

EXHIBIT 4

B R E W E R
ATTORNEYS & COUNSELORS

March 24, 2022

VIA ELECTRONIC MAIL

Hon. O. Peter Sherwood, Special Master
Ganfer Shore Leeds & Zauderer
360 Lexington Avenue
New York, NY 10017
psherwood@ganfershore.com

RE: *People of the State of New York, by Letitia James, Attorney General of the State of New York v. The National Rifle Association of America, et al.*, Index No. 451625/2020

Dear Justice Sherwood:

Defendant, the National Rifle Association of America (“NRA”) respectfully submits this letter in response to the Office of the Attorney General of the State of New York’s (“OAG”) letter dated March 18, 2022, seeking an order compelling the NRA to produce documents responsive to a nonparty subpoena served on Aronson, LLC (“Aronson”). For the reasons stated below, the NRA requests that the Special Master deny the OAG’s motion in its entirety, as the NRA rightfully withheld the documents in question under the attorney-client, work product, and trial preparation privileges. In the alternative, the NRA requests that the withheld documents be submitted to Your Honor for *in camera* review.

I. FACTUAL BACKGROUND

Aronson was retained by the NRA to “audit its consolidated financial statements” and to “assist in preparing [the NRA’s] federal and state information and tax returns.” (Aronson Engagement Letter, Exhibit A hereto). On June 21, 2021, the OAG issued a subpoena duces tecum (the “Subpoena”) to Aronson. In response to the Subpoena, Aronson produced to the NRA over 18,000 documents to review for potentially privileged information belonging to the NRA. The NRA reviewed each document for privilege and withheld a mere 23 documents on privilege grounds. Additionally, the NRA determined that many documents containing privileged information can be produced in redacted form and, while not included in the totals of the NRA’s categorical log, still fall into the same categories identified in the log. Pursuant to Commercial Division Rule 11-b, the NRA then submitted its Rule 11-b certification for the NRA’s privileged documents, along with its final categorical privilege log. The withheld documents are privileged and are exempt from disclosure to the OAG.

There are four categories of withheld documents. *First*, the NRA withheld drafts of tax returns, or portions thereof, which were discussed with attorneys for purposes of legal advice. These drafts were shared with Aronson in its tax-advisory capacity. Importantly, this is not a case where the NRA’s tax-preparer merely happened to be an attorney, nor a case where lawyers were merely copied on transmitted

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tax-return drafts. Instead, the relevant tax-return portions were prepared “in the shadow of”¹ ongoing litigation, concern core topics in the same litigation, and were circulated among (or revised by) counsel in furtherance of the NRA’s litigation strategy.

Second, the NRA has withheld substantive, narrative emails prepared by its own in-house counsel containing legal advice and reflecting litigation and settlement strategy in a minor insurance dispute that has scant (if any) discernible relevance to this case. These emails were forwarded to Aronson as part of an update from NRA accounting personnel indicating that a check from the insurer was received.

Third, the NRA withheld a copy of an invoice from outside counsel that contains privileged narratives reflecting legal advice, and embodying mental impressions and strategies, concerning ongoing and anticipated litigation. The NRA has already disclosed the amounts paid to counsel, but withholds this document because of the privileged narrative descriptions of advice rendered and work performed.

Fourth, the NRA withheld correspondence with Aronson that reflected a joint effort by Aronson and the NRA’s bankruptcy-litigation counsel to prepare and submit an application to the bankruptcy court ensuring Aronson’s retention and payment.

II. ARGUMENT

The communications rightfully withheld by the NRA are privileged and, pursuant to CPLR 3101(b) and other applicable law, non-discoverable. In addition, the invoked privileges have not been waived by virtue of these records/communications having been shared with Aronson.

A. The NRA’s Communications Are Protected by the Attorney-Client Privilege, and Disclosure to Aronson Did Not Waive the Privilege.

