

United States Equestrian Federation, Inc.
Conflict of Interest Policy
(Revised June 2021)

Part I – Conflict of Interest, Related Party Transactions

Pursuant to the United States Equestrian Federation, Inc. “USEF” Bylaw 343.3, this Conflict of Interest Policy (the “Policy”) provides a framework of integrity for interactions with or on behalf of the USEF. This Policy applies to the following individuals: Board of Directors, Volunteers (including committee, council, and task force members), Employees, and others appointed or authorized to act on behalf of the USEF (collectively “Covered Persons”). Words in any gender shall be deemed to include other gender; the singular shall be deemed to include the plural and vice versa. Please note that Related Party Transactions are addressed separately according to the provisions set forth in Part II of this Policy. Given the unique makeup of the USEF family, more in--depth questions may arise regarding conflicts of interest. For this reason, the following guidance is provided:

- USEF defines a conflict of interest as any personal or financial (both direct and indirect) relationship including relationships of family members (see definition below) that could influence or be perceived to influence your objectivity when representing or conducting business for, or on behalf of, USEF or participating in a USEF selection process.
- USEF defines “family” for these purposes as follows: spouse, parent, child or spouse of a child, brother, sister, spouse of a brother or sister, a cohabiting companion, or any other individual with a significant familial or familial-like relationship. Both parent and child shall include step-parent and step-child.
- USEF defines a substantial appearance of a conflict of interest as whenever others may reasonably infer from the circumstances that a conflict exists. Because the appearance of impropriety can be just as damaging to the USEF as actual impropriety, conduct that may reasonably appear to others to be improper must be disclosed. The purpose of the disclosure is so that the appropriate USEF board or committee* may determine whether the situation presents a substantial appearance of a conflict of interest such that a prohibited conflict of interest may be deemed to exist. For these reasons, an individual must recuse himself from participating in the USEF activity giving rise to the substantial appearance of a conflict of interest unless and until it is determined that no conflict exists.
- Each Covered Person shall fulfill their obligation to disclose any conflict by signing this Policy and submitting Exhibits A and B and, if applicable, C. This must be done within 14 days of acceptance of the position and annually thereafter or the individual will not be permitted to participate in any relevant meetings or activities. Once an individual has signed this Policy, it is incumbent upon them to update the Exhibits as appropriate. This is a continuing obligation upon the individual.
- In accordance with Bylaw 343, this Policy also covers duality of interests and the selection of athletes, horses, coaches, trainers, managers, administrators,

veterinarians, officials, and others for competitions.

*For purposes of this Policy, the term “committee” includes any group of individuals designated by the President, Board, or Council, or committee established to perform a particular task (e.g., task forces, ad hoc committees).

Review of Disclosures

All conflict of interest disclosures and certification statements submitted pursuant to this Part I will be reviewed by the Legal Department. The Legal Department will consult with the Audit Committee Chair on all matters disclosed for presentation to the Audit Committee. The Audit Committee will review the disclosures and determines whether the conflicted individual is precluded from serving in any capacity and whether appropriate measures need to be implemented to ensure integrity and the appearance of integrity.

Conflicts or perceived conflicts that arise as to a particular matter

During a Covered Person’s service to USEF, if a question arises as to whether a particular situation is indeed a conflict of interest, and if circumstances are such that there is not sufficient time to submit the matter to the Audit Committee, then (i) the interested committee (the committee which is impacted by the potential conflict of interest) will make the determination according to the Procedure set forth below, and (ii) the determination will be reported, in writing, to the Audit Committee for review and ratification. For questions submitted to the interested committee, a majority vote of those present (and not otherwise conflicted) will prevail. The Procedure outlined below will not apply when an employee is involved. For conflicts that arise concerning employees, the matter must be referred to the Audit Committee for a determination.

Except for Related Party Transactions and matters involving employees, which will be referred to the Audit Committee, the following procedure must be followed in these situations: 1. If personal or financial interests exist with any person or concern with whom the USEF has a business or other relationship; 2. You have a personal or financial relationship with a candidate (horse or human) for a team or individual chosen by a selection procedure; 3. A substantial appearance of a conflict of interest exists (see definition above) and the other relationship or interest could influence or be perceived to influence the objectivity of your decisions; 4. A committee determines that a conflict of interest exists; or 5. A duality of interest exists.

