

BY-LAWS OF THE U.S. BACKGAMMON FEDERATION

ARTICLE I

Name and Offices

Section 1. Name. The name of this not-for-profit corporation is the U. S. BACKGAMMON FEDERATION, INC. (“USBGF,” “Federation,” or “Corporation”).

Section 2. Principal Office. The principal office for the transaction of the business of the Corporation may be established at any place or places within or without the State of New York by resolution of the Board of Directors.

Section 3. Other Offices. The Board of Directors may at any time establish branch or subordinate offices at any place or places where the Corporation is qualified to transact business.

ARTICLE II

Purpose

The Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. The specific purposes of the USBGF shall include without limitation advancing the awareness, participation, education, and enjoyment of the skill-based game of backgammon through the provision of educational information and material, development of backgammon leagues and competitive tournaments, the promotion of increased participation in backgammon; the creation and maintenance of a standardized set of rules for backgammon and a standardized player ranking system; and the promotion of good sportsmanship. As a not-for-profit corporation, no part of the net earnings of the corporation shall be distributed to its members, directors, officers or other private persons.

ARTICLE III

Membership

The Board of Directors shall have authority to establish rules for all aspects of membership in the Federation, including, but not limited to, eligibility, benefits, rights, privileges, costs/fees, and suspension and revocation of membership.

ARTICLE IV

Board of Directors

Section 1. Powers and Numbers. The affairs and property of the USBGF shall be

overseen by a Board of Directors (the “Board”) in accordance with the purposes and limitations set forth in Article II, above. The Board shall have authority to govern all aspects of the USBGF in furtherance of the Corporation’s purposes set forth in Article II, above. Upon approval of these By-Laws by a majority of voting USBGF members, the Board of Directors shall initially consist of thirteen, currently incumbent directors. The Board of Directors shall thereafter have discretion to increase or decrease the number of directors from time to time provided, however, that the number of directors shall never be lower than seven (7) nor more than twenty (20). The number of directors can be increased or decreased from time to time by resolution of the Board, but such action by the Board shall require an affirmative vote by at least a two-thirds (2/3) majority of the entire Board (including proxies) existing at that time and no decrease shall operate to shorten the term of any incumbent director. Unless the Board has specified an effective date, any expansion or reduction of Board size shall go into effect immediately as to all newly-created or newly-eliminated director seats. Directors appointed to fill newly-created positions shall be required to stand for election at the next Annual Election as provided in Article VI., Section 4, below.

Section 2. Eligibility. Any natural person over the age of eighteen (18), who is a member in good standing of the USBGF, shall be eligible to serve as a Director, subject to the provisions herein.

Section 3. Chairman. There shall be a Chairman of the Board of Directors, who shall be a Director chosen annually by the Board of Directors at the first regularly-scheduled Board meeting following the election of directors. In the event of a vacancy before the Chairman’s term has expired, a majority of the remaining directors shall select a new Chairman to perform the Chairman’s functions for the remainder of the annual term.

Section 4. Election and Term.

a. Term of Office and Staggered Election Format. Directors shall serve terms of three (3) years from the date of their election, except as otherwise provided herein. Seats on the Board of Directors shall be assigned a number from one (1) through thirteen (13) for the purpose of designating which seats shall be up for election for staggered terms. Thus, by way of example and in the case of the Board’s current 13-member composition, seats one through five (1-5) shall be up for election in 2013. Seats six through nine (6-9) shall be up for election in 2014. Seats ten through thirteen (10- 13) shall be up for election in 2015. Directors may serve for a total of three 3-year consecutive terms (nine years maximum), except that a majority of the entire Board (including proxies) may affirmatively vote to waive the foregoing term limit as to any sitting director who is also serving as Executive Director.