The NRA’s communications with Aronson qualify for protection under the attorney-client privilege. The attorney-client privilege, which is codified in CPLR 4503(a), enables one seeking legal advice to communicate with counsel for this purpose secure in the knowledge that the contents of the exchange will not later be revealed against the client’s wishes. *See People v. Mitchell*, 58 N.Y.2d 368, 373 (N.Y. App., 4th Dept 1983) (“The attorney-client privilege, developed at common law, is now contained in our statute...Its purpose is to ensure that one seeking legal advice will be able to confide fully and freely in his attorney, secure in the knowledge that his confidence will not later be revealed to the public to his detriment or his embarrassment.”). The privilege “belongs to the client and attaches if information is disclosed in confidence to the attorney for the purpose of obtaining legal advice or services.” *People v. Osorio*, 549 N.E.2d 1183, 1185 (N.Y. App. 1st Dept. 1989).

The communications withheld by the NRA unquestionably satisfy the threshold elements of attorney-client privilege, because they contain (i) legal advice to the NRA (Craig Spray, Sonya Rowling,

¹ *See, e.g., Travelers Indem. Co. of Connecticut v. Philips Med. Sys. N.A., Inc.*, No. 07-23246-CIV, 2008 WL 2704447, at *3 (S.D. Fla. July 7, 2008) (applying the similar federal work product doctrine).

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John Frazer, and other representatives of the NRA involved in the preparation of the returns) by various counsel, including, without limitation, John Frazer, Don Lan, Brewer, Attorneys & Counselors, and Troutman Sanders (ERISA counsel for the NRA)) in connection with various tax and information returns, including predominantly the NRA's form(s) 990; and (ii) confidential communications soliciting, informing, and/or providing such advice. For example, they contain legal advice regarding IRS reporting requirements and the NRA's legal obligations with regard to the particular return and reveal the results of factual investigations conducted to inform the substance of legal advice and the substance of confidential attorney-client communications. In fact, although the presence or absence of such a label is not dispositive, it is notable that some of the documents withheld are expressly labeled "Privileged & Confidential."

Documents withheld include draft forms 990 or portions thereof. These documents were withheld because, when compared to the final filed version, may reveal the substance of privileged communications and advice. No comparison was conducted because the drafts either differ from the final return (in which case they likely reveal privileged information) or are consistent with the substance of the ultimate return (in which case the NYAG already has them).

The NRA has also withheld a January 2020 invoice from Brewer, Attorneys & Counselors for services performed in December 2019 on legal matters, including those related directly to the NYAG's then-ongoing investigation of the NRA, which was a precursor to this litigation. The invoice contains detailed time entries of attorneys and other professionals at Brewer for the month of December 2019 and therefore reveals the substance of confidential attorney-client communications, attorney work product (including in connection with the NRA's efforts to comply with and discharge its data preservation and production obligations), and mental impressions and core strategies of counsel formulated in connection with the investigation and in contemplation of this action.²

Importantly, under *Osario*—which constitutes controlling Court of Appeals authority—communications “made to counsel through a hired interpreter, ***or one serving as an agent of either attorney or client*** to facilitate communication, generally will be privileged,” because “[t]he scope of the privilege is not defined by the third parties' employment or function, [but instead] . . . on ***whether the client had a reasonable expectation of confidentiality*** under the circumstances.”³ Relying on dicta in the more recent *Ambac* decision,⁴ OAG attempts to graft onto *Osario* a requirement that, in order to

² The cover email message to which the invoice was attached has been produced to OAG (Aronson_NRA0018957, Aronson_NRA0018958), and is attached here as Exhibit C.

³ *People v. Osorio*, 75 N.Y.2d 80, 84, 549 N.E.2d 1183, 1186 (1989).

⁴ See *Ambac Assur. Corp. v. Countrywide Home Loans, Inc.*, 27 N.Y.3d 616 (2016).