Disclosure of Actual or Potential Conflict. The individual with the conflict of interest or potential conflict of interest shall immediately disclose **all material facts relating to** the existence of a conflict or potential conflict when the issue for which the conflict exists is brought up at the meeting. This disclosure should include the nature of the conflict and why the individual believes it may be considered to be a conflict.

Provision of Information. The individual with the actual or potential conflict should provide to the board or committee any information relevant to the subject that he might have. In the case of a potential conflict, the board or committee will determine whether a substantial appearance of a conflict of interest exists; if so, the following procedures apply:

- Leave Meeting. The individual with the **potential** conflict must then leave the meeting and not participate at all in the deliberations on the matter and any vote that might be taken. If, after the person has left the room, the deliberating body has questions that

he could answer, he can be brought back into the meeting for the sole purpose of answering those questions. Once the questions have been resolved, he should vacate again until the deliberations have been completed and the vote has been taken;

- Deliberation and Vote. The remainder of the committee or board should conduct the deliberation on the matter at hand and, if appropriate, proceed to a vote.

At all times, the conflicted person does count for determination of a quorum.

Part II --- Related Party Transactions

USEF is prohibited from entering into any Related Party Transaction unless the transaction is determined by the USEF Board of Directors to be fair, reasonable, and in the corporation's best interest at the time of such determination. Further, any director, officer, or key employee who has an interest in a related party transaction shall disclose in good faith to the Board, or an authorized committee thereof, and/or the Audit Committee, the material facts concerning such interest. The Board may delegate the review and approval of Related Party Transactions to the Audit Committee, in which case all references to the Board in this Part II of this Policy shall be deemed to refer to the Audit Committee.

Before engaging in a related party transaction, the USEF Board of Directors must:

- (1) Consider alternative transactions to the extent available;
- (2) Approve the transaction by not less than a majority vote of the directors present at the meeting; and
- (3) Contemporaneously document in writing the basis for the decision, including its consideration of any alternative transactions.

A "related party transaction" is defined as "any transaction, agreement or any other arrangement in which a director, officer, related party has a financial interest and in which the corporation or any affiliate of the corporation is a participant."

A "related party" is defined as:

- (i) any director, officer or key employee of the corporation or any affiliate of the corporation; (ii) any relative of any director, officer or key employee of the corporation or any affiliate of the corporation; (iii) any entity in which any individual described in clauses (i) and (ii) of this subparagraph has a thirty---five percent or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent; or (iv) substantial contributors to the corporation (within the current fiscal year or the past five fiscal years).

A "key employee" is "any person who is in a position to exercise substantial influence over the affairs of the [USEF]."

Part III – Gifts and Entertainment Policy

Inappropriate hospitality or gift giving between individuals can also create a conflict of interest. Gifts, cash, travel, hotel accommodations, entertainment, or favors are neither to be given nor received except those of nominal value exchanged in the normal course of business. Favors or other assets or gifts may be accepted if they are part of open and generally accepted practices and serve to promote the best interest of USEF and would not embarrass the individual or USEF if publicly disclosed and do not compromise the objectivity and integrity of the recipient or donor.

All gifts and entertainment must be reported to the Legal Department. Disclosures must include to whom the gift or entertainment was given, the identification of the gift giver, the relationship between the gift giver/recipient and the USEF representative (including family as defined on page 1), description of the gift or entertainment, and the value. The Legal Department will provide all disclosures to the Audit Committee on a regular basis.

Gifts Received

Gifts or entertainment during the course of business may be accepted under the following conditions:

- (1) they are from a corporate partner/sponsor/supplier of products and they are a partner/sponsor/supplier-branded products (e.g., branded jackets) with a value of up to \$1,000 per year, per individual; or
- (2) the value of all other gifts/entertainment does not exceed \$250 per year, per individual; or
- (3) it is an invitation to attend a sporting event. Invitations to attend a sporting event may be accepted without limit on value; or
- (4) authorization is obtained from the legal department and the Chief Executive Officer.

(example 1: USEF employee received an invitation from a USEF sponsor to attend the U.S. Open. While this does not require approval under this Policy because it falls under condition 3 above, it must be disclosed to the Legal Department. Example 2: USEF staff member receives \$1200 of merchandise from prospective sponsor. Staff member must obtain approval prior to keeping the gift because it exceeds the \$1,000 allowable amount. Example 3: USEF vendor sends a \$125 gift to a USEF staff member and a different USEF vendor sends a \$250 basket of gourmet food to the same staff member, all within a 12-month period. USEF Staff member can keep the gifts but must report them to the Legal Department).