b. Nominations. The Board of Directors shall create a Governance and Nominations Committee whose role it will be, in part, to nominate members for election as directors. No director serving on said committee whose seat is up for election shall participate in

that nominating process during the six month period prior to the election. The Committee shall solicit nominations from the membership for a period of at least seven (7) days, and may consider other members. All nominees shall be provided an opportunity to provide a resume and statement of interest and qualifications to the Committee. The Committee shall present to the Board the combined list of eligible candidates nominated by the Committee or the members, along with their guidance and non-binding recommendations on the various candidates. The Board may resolve to recommend candidates, equal to the number of seats for election. No Director standing for re-election is eligible to vote on any motion to recommend candidates for election. A quorum is a majority of the Directors eligible to vote. The candidates nominated by the members and/or recommended by the Board shall be included on a ballot for election of Directors, with those recommended by the Board so designated. Any nominee may withdraw from consideration. All nominees shall be provided an opportunity to provide a resume and statement of interest and qualifications to be posted on the USBGF website.

c. Elections. Elections for directors shall be conducted electronically annually on a designated date range in the fall (the “Annual Election,” described further in Article VIII, Section 1, below) . Elections shall be scheduled and overseen by the Governance and Nominations Committee with the assistance of the Executive Director and other officers as needed. Members shall be entitled to cast up to one vote for each vacancy. However, no Member may cast more than one vote for any candidate on his/her ballot. The Board shall provide reasonable notice of the date range for voting, at least fourteen (14) calendar days in advance, through publication on the Federation’s internet website and, to the extent practicable, through other methods reasonably calculated to provide notice to the Federation’s Members. There shall be a period of at least seven (7) days for voting. Candidates receiving the greatest number of votes, up to the number of vacancies, and named on at least 50% of the ballots cast will be elected. The seat numbers listed as being up for election on the ballot shall be in descending order of the time remaining on their respective terms and will be sequentially assigned to elected candidates in descending order of the number of votes received. If not all the seats are filled in the initial round of elections, then there will be a runoff between the “x” number of candidates receiving the most votes (but not elected), where “x” is equal to twice the number of remaining seats on the Board to be filled in the election, provided that a candidate must have received votes from at least 5% of the ballots cast in the initial round to be eligible for the runoff. In the event of ties for the last remaining slot(s) on a runoff ballot, each of the candidates in the tie will be placed on the runoff ballot. Candidates receiving the greatest number of votes, up to the remaining number of vacancies, and named on at least 50% of the ballots cast will be elected..

Section 5. Duties. The Board of Directors shall be responsible for establishing policy for the Federation and for all matters not considered to be part of the day-to-day operations of the Federation, including but not limited to:

- a. Fiscal and operational oversight responsibilities including approval of annual budgets and financial statements;

- b. Eligibility for and cost of membership in the Federation, and standards of conduct for Members;
- c. Other policies, rules, and regulations required or contemplated by these By-Laws;
- d. Rules and regulations governing league and tournament play;
- e. Rules and procedures for assigning and maintaining player rankings, the awarding of master points or other play-related accomplishments, and the selection of representatives for international team play competitions.
- f. Promotional campaigns;
- g. Public relations and lobbying efforts;
- h. Educational programs and charitable endeavors; and
- i. Nominating candidates for Director positions, approving the creation of committees, and approving the selection of Officers.

Section 6. No Compensation. The Corporation shall not pay compensation to directors for services rendered to the Corporation in their capacity as directors, except that directors may be reimbursed for reasonable expenses incurred in the performance of their duties to the Corporation. This shall not in any way limit reimbursement of or payment for services provided to the Corporation by the director in any capacity separate from his or her responsibilities as a director, provided that there is full disclosure of the terms of such compensation and the arrangement has been approved by the Board. The provisions of this section shall not in any way limit reimbursement of or payment for services provided to the Corporation by any organization in which a director is affiliated, subject to the director's fiduciary duties of care, loyalty, and good faith, including the conflict of interest policy set forth in Article VII of these By-Laws.

ARTICLE V

Officers

Section 1. Officers. The Officers of the Corporation shall be responsible for implementing the day-to-day operations of the Corporation. They shall at least consist of a Chairman of the Board of Directors, an Executive Director/President, a Secretary, and a Treasurer. All officers shall be chosen by and shall serve at the pleasure of the Board.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected annually by a majority vote of the Board at the first duly-noticed meeting following the

election of directors. Each officer shall hold office until such officer's successor is elected and qualified or until such officer's earlier death, resignation, or removal. No officer other than the Executive Director and Chairman of the Board of Directors need be a director. One person may hold, and perform the duties of, more than one office, provided that the same person may not hold the offices of Executive Director and Secretary. All officers shall be subject to the supervision and direction of the Board.

