

UNITED STATES EQUESTRAIN FEDERATION
CONFLICT OF INTEREST AND GIFTS & ENTERTAINMENT POLICY

1. Purpose

The United States Equestrian Federation (“USEF”) is committed to sustaining an ethical organization free of conflicts of interest and perceived conflicts of interest. Each Affiliated Individual (as defined below) has the responsibility to administer the affairs of USEF honestly and prudently, and to exercise their best care, skill, and judgment for the sole benefit of USEF. Those persons will exercise the utmost good faith in all transactions involved in their duties, and they will not use their positions with USEF or knowledge gained therefrom for their personal benefit or the benefit of third parties. The interests of USEF must be the first priority in all decisions and actions. USEF requires that its Affiliated Individuals recognize and attempt to avoid activities or investments that involve, might appear to involve, or could result in a potential conflict of interest.

This Policy does not attempt to provide an exhaustive list of every possible circumstance that might give rise to a conflict of interest, but provides examples of situations or “transactions” where potential conflicts of interest often arise. A “transaction” is any contract, transaction, agreement, or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a grant or loan, or the establishment of any other financial relationship with USEF. See Bylaw 343 for more details on Conflicts on Duality of Interest.

2. Applicability of Policy

This Conflict of Interest Policy is applicable to all USEF Affiliated Individuals. “Affiliated Individuals” include, but are not limited to, members of USEF’s Board of Directors (the Board of USEF), officers, volunteers, committee members¹, hearing panel members, team selectors, employees, and others appointed or authorized to act on behalf of the USEF, including certain independent contractors/service providers through their written contract.

3. Definitions

A “conflict of interest” or “conflict” exists when an Affiliated Individual’s activities or interests interfere with, influence, or have the potential to interfere with or influence their responsibilities on behalf of the USEF or undermine the interests of the USEF. A “conflict of interest” also exists in the context of athlete or team selection when an Affiliated Individual participates in a selection decision that involves or impacts an athlete or owner with whom the Affiliated Individual has a direct or indirect relationship, or when an Affiliated Individual participates in a benefits or services allocation decision that directly impacts the Affiliated Individual.

4. Areas in Which Conflicts May Arise

Conflicts of interest often arise due to the relationships Affiliated Individuals have with the following third parties:

¹ For purposes of this Policy, the term “committee” includes any group of individuals designated to perform a particular task (council, task forces, working groups, ad hoc committees, etc.).

- a) Persons or entities supplying goods and services to USEF;
- b) Persons or entities leasing property or equipment to USEF;
- c) Persons or entities with whom USEF is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities or other property;
- d) Competing or affiliated organizations (including Recognized Affiliates);
- e) Donors and others supporting USEF;
- f) Agencies, organizations, and associations which affect the operations of USEF; or
- g) Family members, friends, and other employees. A “Family Member” is defined as a 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 stepchild.

Potential conflicts of interest often arise when Affiliated Individuals have an interest, directly or indirectly, with any persons or entities mentioned above. Examples of potential conflicts of interest are attached. The attached list is not intended to be an all-inclusive list of every instance that may create a potential conflict of interest, but, rather, is simply a sample of the types of relationships and activities that may give rise to a conflict of interest. If an Affiliated Individual or other disclosing individual has any question as to whether a relationship or activity may create a conflict of interest, a disclosure must be made.

Each Affiliated Individual 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 prior to assuming their role 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.

5. Interpretation of This Policy

The areas of conflicting interest and relations in those areas which may give rise to a conflict, as listed in Section 4, are not exhaustive. Affiliated Individuals should disclose all relationships and activities which may give rise to a potential conflict of interest, whether or not listed expressly in Section 4.