Gifts Given

There may be times when an individual, on behalf of USEF, wishes, as a business matter, to extend to a current or potential USEF business associate (i.e., an individual or company) a gift or an invitation to attend an event (e.g., reception, meal, or theatrical event) to further or develop a business relationship. In such instances, the value of the gift may not exceed \$250.00 per person per year. Invitations to events must be reasonable and appropriate. Topics of a business nature must be discussed at the event, and the inviting USEF employee or Board member must be present.

Part IV -- Failure to Disclose and Enforcement

Failure to Disclose

If a Covered Person has reasonable cause to believe an individual subject to this Policy has failed to disclose an actual or potential conflict of interest, he shall notify the Chief Executive Officer, General Counsel (generalcounsel@usef.org), or the Chair of the Audit Committee (auditcommittee@usef.org), all of whom must be disinterested parties. The Audit Committee will address the report in the same manner that it addresses reported Policy violations outlined below under "Enforcement."

Enforcement

Any person who violates or condones the violation of this Policy is subject to disciplinary measures, which may include termination of membership; expulsion from the Board, council, or committee; or termination of employment or services. Allegations of violations should be reported to the Chief Executive Officer, General Counsel (generalcounsel@usef.org), or the Chair of the Audit Committee (auditcommittee@usef.org). The Audit Committee will review the reported violation and initiate an investigation and recommend appropriate action in a confidential report to the Board of Directors.

Anti-Retaliation

Retaliation against someone reporting a violation in good faith will not be tolerated and will be considered a Code of Conduct violation and grounds for discipline hereunder.

Any questions concerning this Policy should be addressed to:

General Counsel

generalcounsel@usef.org

(859) 225-2045

Examples

This document provides a few examples to help individuals covered by this Policy identify and disclose conflicts of interest.

ATHLETES – The Ted Stevens Olympic and Amateur Sports Act (the “Sports Act”) requires that USEF have at least 33.3 percent athlete representation on the Board and all committees. At the same time, athlete representatives are often faced with issues that create the potential for a conflict of interest.

Example 1: An athlete representative on the Board of Directors has recently been named to the short list for a World Championship. As part of its regular duties, USEF staff brings forward a proposal to the Board to increase grants to athletes on the short list by 20 percent in order to help cover horse transport expenses. In this situation, the athlete has a conflict of interest, since the athlete stands to benefit directly from the proposal. The athlete must recuse himself on this matter according to the Conflict of Interest Policy.

Example 2: An athlete is scheduled to compete, in one month, in an event where she can qualify for a Nation’s Cup Team. Based on her recent competitions, the athlete has a reasonably good chance of making the Team. As in Example 1, the staff brings forward a proposal to the Board to increase stipends to Nation’s Cup Team members by 20 percent. Although this creates the potential for an appearance of a conflict of interest, and the athlete probably should disclose this potential conflict to the Board, this is not a situation where the athlete must recuse herself because there is no direct conflict of interest, as there is no direct financial benefit to the athlete because she has not yet made the Team, and the policy goal of the Sports Act is to have athlete input on governance issues.

FAMILY MEMBERS

Example 3: A USEF committee is tasked with creating a selection process for a list of Licensed Officials who would officiate at USEF National Championships. One of the committee members is the father of a leading contender for one of the positions. The committee proposes a selection process that would favor the strengths of the committee member’s son. Under these circumstances, the committee member has a conflict of interest. The USEF Conflict of Interest policy covers family members, and in this case the son would stand to directly benefit financially from the appointed position. At a minimum, having a parent of a candidate involved in this issue creates the appearance of a conflict and must be addressed accordingly.

APPEARANCE OF A CONFLICT

Example 4: A Board member is an insurance agent. USEF is seeking a new Directors and Officers insurance policy because the premium on the old policy increased by 40 percent. To help USEF, the Board member offers to waive her commission and any payments to her agency on a policy if USEF ultimately selects a policy for which she is the broker. Although the Board member, under this scenario, would arguably have no financial interest in this transaction, to outsiders who may not know the details of the commission waiver, she would have an appearance of a conflict of interest. So, she should follow the conflict of interest policy and should recuse herself from the matter, as provided in the Conflict of Interest policy. Please note, however, that USEF’s Board could vote to accept the Board member’s proposal (as long as she does not participate in that decision), because it is a fair deal for USEF.