Section 3. Chairman of the Board of Directors. Among the duly-elected directors, there shall be a Chairman of the Board of Directors. The Chairman shall schedule and preside at all meetings of the Board of Directors; shall ensure that the Board functions effectively; and shall assist the Executive Director with the planning, policies and administration of the Federation.

Section 4. Executive Director/President. Among the duly-elected directors, there shall be an Executive Director, who shall serve as both a director and as President of the Federation, and who shall:

- (a) exercise general charge and supervision of the day-to-day affairs of the Corporation and shall do and perform such duties as the Board may assign to him or her;
- (b) have the power to hire and terminate staff and executive management, and to negotiate reasonable terms of compensation for them;
- (c) keep the Board fully informed about the activities of the Corporation;
- (d) have the power to sign and execute alone in the name of the Corporation all contracts authorized either generally or specifically by the Board, unless the Board shall specifically require an additional signature;
- (e) oversee all staff and executive management of the Federation, as well as the Secretary and the Treasurer, and
- (f) appoint members to Board-approved committees.

Section 5. Secretary. Any member of the USBGF in good standing shall be eligible to serve as Secretary. The Secretary shall, subject to the discretion of the Executive Director to delegate one or more of the following responsibilities to others:

- (a) record and keep the minutes of all meetings of the Board in books to be kept for that purpose;

- (b) see that all notices and reports are duly given or filed in according with these By-Laws or as required by law, including preparation and filing of an annual corporate report;
- (c) be custodian of records (other than financial) and have documents whose execution on behalf of the Corporation under its seal is required by law or duly authorized in accordance with these By-Laws;
- (d) comply with all local, state and federal corporate reporting and filing requirements; and
- (e) in general, perform all duties incident to the office of Secretary and such other duties as the Executive Director or the Board may from time to time assign to him or her.

Section 6. Treasurer. Any member of the USBGF in good standing shall be eligible to serve as Treasurer. The Treasurer shall, subject to the discretion of the Executive Director to delegate one or more of the following responsibilities to others:

- (a) have charge and custody of, and be responsible for, all funds and securities of the Corporation and deposit all such funds in the name of the Corporation in such depositories as shall be designated by the Board;
- (b) exhibit at all reasonable time the Corporation's book of account and records to any of the directors of the Corporation upon application during business hours at the office of the Corporation where such books are kept;
- (c) render a statement of the condition of the finances of the Corporation annually to the Board or otherwise upon request of the Board;
- (d) receive, and give receipt for, amounts due and payable to the Corporation from any source whatsoever be responsible for all financial matters of the Federation, including the maintenance of accurate financial records, acting as liaison between the Federation and banking institutions, maintaining records of membership dues, and compliance with all local, state and federal tax filing requirements.

ARTICLE VI

Removal, Resignation, and Replacement of Directors and Officers

Section 1. Removal of Directors. Directors, including the Executive Director, may be removed prior to the expiration of their term of office, with or without cause, only by either

(a) the affirmative vote of a majority of the entire Membership at a duly-noticed Special Meeting pursuant to Article VIII, or (b) by a vote of at least seventy-five percent (75%) of the entire Board of Directors (including proxies) at a duly-noticed meeting, or by action in writing signed by all of the other directors.

Section 2. Removal of Officers. Officers serve at the pleasure of the Board of Directors and may be removed prior to the expiration of their term of office, with or without cause, by a vote of a majority of the entire Board of Directors (including proxies) at a duly-noticed meeting for that purpose.

Section 3. Resignation of Directors and Officers. Any director or officer may resign at any time by giving five (5) days written notice to the Executive Director or Secretary. The resignation shall take effect at the time specified therein, and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective. The director or officer may voluntarily withdraw his or her resignation at any time during the five-day notice period provided that the position has not already been filled due to exceptional circumstances.