However, disclosure of a conflict or potential conflict of interest does not necessarily prohibit involvement in the disclosed activity or with the USEF. For example, the conflict might not be material enough to be of practical importance, or if it is material, it might be possible for USEF and the Affiliated Individual to implement appropriate mitigating measures upon full disclosure of all relevant facts and circumstances. However, it is USEF’s policy that the existence of any of the interests described or similar in nature to those described in Section 4 will be disclosed before any transaction is consummated or any vote taken on an action, contract, relationship, or decision that would give rise to the potential conflict of interest. It is the continuing responsibility of each Affiliated Individual to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

6. Disclosure Policy and Procedure

In addition to the mandatory self-disclosures required from each Affiliated Individual under Sections 8 and 9 of this Policy, any individual with a good faith belief that another Affiliated Individual has a conflict of interest may notify the USEF General Counsel or USEF Audit Committee of such perceived conflict pursuant to the procedures set forth below. Such notice may be provided anonymously. Furthermore, should any Affiliated Individual become aware of any undisclosed conflict of interest, or any conflict of interest not fully disclosed, such person must make full disclosure of their knowledge of the potential conflict of interest involved to the USEF General Counsel or USEF Audit Committee.

Affiliated members must disclose conflicts whenever they may arise or whenever they become aware of them, in addition to annual disclosures. If this occurs at a Board or committee meeting, such disclosure must be recorded in the minutes along with when the conflicted person left the meeting and returned, if applicable.

All conflict of interest forms submitted pursuant to this Policy will be reviewed by the Legal Department and the Audit Committee. The Audit Committee will review the disclosures and determine whether the conflicted individual is precluded from serving in any capacity or whether appropriate measures need to be implemented to ensure integrity and the appearance of integrity. Such measures, if applicable, will be communicated to the Affiliated Individual in writing with the Affiliated Individual acknowledging in writing the direction provided for managing the conflict and that the directives must be followed as a condition of service in the applicable role.

7. Procedures for Addressing Potential Conflicts-of-Interest

a) Conflicts or perceived conflicts that arise as to a particular matter

During an Affiliated 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 General Counsel or Audit Committee for a determination.

Except for Related Party Transactions and matters involving employees, which will be referred to the General Counsel or 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.

b) 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 section of the Policy shall be deemed to refer to the Audit Committee.

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.

Before engaging in a Related Party Transaction, the USEF Board of Directors must:

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

c) With Respect to Drafting Selection Procedures and Athlete/Team Discretionary Selection

The following more particularized disclosure requirements and procedures apply in the context of drafting selection procedures and athlete/team discretionary selection decisions in order to ensure that no Affiliated Individual participating in the process has a conflict of interest that will impact their ability to make a fair and unbiased decision in the athlete or team selection process.

Any Affiliated Individual involved in the drafting of procedures, including the athlete representative, or on a discretionary selection committee who has a potential conflict of interest must disclose it to the Audit Committee for review. The following process will be followed:

- i. The Interested Person may make a presentation to the Audit Committee, which may be convened telephonically, regarding the potential conflict of interest.
- ii. The interested person will then recuse themselves from any and all discussion regarding the potential conflict of interest.
- iii. The Audit Committee will determine whether an actual or apparent conflict of interest exists
- iv. If the Audit Committee determines that a conflict of interest is exists, it will either mandate the individual's recusal from the process or determine to what extent, if any, that individual can participate in the process. The Audit Committee may determine that the individual can still participate in the drafting of the procedures or be included in the discussions for discretionary selection of a team, but not take part in any sign-off, vote, or decision. For example, a team coach or high-performance director may provide information to the selection committee so long as such information is provided in a fair and unbiased manner and the committee member who disclosed the conflict of interest does not vote toward the final decision.
- v. Under no circumstances will a person with an actual or potential conflict attempt to unduly influence other members of the committee in the selection process.

If the Affiliated Individual is recused and a vacancy on the committee exists, either in the drafting process or on the discretionary selection committee, USEF will use its best reasonable efforts to fill that vacancy. If a vacancy results in the athlete representative position, another athlete representative who meets the qualifications for that committee will be appointed and approved by a representative group of athletes.

d) 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 above), description of the gift or entertainment, and the value. The Legal Department will provide all disclosures to the Audit Committee on a regular basis.