DUALITY OF INTEREST

Example 5: A USEF Recognized Affiliate submits an application to host a USEF National Championship. A council member who is also a member of the Recognized Affiliate's board of directors must recuse himself from the council discussion and recommendation as to whether the championship should be allocated to the Recognized Affiliate. Please note that the council may request that the conflicted council member provide information or answer questions about the application. In this circumstance. The conflicted council members would address the inquiries but would leave the meeting prior to council discussion and action.

GIFTS

Example 6: A committee member is representing USEF at meetings in the Middle East. The Saudi Arabian equestrian federation is hosting a reception one evening during the meetings. At the reception, the president of the Saudi federation, to show his gratitude for the close relationship between the US and Saudi federations, and consistent with Saudi customs, gives a speech thanking the USEF for its support, and presents the committee member with a gift valued at \$1,000. This is not a *de minimis* gift. The committee member, in a discrete way (so as not to embarrass the Saudi federation) should thank the Saudis for the gift, indicate that he is receiving the gift on behalf of the USEF, and as soon as practicable, forward the gift to the USEF.

EXHIBIT A
UNITED STATES EQUESTRIAN FEDERATION, INC.
DISCLOSURE AND CERTIFICATION STATEMENT

Name:

Position:

Certification:

By signing this form below, I certify that:

1. I have received a copy of the and Code of Ethics and USEF Conflict of Interest Policy;
2. I have read and understand these policies;
3. I agree to comply with these policies;
4. I affirm that I have a continuing obligation to update Exhibit B and, if applicable, C; and
5. I understand that the USEF is charitable and in order to maintain its federal tax exemption it must engage in activities that accomplish one or more of its exempt purposes and not engage in activities and transactions that provide impermissible benefits to individuals or entities.

I am aware that if, because of any relationships, positions, or circumstances concerning me, I may have or appear to have a potential conflict of interest, I am required to list such relationships, positions, or circumstances on the annexed Exhibit B and, if applicable, C as the case may be, and to return the appropriate completed Exhibit(s) with this Disclosure and Affirmation Statement.

Signature

Date

UNITED STATES EQUESTRIAN FEDERATION, INC.
CONFLICT OF INTEREST DISCLOSURE STATEMENT
EXHIBIT B

Please answer every question completely and accurately. Your Conflict of Interest Disclosure will be considered incomplete until all questions are answered.

This Disclosure Statement must be submitted and updated as often as necessary to USEF. Refusal to provide the requested information or providing incomplete or inaccurate information may result in removal from office or Board membership, committee membership, or employment.

Note: Please include yourself and your family, including spouse, partner, parent, sibling, child, niece, nephew, aunt, uncle, or step-relative of the same relation as stated above when answering the following questions.

1. Do you or any member of your family have a business relationship with USEF?

YES NO

Do you or any member of your family hold an ownership interest in a business entity that does business with USEF?

YES NO

Do you or any member of your family hold at least a five (5%) percent ownership interest in any public company that does business with USEF?

YES NO

If you answered yes to any of the questions above, please state the name of the company and your ownership interest of said company.

2. Do you believe you or any members of your family will have future business dealings with USEF?

YES NO

Do you believe any business affiliated with you or any member of your family will have any future business dealings with USEF?

YES NO

If you answered yes to any of the questions above, please state the name of the business, the nature of such dealings, and the relationship of you or your family member with said business.

3. Do you or any member of your family serve as Licensee, Manager, or hold an ownership interest in a USEF Licensed Competition?

YES NO

Are you or any member of your family employed by a Licensee, Manager, or Organizer of a USEF Licensed Competition?

YES NO

Are you or any member of your family a volunteer at a USEF Licensed Competition?

YES NO

Are you or any member of your family a USEF or FEI Licensed Official?

YES NO

If you answered yes to any of the questions above, please state the nature of the relationship, the name of the competition, and/or license held, if applicable.

4. Do you or any member of your family sponsor a USEF Licensed Competition or class?

YES NO

Do you or any member of your family sponsor a USEF Affiliate competition or class?