Section 4. Vacancies. Vacancies of directors and/or officers (aside from Chairman) occasioned by any event may be filled by the Executive Director appointing a replacement, subject to the approval of a majority of the Board of Directors at a duly-noticed meeting for that purpose. Directors appointed to fill vacancies in this manner will be required to stand for election at the next Annual Election. If the position of Executive Director becomes vacant, the remaining directors shall promptly appoint an interim executive director by majority vote of those directors attending (including proxies) at a duly-noticed special meeting for that purpose. If the interim executive director position is filled by someone not then on the Board, then a new director's seat will be added to the Board for that purpose and the interim executive director will be required to stand for election at the next Annual Election.

ARTICLE VII

Ethical Considerations and Conflicts of Interest

. Any potential conflict of interest which could result in a direct or indirect financial or personal benefit to a director, officer, or staff member must be disclosed on good faith or known to the Board, and must be resolved pursuant to the Conflict of Interest Policy adopted by the Corporation (which is attached to these By-Laws as Exhibit A and shall be referred to as the "Conflict of Interest Policy"). This section is not intended to conflict with any other section of these By-Laws specifically authorizing monetary compensation or reimbursement of expenses for the provision of services.

ARTICLE VIII

Annual Election and Special Meetings of the Membership

Section 1. Annual Election of the Membership. There shall be an annual election of the Membership of the Federation, to be held on a designated date range during the fall of each calendar year, at which time Director elections shall take place. The date range for the Annual Election shall be determined by the Board of Directors and, pursuant to Article IV, Section 4, above, shall last at least seven (7) calendar days.

Section 2. Special Meetings of the Membership. Special meetings of the Membership requiring a vote on urgent and important matters shall be noticed and implemented by the Executive Director at the direction of a majority of the Board , or mandatorily upon a petition to the Board signed by at least ten percent (10%) of the total number of Members within the preceding ninety (90) days. The Executive Director shall publish reasonable notice of any such special meeting at least fourteen (14) days in advance of the date or date range for such special meeting. Notice shall be posted on the Federation's internet website and, to the extent practicable, through other methods reasonably calculated to provide notice to the Federation's Members. The notice shall specify the date and time of the meeting, and shall include an agenda of items to be discussed and/or acted upon by the Membership.

Section 3. Voting Rights of Members. Subject to the other provisions of this Article, action on matters at Special Meetings of the Membership shall be passed upon motion by a majority vote of the Members present. Each Member shall have one vote with the exception of the Executive Director who shall only vote in the event of a tie. The Executive Director shall preside over all Special Meetings of the Membership. If the Executive Director is either absent or the subject of the Special Meeting in question, then the Chairman of the Board of Directors shall assume that role and shall only vote in the event of a tie.

Section 4. Method of Meetings; Method of Voting. In order to provide ease of access and otherwise enhance Member participation in the matter(s) to be discussed, the Executive Director shall have discretion to conduct special meetings of the Membership either live, electronically, or telephonically, and to permit voting to take place electronically and/or during a specified date range or other period of time.

ARTICLE IX

Board of Director Meetings

Section 1. Scheduling and Noticing of Meetings. The Board of Directors shall meet at least once every quarter of each calendar year. Written notice of Board of Director meetings, with the date, time and place of the meeting, and an agenda of items to be discussed and/or acted upon, shall be provided to each Director by the Executive Director or Chairman at least seven (7) days before the date of the meeting. Meetings of the Board of Directors shall be called by the Executive Director or by the Chairman, either at their own discretion or upon the written request of a majority of sitting Directors. Meetings of the Board of Directors shall not be open to the

Members or other members of the public except as authorized by the Board. The Chairman of the Board of Directors shall preside over all meetings of the Board.

Section 2. Voting Rights. Action on matters to be decided by the Board of Directors shall be passed upon motion and affirmative approval by a majority of voting Board members (including proxies). Each Director shall have one vote on all motions to be decided by the Board. A tie or other failure to achieve a majority among voting Board members shall result in the motion not passing.

Section 3. Quorum. A majority of Board members (including proxies) shall constitute a quorum for purposes of calling a Board meeting to order and for voting on specific matters..

Section 4. Methods of Meeting. Board meetings may be held, at the discretion of the Chairman, either in person or by means of telephone, video, or online conferencing.

