

LIFERING, INC.
Conflict of Interest Policy

Adopted on: March 12, 2023

Article I
Purpose

The purpose of this conflict of interest policy is to protect the interests of LifeRing, Inc. (the “Organization”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization (or other person listed below) or might result in a possible excess benefit transaction. This conflict of interest 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

1. **Interested Person:** Any director, officer, manager, or member of a committee with governing board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
2. **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, which is at least .001% of the outstanding equity, in any entity with which the Organization has a transaction or arrangement,
 - b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.
3. **Compensation:** Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
4. **Family member:** Family member means ancestor or descendant (including through adoption), brother, sister, spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, or father-in-law of any such person.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the board of directors (the “Board”) or a committee of directors authorized by the Board and holding Board-delegated powers (the “Committee”) decides that a conflict of interest exists.

Article III
Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board or Committee.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or Committee meeting while the determination of a conflict of 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. An interested person may make a presentation at the Board or Committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

b. If the Board or Committee determines that there is no conflict of interest, then the transaction or arrangement is not subject to the remaining procedures c. through e. outlined in this Section 3. If the Board or Committee determines that there is a conflict of interest, then the Board or Committee shall follow the procedures outlined in paragraphs c. through e. of this Section 3.

c. 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.

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

e. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing 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 Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflict of Interest Policy

a. If the Board or Committee has reasonable cause to believe 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 member's response and after making further investigation as warranted by the circumstances, the Board or Committee determines the member 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 or Committee 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 with the proceedings.

Article V

Compensation

- a. A voting member of the Board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI

Annual Statements

1. **Annual Affirmation:** Upon election or appointment and annual thereafter, each director, officer, manager, or member of a committee with governing board delegated powers shall sign a statement which affirms that such person:
 - a. has received a copy of the conflict of interest policy,
 - b. has read and understands the conflict of interest policy,
 - c. has agreed to comply with the conflict of interest policy, and
 - d. understands that the Organization is charitable 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. Conflicts of Interest as They Arise: Each director, officer, manager, or member of a committee with governing board delegated powers shall promptly disclose to the Organization affiliations or matters that constitute or could result in a conflict of interest in connection with any transaction or other decision under consideration by the Organization. Such disclosures include but are not limited to substantial business interests, investment holdings, transactions or affiliations with businesses and other organizations, and those of family members. Organization affiliates should disclose such information whenever there is any doubt about whether or not disclosure is required.

Article VII

Monitoring and Enforcing Compliance with This Policy

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, the Board or Committee shall conduct periodic reviews. The reviews shall, at a minimum, include the following subjects:

- a. the content of all disclosed actual or potential conflicts of interest;
- b. whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's-length bargaining;
- c. whether partnerships, joint ventures, and arrangements with management organizations and other service providers conform to the Organization's written policies, are properly recorded, reflect reasonable investments or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction;
- c. Whether the Board and all committees with board delegated powers are properly implementing this conflict of interest policy; and
- d. Whether any improvements should be made to this conflict of interest policy.

Article VIII

Use of Outside Experts

When complying with this conflict of interest policy, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility under this conflict of interest policy.