1) Gifts Received

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

- a) 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
- b) the value of all other gifts/entertainment does not exceed \$250 per year, per individual; or
- c) it is an invitation to attend a sporting event. Invitations to attend a sporting event may be accepted without limit on value; or
- d) 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).

2) 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.

8. Annual Disclosure Statements

Each Affiliated Individual will annually sign and submit to the Federation a statement, using the standardized form, affirming that they:

- a) Have received a copy of the conflict of interest policy;
- b) Have read and understand the policy;
- c) Have agreed to comply with the policy, and
- d) Understand that USEF is a charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

All conflict of interest disclosures and certification statements pursuant 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, including those made by the CEO, Officers, and Board of Directors, and determine 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. At all times only disinterested members of the Audit Committee will participate in determining whether a conflict or potential conflict exists, and if so how it will be managed.

Any actual, perceived, or potential conflict of interest should be disclosed in the annual statement.

Any new USEF employee will submit a conflict of interest disclosure statement within 14 days of their hiring by USEF. Any other new Affiliated Individual will submit a conflict of interest disclosure statement by the earlier of 14 days after their appointment or their first day in the role that binds them to the Policy. In no event will an Affiliated Individual participate in any decisions to commit USEF to a proposed transaction or in athlete or team selection procedures prior to submission of their conflict of interest disclosure statement.

USEF will maintain copies of all Annual Statements submitted under this Section 8 in accordance with the document retention policies and procedures.

9. Periodic Statements/Updates

In addition, each Affiliated Individual will update their disclosures throughout the year if applicable. USEF will maintain copies of all periodic statements or updates submitted. Anyone involved in the creation of or enforcement of selection procedures must provide written disclose any conflicts of interests, actual or potential, that they have relating to the applicable procedures or individuals affected by the procedures.

Anyone selected to a hearing panel must provide written disclose any conflicts of interests, actual or potential, that they have relating to any of the parties involved in the proceeding before them.

10. Reporting Non-Compliance & Resolution

a) Failure to Disclose

If an Affiliated Person has reasonable cause to believe an individual subject to this Policy has failed to disclose an actual or potential conflict of interest, they shall notify General Counsel, generalcounsel@usef.org or the Chair of the Audit Committee, auditcommittee@usef.org. The Audit Committee will address the report in the same manner that it addresses reported Policy violations outlined in b) below.

b) 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 General Counsel, generalcounsel@usef.org, or the Chair of the Audit Committee, auditcommittee@usef.org. The Audit Committee will review the reported violation, initiate an investigation, and recommend appropriate action in a confidential report to the Board of Directors. Only disinterested parties will be involved in conflict reviews, investigations, and resolutions.

11. Anti-Retaliation

It is contrary to the values of the Federation for any Board member, officer, committee member (including council, hearing panel, task force, Ad Hoc, and working group member), employee, athlete, or member to retaliate against anyone who in good faith reports a violation of this Policy.

Retaliation against someone reporting a violation in good faith will not be tolerated and will be considered a violation under this Policy and grounds for discipline up to and including dismissal from the volunteer position or termination of their employment.

Retaliation includes any actions that threaten, harass, discriminate against, or take any negative employment or related action (e.g., discharge, demotion, suspension, negative review) for reporting a violation.

12. USEF Conflict of Interest Policy Lead

Any questions concerning this Policy should be addressed to:

USEF General Counsel

generalcounsel@usef.org

(859) 225-2045

13. Resources

Athletes With Questions Regarding This Conflict of Interest Policy:

The Athlete Ombuds provides cost-free, independent and confidential advice regarding athlete rights; resolving disputes or grievances; and any sport rule, policy, or process, including athlete agreements,

codes of conduct, or team selection procedures. The Athlete Ombuds can also help athletes connect with legal counsel or mental health resources if needed.