Section 5. Conduct of Meetings. To the extent feasible, all meetings of the Board shall be conducted pursuant to agenda and in conformance with the latest edition of Robert's Rules of Order. Any item not listed on the agenda for the meeting, for which discussion is requested but overruled by the Executive Director, shall be placed on the agenda for the next meeting of the Board.

Section 6. Method of Voting. At the discretion of the Chairman, votes may be conducted either by acclamation or by individual roll call, and either verbally, or by written ballot. Additionally, for time-sensitive matters, the Chairman or Executive Director may request that the Board vote by email outside the context of a Board meeting, subject to the following terms and conditions:

(a) The motion shall be emailed to all Board members. Directors shall notify the Chairman and Executive Director of any change in their email address;

(b) The email subject shall state "Vote by [current date plus 7 days]." The motion text shall be clearly distinguished from any additional text. The voting period shall end at 23:59:59 Pacific Time on the "Vote-by" date;

(c) The Chairman shall moderate discussion, may withdraw or table the motion until the next Board meeting, or extend the voting deadline;

(d) Directors may cast, change, or withdraw their vote at any time during the voting period;

(e) After a simple majority of the entire Board has voted in favor of the motion, with no votes opposed, voting will end and the motion will be deemed to have passed if no Board member votes against it within the next 24 hours or by the end of the voting period, whichever

occurs first;

(f) At the end of the voting period, unless enacted pursuant to subsection (e), above, the motion will be deemed to have passed if at least 75% of the Board has voted in favor;

(g) The Secretary shall maintain a dated record of all resolutions enacted by email in an addendum to the minutes of the most recent Board meeting, which shall be subject to Board approval pursuant to Section 7, below.

Section 7. Minutes of Meetings. Minutes of all Board meetings, which shall become official records of the Federation when approved, shall be prepared by the Secretary or some other person designated by the Executive Director. Minutes of the previous Board meeting shall be circulated in advance and approved by the Board at the next meeting of the Board. The minutes of each meeting shall be made available to the Members by posting same on the Federation's internet website.

ARTICLE X

Corporate Finance

Section 1. Federation Funds. Federation funds shall be maintained in a federally chartered banking institution in accounts bearing the name of the Federation. Checks, drafts and other negotiable instruments shall be signed by the Treasurer and/or by other individuals authorized to do so by the Board of Directors. The Board of Directors shall execute any and all documents required for this purpose. Checks, drafts and other negotiable instruments in any amount exceeding One Thousand Dollars (\$ 1,000.00) shall be signed by the Treasurer, Executive Director or other Director authorized to do so.

Section 2. Investment of Corporate Funds. The Federation through the Executive Director, acting with the advice and consent of the Board, may invest any of its funds as permitted by applicable law, and may employ professionals to assist the Board of Directors in any matter related to investment of funds.

Section 3. Fiscal Year. The fiscal year of the Federation shall begin on January 1st of each year and shall end on December 31st of each year.

Section 4. Budget. The Board of Directors shall cause to be prepared a proposed budget containing an estimate of the Federation's anticipated expenses for each fiscal year, at least fifteen (15) calendar days prior to the end of the previous fiscal year. A copy of the proposed budget shall be included in the notice of the meeting at which the budget will be discussed and approved by the Board ("the Budget Meeting"). In the event a proposed budget is not approved by the Board at the Budget Meeting, a revised proposed budget shall be prepared and a meeting shall be called by the Executive Director; said meeting to be held no later than thirty (30) days following the date of the originally-scheduled Budget Meeting. This process shall be repeated until a budget is approved by the Board.

Section 5. Loans to/from Directors, Officers and Members. The Federation shall not loan money to any Director, Officer, Member, or other individual or entity. However, the Federation may obtain loans from Directors, Officers, or Members provided that such loans do not violate the Federation's Conflict of Interest Policy and are otherwise made in a manner consistent with applicable law.

Section 6. Financial Records and Reporting.

(a) Financial Records. The financial books and records of the Federation shall be kept and maintained in accordance with generally accepted accounting principles (GAAP), and in a manner consistent with applicable law.

(b) Financial Reporting. The Board of Directors shall prepare an annual report, verified by a majority of Directors, complying with the provisions of § 519 of the Not-for-Profit Corporation Law ("N-PCL") of New York or its successor provisions, as amended.