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avoid breaking privilege, the third-party agent privy to the communication must be “necessary” to its transmittal, akin to a translator.⁵ But New York courts have repeatedly rejected this maneuver.⁶

Even if the Court adopts the phantom “necessity” prong urged by the OAG and implied in the recent, unpublished *Trump* decision on which the OAG relies,⁷ privilege is still maintained with respect to the first category of communications withheld by the NRA: draft tax returns, where it was indeed necessary for the NRA’s counsel and its tax accountants to collaborate on tax-return disclosures consistent with the NRA’s legal strategy in ongoing litigation.

However, *Trump* is not controlling authority—*Osario* is. Because the NRA had a reasonable expectation of confidentiality⁸ when it shared draft tax returns, internal litigation analyses, confidential invoices, and litigation strategy with the tax-preparer it had retained as its agent, the attorney-client privilege adequately alleged by the NRA on its privilege log is unaffected by the transmittal of relevant documents to Aronson.

B. The NRA’s Communications with Aronson are Protected by the Attorney Work Product Privilege.

Even if the attorney-client privilege does not apply (which it does) the NRA’s communications with Aronson also qualify for protection under the attorney work product privilege. Specifically, CPLR 3101(c) protects from discovery “the work product of an attorney.” Under CPLR 3101(c), the “work product of an attorney shall not be obtainable.”

As discussed above, communications withheld by the NRA contain work product of various attorneys, including John Frazer, Don Lan, various attorneys at Brewer, Attorneys & Counselors, and an attorney at Troutman Sanders.

The inclusion of Aronson in the withheld communications did not waive the attorney work product privilege. Sharing attorney work product with a third party (here, Aronson) results in waiver

⁵ OAG Letter dated March 18, 2022 at pg. 3.

⁶ See, e.g., *Deutsche Bank AG v Sebastian Holdings, Inc.*, No. 161079/13, 2019 WL 132534, at *6 (N.Y. Sup. Ct. Jan. 8, 2019) (“The rule is not always followed . . . [t]his court finds that the ‘necessary[.]’ standard seems unnecessarily restrictive and harsh and will not employ it.”) (internal citations and quotation marks omitted) (citing *Lehman Bros. Intl. v. AG Fin. Prods., Inc.*, 2016 NY Slip Op 30187(U), *10-11 (Sup. Ct. N.Y. 2016) (noting First Department cases not applying the “necessary” standard); *TC Ravenswood, LLC v. National Union Fire Ins. Co. of Pittsburgh, PA*, 2013 NY Slip Op 31335(U), *4-5 (Sup. Ct. N.Y. County 2013); 1 Attorney-Client Privilege: State Law New York § 4:2 (Westlaw ed)).

⁷ *People v. Trump*, No. 451685/2020, NYSCEF Doc. No. 302 (Sup. Ct. N.Y. Cnty. Dec. 15, 2020).

⁸ Indeed, Aronson’s engagement letter provides expressly, “[we] remain committed to maintaining the confidentiality and security of your information,” and requires Aronson to seek consent before sharing the NRA’s information even with Aronson’s own vendors. See Ex A at 3.

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only when there is a likelihood, based on the disclosure, that the material will be revealed to a litigation adversary under conditions that are inconsistent with the desire to maintain confidentiality. *See Bluebird Partners, L.P. v. First Fidelity Bank, N.A., New Jersey*, 248 A.D.2d 219, 671 N.Y.S.2d 7 (1st Dep't 1998). As set forth above, the NRA had a reasonable expectation of confidentiality from Aronson, which was a trusted agent subject to contractual nondisclosure obligations.

The OAG contends that a review of Aronson's production reveals that certain documents withheld on privilege grounds were created by Aronson in the course of its independent audit. However, the OAG's contention is incorrect. In fact, none of the privileged work product materials were created in the ordinary course of Aronson's audit. Moreover, importantly, Aronson's involvement would not rupture or waive work-product protection *even if Aronson were acting in its capacity as the NRA's outside auditor*, because waiver of work product protection (unlike waiver of attorney-client privilege) requires disclosure to an adversary, and auditors do not qualify.⁹

In reality these work product materials were prepared well in advance of Aronson's audit of the NRA, and were subsequently shared with Aronson, or consist of deliberations during preparation of the NRA's form 990. As such, the NRA's communications with Aronson qualify for protection under the work product privilege and were not waived by including Aronson.