YES NO

Do you or any member of your family sponsor USEF, equestrian athletes, or a USEF Recognized Affiliate?

YES NO

Are you or any member of your family employed by a sponsor of USEF, equestrian athletes, USEF Affiliates, or Licensed Competitions or classes?

YES NO

If you answered yes to any of the questions above, please state the nature of the relationship with the sponsoring entity, the name of the sponsor, and the name of the entity receiving the sponsorship.

5. Do you or any member of your family serve on any USEF committee, council, or the Board of Directors?

YES NO

Do you or any member of your family serve on any USEF Recognized Affiliate committee, council, or the Board of Directors?

YES NO

Do you or any member of your family serve on any equestrian organization's committee, council, or Board of Directors?

YES NO

If you answered yes to any of the questions above, please state the name of the committee, council, or Board, position, and the years of service. If you currently serve on the Board, do you satisfy the definition of an Independent Director, as stated in Bylaw 303? If no, please state why.

6. Have you ever been an athlete on any USEF team?

YES NO

Has any member of your family competed on any USEF team?

YES NO

Have you ever trained/coached any athlete who was on a USEF team?

YES NO

Has a horse owned by you or any member of your family competed on any USEF team?

YES

NO

If you answered yes to any of the questions above, please state the year and name of the competition, and name of the athlete.

7. Are you or any member of your family employed by a USEF sponsor?

YES

NO

Do you or any member of your family serve in a volunteer or paid position with any USEF sponsor?

YES

NO

Are you or any member of your family a sponsored equestrian athlete?

YES

NO

If you answered yes to any of the questions above, please state the nature of the relationship and the name of the company.

8. Have you ever been a member of the support team of any athlete competing on any USEF team?

YES

NO

Has any member of your family been a member of the support team of any athlete competing on any USEF team?

YES

NO

If you answered yes to any of the questions above, please state the year and name of the competition.

9. Are you or any member of your family employed by a USEF Board member or a company owned by a Board member, including as an officer, partner, trustee, or full/part time employee?

YES NO

Do you or any member of your family employ a USEF Board member?

YES NO

Do you or any member of your family have any business or financial dealings with a USEF Board member or their company?

YES NO

If you answered yes to any of the questions above, please state the name of the entities, the USEF Board of Directors member, and the nature of employment or position within entity.

10. Do you serve on the Board of Directors or as an officer of any other amateur sports organization that is recognized as a national governing body by the United States Olympic Committee?

YES NO

Are you an employee of any other amateur sports organization that is recognized as a national governing body by the United States Olympic Committee?

YES NO

If you answered yes to any of the questions above, please state the name of the organization and your role within such organization.

11. Do you have a close personal relationship or consensual relationship with a USEF Staff member?

YES NO

If you answered yes to the above, please state the name of the USEF Staff member and the nature of your relationship.

12. Is there any other relationship not disclosed above you believe might be perceived to compromise your obligations to USEF under its Conflict of Interest Policy or which may raise questions of a conflict between your duty and loyalty to USEF, your loyalty to any other entity, and/or your economic self-interest?

YES

NO

If yes, please explain below.

Signature

Print Name

Date

EXHIBIT C

UNITED STATES EQUESTRIAN FEDERATION, INC.

CONFLICT OF INTEREST DISCLOSURE STATEMENT FOR SELECTIONS

Please list all relationships within the selection period with individuals, businesses and/or other entities that may create a conflict of interest or which you believe might create the appearance of a conflict of interest with any applicant horse, owner or rider or members of their families (attach additional sheets as necessary to make the disclosure complete). Please review the Conflict of Interest Statement attached to the Selection Criteria for additional information.

This section only applies to family members, businesses in which you have an interest, sponsorships, and clients.

If you have no such relationships, please indicate "none."

	Individual/Entity with whom a conflict exists or may exist. EXAMPLE: Jane Rider, applicant	Relationship to the conflicting Individual/Entity and Nature of conflict. EXAMPLE: My wife is her trainer.
1.		
2.		
3.		
4.		
5.		
6.		
7.		

I certify that I have disclosed on this list and any attachments hereto any and all situations that may constitute conflicts of interest or give the appearance of a potential conflict of interest in connection with the selection criteria for the _____ (insert discipline)
Selection Process for the _____ (name of competition).

Signature

Print Name

Date