Section 7. Reimbursement of Expenses. Any Director, Officer or Member who incurs expenses for obtaining goods and/or services for the Federation shall be reimbursed by the Federation, provided that (1) the expenditure was approved by the Executive Director prior to the expenditure, (2) an original receipt for the goods or services is presented to the Board of Directors for reimbursement, (3) a reimbursement form, prepared by the Treasurer, showing the date of the expenditure, a description of the goods or services obtained, and the total amount expended, is signed by the Executive Director or Treasurer, and (4) the original receipt is attached to the reimbursement form. The executed form shall be made part of the financial records of the Federation.

ARTICLE XI

Insurance; Defense and Indemnity of Officers and Directors

Section 1. Insurance. The Federation shall maintain liability and other insurance coverage as required by law.

Section 2. Indemnification of Directors and Officers.

(a) Covered Acts. Directors and Officers may be insured, bonded and/or indemnified by the Federation, at the option and sole discretion of the Board of Directors, for acts committed in the performance of their duties and functions; provided, however, that such insurance, bonding and/or indemnification shall not extend to or cover acts which are determined, by a court of competent jurisdiction, to be criminal in nature or which constitute an intentional tort, or for any act for which insurance coverage is not readily available. Directors and Officers shall only be insured, bonded and/or indemnified for covered acts only to the extent provided for by any insurance or bond actually procured by the Federation.

(b) No Liability for Federation if Insurance Not Available or Obtained. The Federation shall not be liable for any damages caused by or claimed to have been caused by any acts of a Director or Officer if insurance for those purposes is not available, or if the Federation has not obtained adequate coverage for those acts or damages for any reason, including the lack of availability of funds.

ARTICLE XII

Amendment, Severability, and Review of By-Laws

Section 1. Amendment of By-Laws. These By-Laws may be amended only by the approval of a majority of votes (including email votes) cast by Members present at a duly-noticed special meeting for that purpose. Notice of proposed amendments shall be given with notice of the meeting, as provided for herein. Amendment of these By-Laws shall be evidenced by a Certificate of Amendment, duly executed by the Executive Director, and filed and/or recorded as required by law.

Section 2. Severability. Should a court of competent jurisdiction determine that any provision(s) of these By-Laws or amendments to same is/are not enforceable at law or in equity, that determination shall not affect the validity of the remainder of these By- Laws.

Section 3. Periodic Review of By-Laws. In order to further the purposes of the Federation and to comply with applicable law, from time to time the Board of Directors shall review the existing By-Laws of the Federation. The Board, at its discretion, may employ legal counsel for that purpose, and the Executive Director may also appoint a committee of Directors and/or Members for that purpose.

ARTICLE XIII

Corporate Seal and Logo

Section 1. Corporate Seal. The Board of Directors shall authorize the creation of a corporate seal for the use of the Federation, and shall use the corporate seal as required by law.

Section 2. Logo. The Board of Directors shall authorize the creation of and shall choose a logo which shall be the official logo of the USBGF. The Board is empowered to apply for and receive trademark protection for this logo, and is also empowered to apply for and receive tradename protection for the name of the Federation, if appropriate. The right to use/display the Official Logo of the USBGF may only be granted by the Board of Directors.

ARTICLE XIV

Dissolution

The corporation may be dissolved by the affirmative vote of eighty-five percent (85%) of the entire membership, at a duly-noticed meeting for that purpose. The Board of Directors shall adopt a plan for the dissolution of the corporation and the distribution of its assets, as required by applicable law. Upon dissolution, the corporation shall distribute its assets, if any, in keeping with the plan adopted by the Board.

U.S. Backgammon Federation (“USBGF”)

Conflict of Interest Policy

**For Directors and Officers and
Members of a Committee with Board Delegated Powers**

Article I -- Purpose

1. The purpose of this Board conflict of interest policy is to protect USBGF’s interests when it is contemplating entering into a transaction or arrangement that might benefit the private interests of an officer or director of USBGF or might result in a possible excess benefit transaction.
2. This policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.
3. This policy is also intended to identify “independent” directors.

