

**CONFLICT OF INTEREST POLICY OF
THE NORTH IDAHO STATE FAIR YOUTH STOCK SHOW AND SALE COMMITTEE**

ARTICLE I - PURPOSE

1.1 Purpose. The purpose of the conflict of interest policy is to protect the interests of The North Idaho State Fair Youth Stock Show and Sale Committee (“YSSS Committee”) when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an officer (“Officer”), member (“Member”) or employee (“Employee”) of the Committee or might result in a possible excess benefit transaction. Employees include volunteers as well as paid staff in positions such as Superintendent and Barn Manager contracted through the North Idaho State Fair. Excess benefit transactions may include addressing protests or interpretation of rule of the North Idaho State Fair Youth Stock Show and Sale. This policy is intended to supplement but not replace any applicable state or federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

ARTICLE II - DEFINITIONS

2.1. Conflict of Interest Transaction. A conflict-of-interest transaction (“Conflict Transaction”) is a transaction with the corporation in which a Member has a direct or indirect interest. A Member has an indirect interest in a transaction if:

(a) Another entity in which the Member has a material interest or in which the Member is a general partner is a party to the transaction; or

(b) Another entity of which the Member is a director, officer or trustee is a party to the transaction.

2.2. 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 in any entity with which the Committee has a transaction or arrangement;

(b) A compensation arrangement with the Committee or with any entity or individual with which the Committee 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 Committee is negotiating a transaction or similar 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. Under Section 3.2 below, a person who has a financial and/or other applicable interest as set forth herein (collectively, “Interest”) may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

2.3. Interested Person. Interested parties include but are not limited to:

(a) Any member, officer or member of the Committee with governing board delegated powers

(b) Any guardian or immediate relative to the exhibitor

(c) Any person serving as a volunteer or employed as a 4-H club leader or FFA club advisor

- (d) Any member of a North Idaho State Fair Board committee
- (e) Any sponsor of the North Idaho State Fair Youth Stock Show and Sale
- (f) Any person serving as a volunteer or employed Superintendent or Barn Manager contracted through the North Idaho State Fair
- (g) Any exhibitor or partner with paid services at the NISF or its subsidiaries where an exchange of service takes place or is implied.

ARTICLE III - PROCEDURES

3.1. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the Interest and be given the opportunity to disclose all material facts to the officers and members of committees with governing board delegated powers considering the proposed transaction or arrangement. An interested party may recuse themselves at any time from involvement in any decision or discussion in which they believe they may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.

3.2. Determining Whether a Conflict of Interest Exists. After disclosure of the Interest and all material facts, and after any discussion with the interested person, he/she shall leave the governing 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.

3.3. Procedures for Addressing the Conflict of Interest.

(a) An interested person may make a presentation at the governing 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) The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(c) After exercising due diligence, the governing board or committee shall determine whether the Committee may obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that will not give rise to a conflict of interest.

(d) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing 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, 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.

3.4. Violations of the Conflicts of Interest Policy.

(a) If the governing 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 governing 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

4.1 Recording Proceedings. The minutes of the governing board and all committees with board delegated powers shall contain:

(a) The names of the persons who disclosed or otherwise were found to have an 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 governing 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

5.1 Compensation.

(a) A voting member of the governing board who receives compensation, directly or indirectly, from the North Idaho State Fair 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 North Idaho State Fair for services is precluded from voting on matters pertaining to that member's compensation.

(c) No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the North Idaho State Fair, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI – ANNUAL STATEMENTS

6.1 Acknowledgements. Each officer, member and employed or volunteer Superintendent and Barn manager of a committee with governing board delegated powers shall annually sign an acknowledgement that affirms 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

ARTICLE VII – PERIODIC REVIEWS

7.1 Periodic Reviews. To ensure the Committee operates in a manner consistent with educational purposes and does not engage in activities that could jeopardize its status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

(a) Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.

(b) Whether partnerships, joint ventures, and arrangements with management organizations conform to the Committee's written policies are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes, and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

ARTICLE VIII – USE OF OUTSIDE EXPERTS

8.1 **Outside Experts.** When conducting the periodic reviews as provided for in Article VII, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.