

**CONFLICT OF INTEREST POLICY  
MISSOURI RIVER AND EAGLE CANYON RANCHES LANDOWNERS  
CORPORATION**

**ARTICLE I. PURPOSE**

This Conflict of Interest Policy is designed to protect the interests of Missouri River and Eagle Canyon Ranches Landowners Corporation (“Corporation”) when it contemplates entering into a transaction or arrangement that might benefit the private interests of Directors or officers of the Corporation, or their families or related business entities. The Policy is designed to foster confidence in the integrity of the Corporation and to safeguard its tax-exempt status. The Policy is intended to supplement, but not replace, applicable state and federal laws governing conflicts of interest.

**ARTICLE I. DEFINITIONS**

**1. “Conflict of Interest.”** A conflict of interest is present when, in the judgment of the Board of Directors, an interested person’s stake in the transaction is such that it reduces the likelihood, or appears to reduce the likelihood, that the interested person’s influence can be exercised impartially in the best interests of the Corporation.

**2. “Interested Party.”** Any Director or officer, or any person with the responsibilities of any of these positions.

**3. “Interest.”** Any commitment, investment, relationship, obligation, or involvement, financial or otherwise, direct or indirect, that may influence or appear to influence a person’s judgment. For example, such an interest might arise through:

a. Owning stock or holding debt or other proprietary interests in any third party dealing with the Corporation.

b. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with the Corporation.

c. Receiving remuneration for services with respect to individual transactions involving the Corporation.

d. Using the Corporation’s time, personnel, equipment, supplies, or good will for other than Corporation-approved activities, programs, and purposes.

e. Receiving personal gifts or loans from third parties dealing or competing with the Corporation. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

**4. “Transaction.”** Any transaction, agreement, or arrangement between an interested party and the Corporation, or between the Corporation and any third party where an interested party has an

interest in the transaction or any party to it.

### **ARTICLE III. PROCEDURES**

**1. *Duty to Disclose.*** All interested parties must disclose all material facts regarding their interest in any transaction to the Board of Directors upon learning of the proposed transaction.

**2. *Determining Whether a Conflict of Interest Exists.*** The Board of Directors must determine if a conflict of interest exists. The interested party involved with the transaction must not be present during the Board's discussion or determination of whether a conflict of interest exists, except as provided in Section 3(A) below.

**3. *Procedures for Addressing Conflicts of Interest.*** The Board must follow the procedures set forth below in order to determine what measures are needed to protect the Corporation's interests in light of the nature of the conflict, to decide whether to enter the transaction and, if so, to ensure that the terms of the transaction are appropriate and fair to the Corporation.

**A.** The Board may ask questions of, and receive presentations from the interested party, but must deliberate and vote on the transaction in his or her absence. The Board must ensure that all material facts regarding the transaction and any conflicts of interest have been disclosed, and must compile appropriate data, such as comparability studies, to determine the fair market value for the transaction.

**B.** After exercising due diligence, the Board must determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement that would eliminate any conflicts of interest. If a more advantageous transaction is not reasonably possible, the Board must determine whether the transaction is in the Corporation's best interests, and whether it is fair and reasonable to the Corporation.

**C.** The majority of Directors who are not interested parties may then decide to enter into the transaction, in conformity with the determination in Section 3(B).

**D.** The minutes of any meeting of the Board during which this Policy is implicated must contain the name of each interested party who disclosed or was otherwise determined to have an interest in the transaction; the nature of the interest, and whether it was determined to constitute a conflict of interest; any alternative transactions considered, and any comparability data or other information obtained and relied upon by the Board, and how such information was obtained; the members of the Board who were present during the deliberations, and the extent to which any interested parties were excluded from those deliberations; the result of the vote, including the Directors who voted; and, the terms of any transaction that was approved.

**E.** If the Board has reasonable cause to believe that an interested party has failed to disclose actual or possible conflicts of interest, including those arising from any transaction with a related interested person, it must inform the interested party of the basis for this belief, and must afford the interested party an opportunity to explain the alleged failure to disclose. If, after hearing the interested party's explanation, and after conducting any further investigation warranted by the

circumstances, the Board determines that the interested party has failed to disclose an actual or possible conflict of interest, the Board will take appropriate disciplinary and corrective action.

#### **ARTICLE IV. ANNUAL DISCLOSURE**

By January 31 of each year, every Director or officer, and any person with the responsibilities of any of those positions, must sign and complete the attached conflict of interest acknowledgement and disclosure form. The acknowledgement affirms that the person has received a copy of this Conflict of Interest Policy, has read and understood the Policy, and has agreed to comply with the Policy. The disclosure discloses the person's financial interests and family relationships that could give rise to conflicts of interest. The Board will review each questionnaire. If at any time during the year, the information in a person's annual statement changes materially, the person must disclose those changes by revising the annual disclosure form and providing it to the Board.

#### **ARTICLE V. PERIODIC REVIEW**

To ensure the Corporation operates in a manner consistent with its purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews will be conducted. Such reviews may, but need not, engage outside advisors, and will include the following subjects:

1. Whether any compensation arrangements and benefits provided are reasonable, based on competent survey information, and are the result of arm's length bargaining; and
2. Whether all transactions or arrangements conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further the Corporation's purposes, do not result in private inurement or impermissible private benefit, and do not result in an excess benefit transaction.

Adopted by the Board of Directors this 10<sup>th</sup> day of June, 2020.