Article II -- Definitions

1. Interested person -- Any director, officer, 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 in any entity with which USBGF has a transaction or arrangement,
 - b. A compensation arrangement with USBGF or with any entity or individual with which USBGF has a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which USBGF is negotiating a transaction or 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. A person who has a financial interest may have a conflict of interest only if the Board of Directors decides that a conflict of interest exists, in accordance with this policy.

3. Independent Director -- A director shall be considered “independent” for the purposes of this policy if he or she is “independent” as defined in the instructions for the IRS 990 form or, until such definition is available, the director --

a. is not, and has not been for a period of at least three years, an employee of USBGF or any entity in which USBGF has a financial interest;

b. does not directly or indirectly have a significant business relationship with USBGF, which might affect independence in decision-making;

c. is not employed as an executive of another corporation where any of USBGF’s executive officers or employees serve on that corporation’s compensation committee; and

d. does not have an immediate family member who is a director, officer, or employee of USBGF or who holds a position that has a significant financial relationship with USBGF.

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 through notification to the Executive Director.

2. Recusal of Self – Any director may recuse himself or herself at any time from involvement in any decision or discussion in which the director believes he or she has or may have a conflict of interest, without going through the process for determining whether a conflict of interest exists.

3. 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 meeting while the determination of a conflict of interest is discussed and voted upon. The Board or (in the case of a sitting director) remaining Board members shall decide if a conflict of interest exists.

4. Procedures for Addressing the Conflict of Interest

a. An interested person may make a presentation at the Board, 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 Chairman of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

c. After exercising due diligence, the Board shall determine whether USBGF 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.

d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in USBGF'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.

5. Violations of the Conflicts of Interest Policy

a. If the Board 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 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 and all committees with board delegated powers 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 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 USBGF 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 USBGF 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 USBGF, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI -- Annual Statements

1. Each director, officer and member of a committee with Board delegated powers shall annually acknowledge in writing or email a statement (in a form substantially similar to the one attached to this Conflict of Interest Policy) which affirms such person:

- a. Has received a copy of the conflict of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands USBGF is charitable and, in order to maintain its federal tax exemption, must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

2. Each voting member of the Board shall annually acknowledge in writing or email a statement (in a form substantially similar to the one attached to this Conflict of Interest Policy) which declares whether such person is an independent director.

3. If at any time during the year, the information in the annual statement changes materially, the director, officer, or committee member shall disclose such changes to the Executive Director and, if appropriate, revise his or her annual disclosure.

4. The Executive Director shall monitor and enforce compliance with this policy by reviewing annual disclosures and by taking such other actions as are necessary for effective oversight.

Article VII -- Periodic Reviews

To ensure USBGF operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews may be conducted at the Executive Director's discretion or by instructions of the Board of Directors. The periodic reviews

shall, at a minimum, include the following subjects:

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

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

Article VIII -- Use of Outside Experts

When conducting the periodic reviews as provided for in Article VII, the Federation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility under this Conflict of Interest Policy.

**Director and Officer
Annual Conflict of Interest Statement**

1. Name: _____ Date: _____

2. Position:

Are you a voting Director? Yes No

Are you an Officer? Yes No

If you are an Officer, which Officer position do you hold:

_____.

3. I affirm the following:

I have received a copy of the USBGF Conflict of Interest Policy. _____ (initial)

I have read and understand the policy. _____ (initial)

I agree to comply with the policy. _____ (initial)

I understand that USBGF is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of tax-exempt purposes. _____ (initial)

4. Disclosures:

a. Do you have a financial interest (current or potential), including a compensation arrangement, as defined in the Conflict of Interest policy with USBGF? Yes No

i. If yes, please describe it: _____

ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? Yes No

b. In the past, have you had a financial interest, including a compensation arrangement, as defined in the Conflict of Interest policy with USBGF? Yes No

i. If yes, please describe it, including when (approximately):

ii. If yes, has the financial interest been disclosed, as provided in the Conflict of Interest policy? Yes No

5. Are you an independent director, as defined in the Conflict of Interest policy? Yes No

a. If you are not independent, why? _____

Date: _____

Signature of Director

Date of Review by Executive Director: _____