation, or The Foundation's property, in a manner that allows them to secure a pecuniary benefit or other personal gain for themselves or their Related Parties at the expense of The Foundation. A Board Member, Non-Board Committee Member, Officer or Key Employee shall not use Inside Information of The Foundation for his or her personal benefit and/or the benefit of a Related Party, or use such Inside Information or his or her position as a Board Member, Non-Board Committee Member, Officer or Key Employee to the detriment of The Foundation. Each Board Member, Non-Board Committee Member, Officer or Key Employee is required to avoid conflict or the appearance of a conflict between the interests of The Foundation and the interests of another person, corporation or institution. This fiduciary obligation also requires that Board Members, Non-Board Committee Members, Officers and Key Employees be fully informed about any transactions or arrangements into which The Foundation enters and with respect to which Board Members, Non-Board Committee Members, Officers or Key Employees may have an interest.

b. Duty of Care. Every Board Member, Non-Board Committee Member, Officer and Key Employee shall discharge his or her duties in good faith and with the degree of care that an ordinarily prudent person in a like position would exercise under similar circumstances. This requires using common sense, being diligent and attentive to The Foundation's management and needs, and making thoughtful decisions in the best interest of The Foundation.

Board Members, Non-Board Committee Members, Officers and Key Employees may act on behalf of The Foundation only within the scope of authority prescribed by the Certificate of Incorporation, the bylaws, corporate resolutions and applicable law. Board Members, Non-Board Committee Members and Officers must ensure that The Foundation acts within the scope of its purposes clause in the Certificate of



Incorporation. Board Members may bind The Foundation only by acting collectively through board meetings or with the written consent of all Board Members. Non-Board Committee Members, Officers and Key Employees may bind the corporation only up to the levels authorized for their positions by the Board of Governors.

c. Duty of Fair Dealing. Every Board Member, Non-Board Committee Member, Officer and Key Employee must deal fairly with The Foundation in light of his or her position. This means that a Board Member, Non-Board Committee Member, Officer or Key Employee shall not use her or his position for personal profit or gain, or for the profit or gain of any Related Party with respect to such individual, or for any other personal advantage other than that reasonable compensation may be paid to Officers who are also employees and to Key Employees. Board Members, Non-Board Committee Members, Officers and Key Employees shall not engage in a transaction or arrangement with The Foundation that confers unfair gains or secret profits on the Board Member, Non-Board Committee Member, Officer or Key Employee or any Related Party with respect to such individual. Board Members, Non-Board Committee Members, Officers and Key Employees shall not take personal advantage of a business opportunity that is offered to The Foundation or to the Board Member, Non-Board Committee Member, Officer or Key Employee by virtue of his or her position on The Foundation's Board or with The Foundation, unless the full Board determines (after full disclosure and a disinterested and informed evaluation) not to pursue that opportunity.

Board Members, Non-Board Committee Members, Officers and Key Employees shall not disclose any Inside Information to any person or entity unless disclosure is related to the accomplishment of the legitimate business of The Foundation.

Board Members and/or Non-Board Committee Members shall not deal directly with representatives of the media regarding The Foundation matters unless duly authorized by the President. Officers and Key Employees shall not deal directly with representatives of the media beyond the scope authorized by their positions.

III. PROCEDURES FOR CONFLICT DISCLOSURE, EVALUATION & RESOLUTION

a. Duty to Disclose. Each Board Member, Non-Board Committee Member, Officer and Key Employee shall disclose any Financial Interest required to be disclosed under this Policy annually, and on change of circumstances, which shall be disclosed in writing to the President.—Such disclosure shall include all material facts relevant to determining whether the contract, transaction, or arrangement is in the best interest of The Foundation. In addition, immediately upon learning of a Financial Interest between



The Foundation and a Board Member, Non-Board Committee Member, Officer or Key Employee, or any Related Party with respect to such an individual, and prior to the start of any negotiations with regard to a transaction or arrangement, the Board Member, Non-Board Committee Member, Officer or Key Employee shall promptly disclose in writing all material facts of the Financial Interest to the President. A Board Member, Non-Board Committee Member, Officer or Key Employee who is in doubt as to the existence of a Financial Interest is encouraged to disclose all facts pertaining to the transaction or arrangement prior to the start of any negotiations in accordance with the provisions of this paragraph. The President shall refer the issue to the full Board, the Executive Committee, or other Board Committee (the “**Body**”) having decision-making authority over the substantive matter in question.

b. The Governor or Officer who discloses a Financial Interest in a proposed or existing contract, transaction, or arrangement may make a presentation and respond to questions by the Body, but after such presentation he or she shall not be present during the discussion of, and the vote on, the contract, transaction, or arrangement that creates the conflict of interest. As part of any such presentation, the Governor or Officer shall provide to the Body any reasons why the contract, transaction, or arrangement might be or might not be in the best interest of The Foundation. The Body shall determine whether The Foundation can obtain a more advantageous contract, transaction, or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest. If a more advantageous contract, transaction, or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Body shall determine by majority vote of the disinterested Governors whether the contract, transaction, or arrangement is in The Foundation 's best interest and whether it is fair and reasonable to The Foundation and shall make its decision as to whether to enter into the contract, transaction, or arrangement in conformity with such determination.

c. The names of the Governors and Officers who disclosed or otherwise were found to have a Financial Interest in a proposed or existing contract, transaction, or arrangement of The Foundation, the nature of the Financial Interest, the extent of the Governor's or Officer's participation in the relevant Body's meeting on matters related to the Financial Interest, any action taken by the Body, and the Body's decision as to the Financial Interest shall be recorded in the minutes of the relevant Body's meeting. The minutes also shall include the names of the persons who were present for discussions and the votes relating to the proposed or existing contract, transaction, or arrangement, the content of the discussion, including any alternatives to the proposed or existing contract, transaction, or arrangement, and a record of any votes taken in connection therewith.



