

FINANCIAL DISCLOSURE AND CONFLICT OF INTEREST POLICY OF  
Friends of Oflag 64, Inc.  
A Delaware Nonprofit, Tax-Exempt Organization

ARTICLE I  
PURPOSE

The purpose of the conflict of interest policy is to protect Friends of Oflag 64, Inc.’s (hereinafter “Corporation”) interests 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 applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

ARTICLE II  
DEFINITIONS

**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 herein, is an interested person.

**Financial Interest:** A person has a financial interest if the 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 the Corporation has a transaction or arrangement.
- 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.

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.

ARTICLE III  
CONFLICTS PROCEDURES

1. Duty to Disclose.  
In connection with any actual or possible conflicts of interest, an Interested Person must disclose the existence and nature of his or her financial interest to the Board of Directors (“Board”) considering the proposed transaction or arrangement.
2. Determining Whether a Conflict of Interest Exists.

After disclosure of the financial interest, the Interested Person shall leave the Board or committee meeting while the financial interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest.

a. The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

b. After exercising due diligence, the Board or committee shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

c. A director or committee member who has a conflict of interest shall not take part in any deliberations or votes on the matter of interest and shall be recused from attending the meeting, or portion of a meeting, at which he or she has a reason to believe that the Board or committee will act on a matter in which the person has a conflict of interest. A director or committee member who has a conflict of interest shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.

d. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. Violations of the Conflicts of Interest Policy.

a. If the Board or committee has reasonable cause to believe that 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 response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member is an Interested Person and 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 Board and all committee with board-delegated powers shall contain:

a. 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 the Board's or committee's decision as to whether a conflict of interest in fact existed;

b. 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 therewith.

## ARTICLE V COMPENSATION PROCEDURES

a. No Interested Person shall vote on any matter relating to his or her compensation, irrespective of whether said compensation is received directly or indirectly, from the Corporation.

b. The Corporation shall endeavor to ensure that all compensation arrangements affecting Interested Persons are objectively reasonable, based on the relevant market for persons of comparable skills, training, education and experience and performing similar duties for comparable organizations under similar conditions and circumstances. The Corporation shall consider and give due weight to studies published by third parties regarding rates of compensation whenever and, to the extent that, such studies are reliable and available.

## ARTICLE VI STATEMENTS and DISCLOSURE

### 1. Statements.

Each director, officer and executive level employee shall sign a statement which affirms that such person:

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

### 2. Disclosure.

Initially upon taking office or upon being hired and periodically thereafter, members of the Board of Directors, officers and executive level employees shall be

required to complete and provide a financial disclosure and conflict of interest statement in the form attached to this Policy.

## ARTICLE VII PERIODIC REVIEWS

To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. whether compensation arrangements are objectively reasonable;
- b. whether sales or acquisitions by the Corporation result in inurement or impermissible private benefit;
- c. whether transactions and arrangements with third parties conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the Corporation's charitable purposes, and do not result in inurement or impermissible private benefit; and
- d. whether the Corporation's expense reimbursement procedures are adequate in terms of required documentation, whether persons seeking reimbursement are complying with these procedures, and whether such expenses relate to furthering the Corporation's charitable purposes and do not result in inurement or impermissible private benefit.

## ARTICLE VIII USE OF OUTSIDE EXPERTS

In conducting the periodic reviews provided for herein, the Corporation may, but need not, use outside advisors and consultants. If outside experts are used, their use shall not relieve the board of its responsibility for ensuring that periodic reviews are conducted.

This is the current Conflict of Interest Policy of Friends of Oflag 64, Inc., a Delaware nonprofit corporation, and is effective as of June 1, 2019.