C. The Withheld Documents Constitute and Embody Trial Preparation Materials.

Even if the privileges discussed above are determined to be inapplicable the NRA's communications with Aronson were directly related to trial preparation, and as such, qualify as privileged under CPLR 3101(d)(2). According to CPLR 3101(d)(2), "materials otherwise discoverable under subdivision (a) of this section and prepared in anticipation of litigation or for trial by or for another party, or by or for that other party's representative (including an attorney . . .), may be obtained only upon a showing that the party seeking discovery has substantial need of the materials in the preparation

⁹ Federal cases under the similar federal work-product doctrine are persuasive. *See, e.g., In re Weatherford Int'l Sec. Litig.*, No. 11CIV1646LAKJCF, 2013 WL 12185082, at *5 (S.D.N.Y. Nov. 19, 2013) ("Ernst & Young functioned as Weatherford's outside auditor. In this circuit, disclosure to an outside auditor does not generally waive work product protection. *See Vacco v. Harrah's Operating Co.*, No. 1:07 CV 663, 2008 WL 4793719, at *7 (N.D.N.Y. Oct. 29, 2008) (noting that "most courts which have addressed the specific issue of whether the sharing of litigation related statements with outside auditors should result in a waiver" have rejected that position); *International Design Concepts, Inc. v. Saks Inc.*, No. 05 Civ. 4754, 2006 WL 1564684, at *3 (S.D.N.Y. June 6, 2006) ("Thus, any tension between an auditor and a corporation that arises from an auditor's need to scrutinize and investigate a corporation's records and book-keeping is simply not the equivalent of an adversarial relationship contemplated by the work product doctrine." (quoting *Merrill Lynch*, 229 F.R.D. at 448)); *American Steamship Owners Mutual Protection and Indemnity Association, Inc. v. Alcoa Steamship Co.*, No. 04 Civ. 4309, 2006 WL 278131, at *2 (S.D.N.Y. Feb. 2, 2006) (declining to find waiver where work product disclosed to outside actuary)).

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of the case and is unable without undue hardship to obtain the substantial equivalent of the materials by other means.” New York work product privilege, trial preparation privilege, and the similar federal work product doctrine are routinely held to extend to documents like those here, including tax-strategy memoranda,¹⁰ attorney invoices,¹¹ and communications concerning ongoing litigation or settlement talks (including insurance aspects of the same).¹²

Here, the OAG has no substantial need to obtain the NRA’s communications with Aronson. The OAG can make no showing of substantial need, and omitted any analysis of such a need from the motion currently before the Special Master. Although the OAG claims that it has a substantial need to investigate whether the NRA’s tax returns were “false filings,” a determination of inaccuracy and a finding of liability would not be premised on internal, incomplete drafts, but on documents actually filed with authorities—to which the OAG already has access. The OAG also has access to underlying factual materials (e.g., financial statements) which the NRA supplied to its tax preparers and auditors. The only documents disputed here which bear any cognizable relevance to the “filings” which the OAG alleges are “false” consist of draft tax-return portions facilitating and likely reflecting legal advice. The OAG cannot explain why it has substantial need for such documents, because no substantial need exists.

D. Communications With Aronson In Furtherance of a Joint Bankruptcy-Court Filing Are Additionally Protected by the Common-Interest Exception to Waiver.

Despite the OAG’s contentions, Aronson had a common interest with the NRA. Aronson had a common interest with the NRA with regard to the application to the bankruptcy court for Aronson’s retention and payment because any payments to Aronson while the NRA’s chapter 11 case was pending were dependent on (a) the NRA submitting the application; and (b) the bankruptcy court approving it. As a result, there was no waiver of any of the privileges by virtue of these communications being shared with Aronson. The NRA is amenable to sharing the documents listed in “Category 4” of the NRA’s categorical log (Exhibit B hereto) under the condition that Aronson has no objection to such disclosure and the OAG agree not to argue waiver of the NRA’s privilege of such documents.