The existence of a quorum shall not be broken by the non-participation of a Governor or Officer who has disclosed a Financial Interest in any contract, transaction, or arrangement with The Foundation.

d. Each Governor and each Officer of The Foundation who plays any substantive role in determining or influencing the determination of the nature or extent of The Foundation's investments also shall disclose whether he or she, or any of his or her relatives, has substantial personal funds invested with an investment manager providing, or expected to provide, investment management services to The Foundation or in a professionally managed investment fund in which The Foundation is invested or is considering investing ("a co-investment interest"). For the purposes of this Policy, a "professionally managed investment fund" shall not include mutual funds or other similar investment vehicles generally available to the investing public. Such co-investment interest shall be disclosed in writing to the President. Except upon a written representation acceptable to the President by the Governor or Officer that the Governor or Officer and his or her relatives have not received and will not receive or accept any preferential treatment arising out of the co-investment interest, such disclosure shall include all material facts, including, but not limited to, fee arrangements and any preferential treatment not generally available to other investors received by the Governor or Officer, or any of his or her relatives, necessary to determine whether such co-investment interest may provide a significant benefit to the Governor or Officer or any of his or her relatives. If the President determines that the co-investment interest may provide some significant advantage to the Governor or Officer, or one of his or her relatives, the President, with the advice of counsel as needed, shall refer the issue to the Body having decision-making authority over co-investment interests. The Governor or Officer who discloses a co-investment interest may make a presentation and respond to questions from the Body but shall not be present during the Body's discussion of, and vote on, how to address the co-investment interest. The existence of a quorum shall not be broken by the non-participation of a Governor or Officer who has disclosed a co-investment interest. The Body shall determine what, if any, corrective action is required with respect to the co-investment interest, including, but not limited to, terminating the investment relationship or seeking an adjustment in fee structure.

e. If the Body has reasonable cause to believe that a Governor or Officer has failed to disclose a Financial Interest or co-investment interest subject to this Policy, it shall inform the Governor or Officer of the basis for such belief and afford the Governor or Officer an opportunity to explain the alleged failure to disclose. If, after hearing the response of such individual and making such further investigation as may be warranted in the circumstances, the Body determines that the Governor or Officer has in fact failed to disclose a Financial Interest or co-investment interest subject to this Policy, it shall



take appropriate disciplinary and corrective action. The Body may consult and involve counsel as needed.

IV. RECORDS

The records of any meeting of the Body or other correspondence in which a Financial Interest or conflict of interest is discussed shall contain all of the following:

- the name of the Board Member, Non-Board Committee Member, Officer or Key Employee who disclosed a Financial Interest or was otherwise found to have a conflict of interest;
- the nature of the Financial Interest; if necessary, any action taken to determine whether a conflict of interest was present; the Body's decision as to whether a conflict of interest existed; and a decision on whether the transaction shall be approved notwithstanding the conflict;
- the names of the persons who were present for, or otherwise participated in, discussions and votes relating to the transaction or arrangement, and a record of any votes taken in connection with the proceedings.

V. COMPENSATION

a. A voting Board Member or Non-Board Committee Member who receives compensation, directly or indirectly, from The Foundation for services is precluded from voting on matters pertaining to that Board Member's or Non-Board Committee Member's compensation.

b. A Board Member or a Non-Board member of any Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from The Foundation for services is precluded from voting on matters pertaining to that Board Member's or Non-Board Committee Member's compensation.

c. No voting Board Member or Non-Board Committee Member or member of any Committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from The Foundation, either individually or collectively, is prohibited from providing information to any applicable Committee regarding compensation.



VI. ANNUAL STATEMENTS

Each Board Member, Non-Board Committee Member, Officer and Key Employee shall annually sign a statement which affirms such person (a) has received a copy of the Policy, (b) has read and understands the Policy, (c) agrees to comply with the Policy, and (d) understands The Foundation is charitable and to maintain its federal tax exemption must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

VII. PERIODIC REVIEWS

To ensure The Foundation 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 (a) whether the compensation arrangements and benefits are reasonable and the result of arm's length bargaining, and (b) whether any partnerships, joint ventures and arrangements with management organizations conform to The Foundation'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 an excess benefit transaction.

VIII. USE OF OUTSIDE EXPERTS

When conducting periodic reviews as provided for in Section VII, The Foundation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board, Board Members, Non-Board Committee Members, Officers, or Key Employees having decision-making authority as to the use of outside experts, as the case may be, of responsibility for ensuring periodic reviews are conducted.