Athletes may contact the Athlete Ombuds at:

PHONE: (719) 866-5000

EMAIL: ombudsman@usathlete.org

WEBSITE: www.usathlete.org

Others With Questions Regarding This Policy:

Inquiries may be directed to the USOPC Ethics & Compliance Department through their online Integrity Portal or by calling 877-494-9935

Examples of Conflicts of Interest

Examples of conflicts of interest that should be disclosed are listed below

i. Affiliated Individual or their Family Member owns stock or holds debt or other proprietary interests in any third party dealing or who may potentially deal with USEF.

EXAMPLE: A USEF board member owns an interest in a company seeking to enter into a contract with USEF to provide consulting services.

ii. Affiliated Individual or a Family Member owns a business, maintains a second job, or provides goods or services under a provider, contractor, or consulting agreement, whereby the outside business provides goods or services to USEF, the USOPC, or any other affiliated organization. E

EXAMPLE: USEF is contemplating entering into an agreement with a HR consulting company owned by a Recognized Affiliate's employee's husband.

iii. Affiliated Individual or a Family Member holds a position of executive, officer or director, participates in the management of, or is otherwise is employed (or formerly employed) by any third party dealing with USEF.

EXAMPLE: A USEF board member is the CEO of a technology company negotiating a contract with USEF to provide IT services.

iv. Affiliated Individual uses USEF's time, personnel, equipment, supplies, or goodwill for anything other than USEF-approved activities, programs, and purposes.

EXAMPLE: A USEF employee uses a USEF vehicle for non-USEF business purposes.

v. Affiliated Individual solicits gifts or gratuities using their USEF role or accepts personal gifts, loans, gratuities, or discounts from third parties in violation of USEF's Gift & Entertainment Policy. No personal gift or money should ever be accepted.

EXAMPLE: Accepting tickets to a Broadway show worth \$250 from a business seeking to obtain a contract to provide landscaping services for USEF headquarters.

vi. Affiliated Individual or a Family Member acts as an agent, representative, or consultant to a business whose interests may conflict with the interests of USEF.

EXAMPLE: A USEF consultant also acts as a consultant for an organization with conflicting business interests.

EXAMPLE: Affiliated Individual or a Family Member has a business relationship with a sponsor, supplier, licensee, or vendor of USEF (for a current list of USEF sponsors, suppliers, and licensees, go to [<https://www.usef.org/about-us/partners>]).

EXAMPLE: A USEF employee's spouse provides legal services to a USEF sponsor.

vii. Affiliated Individual awards USEF business to, or provides favorable treatment to, a business owned or controlled by a volunteer, family member, or personal friend.

EXAMPLE: USEF is contemplating entering into a contract for building maintenance services with a company because the company is owned by an employee's good friend.

viii. Affiliated Individual drafts selection procedures or participates and/or votes within a discretionary selection committee of USEF when they have a relationship with an athlete who is potentially impacted by the selection procedures (e.g., as coach, trainer, parent, etc.) or when Affiliated Individual might benefit directly or indirectly from the selection method.

EXAMPLE: USEF volunteer participating in a decision to select an athlete on USEF's team for World Championships or major international competition when the USEF volunteer is athlete's current good friend or owner of horse athlete rides in other competition.

EXAMPLE: The athlete representative assisting with drafting, voting on, and/or signing the procedures is also competing for a spot on the team for which the procedures are written.

ix. Affiliated Individual engages in activities or maintains interests, that interfere with or influence, or have the potential to interfere with or influence, the satisfactory performance of their responsibilities on behalf of USEF or undermine the interests of USEF.

EXAMPLE: A USEF board member has a significant client who owns or operates a facility being considered as the host of a USEF event. **EXAMPLE:** An Affiliated Individual serves on a hearing panel or appeal panel involving discipline against a member of the Affiliated Individual's barn/family/or other organization where the individuals serve on a Board together. **EXAMPLE:** An athlete is the potential recipient of benefits or services that are being allocated by USEF and participates in the allocation decision.

x. USEF Board member is a Board member of a Recognized Affiliate or affiliated association.

EXAMPLE: Recognized Affiliate Board member is a USEF Board member and matter before consideration for USEF Board benefits USEF but could negatively impact Recognized Affiliate.