In any event, sharing these communications with Aronson, who the NRA knew would maintain the confidentiality of its work product and trial preparation materials, did not make it more likely that

¹⁰ See, e.g., *Schaeffler v. United States*, 806 F.3d 34, 43 (2d Cir. 2015) (analysis by outside accounting firm, Ernst & Young, regarding a restructuring transaction was protected by the work product doctrine because it was “prepared at a time when [the taxpayer] believed litigation was highly probable” and was “necessarily geared towards” litigation).

¹¹ See, e.g., *Peerenboom v. Marvel Ent., LLC*, 160 A.D.3d 439, 440, 75 N.Y.S.3d 131, 132 (2018) (“The detailed invoices prepared by Perlmutter’s attorneys are also protected as work product since they contain summaries of their “legal research, analysis, conclusions, legal theory or strategy.”)

¹² See, e.g., *Bovis Lend Lease, LMB, Inc. v. Seasons Contracting Corp.*, No. 00 CIV. 9212 (DF), 2002 WL 31729693, at *6 (S.D.N.Y. Dec. 5, 2002).

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the information would become known to a litigation adversary. For that reason, even in the absence of a common interest, the privileges over the documents at issue were preserved.

III. CONCLUSION

For the foregoing reasons, the National Rifle Association of America respectfully requests that the OAG's requests be denied in their entirety. In the alternative, the NRA requests that the withheld documents be submitted to Your Honor for *in camera* review.

Sincerely,

/s/ Svetlana M. Eisenberg

Svetlana M. Eisenberg

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**COUNSEL FOR DEFENDANT THE
NATIONAL RIFLE ASSOCIATION OF
AMERICA**

EXHIBIT A



November 21, 2019

The Audit Committee
National Rifle Association of America and Affiliates
11250 Waples Mill Road
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ATTN: Mr. Craig B. Spray, NRA CFO & Treasurer

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Dear Mr. Spray:

We are pleased to confirm our understanding of the services we are to provide for **National Rifle Association of America and Affiliates** for the year ended December 31, 2019.

I. AUDIT SERVICES AND RELATED REPORT

We will audit the consolidated financial statements of **National Rifle Association of America and Affiliates** (the "NRA" or "Organization"), which comprise the Consolidated Statements of Financial Position as of December 31, 2019, the related Consolidated Statements of Activities and Changes in Net Assets, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the consolidated financial statements, we will audit the financial statements of **National Rifle Association of America, The NRA Foundation, Inc., NRA Civil Rights Defense Fund, NRA Special Contribution Fund, and NRA Freedom Action Foundation**, which comprise the Statements of Financial Position as of December 31, 2019, the related Statements of Activities and Changes in Net Assets, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements, and we will audit the financial statements of **NRA Political Victory Fund**, which comprise the Statements of Support and Revenue Collected, Expenses Paid and Changes in Cash Arising from Cash Transactions as of December 31, 2019, and the related notes to the financial statements ("the financial statements").

Our responsibility for other information included in documents containing the Organization's audited financial statements and auditor's report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether such other information contained in such documents is properly stated.

II. AUDIT OBJECTIVE

The objective of our audit is the expression of an opinion (as described in this Agreement) about whether your financial statements, are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or those charged with governance of your responsibilities. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other

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procedures we consider necessary to enable us to express such an opinion. The audit of the financial statements of **NRA Political Victory Fund** will be conducted in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

We will issue written reports upon completion of our audit of the Organization's financial statements. Our report will be addressed to the Board of Trustees and Members of the **National Rifle Association of America**. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from the engagement.

III. AUDIT PROCEDURES

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.

An audit is not designed to detect error or fraud that is immaterial to the financial statements. Our audit will not include a detailed audit of transactions, such as would be necessary to disclose errors or fraud that did not cause a material misstatement of the financial statements. It is important to recognize that there are inherent limitations in the auditing process. Audits are based on the concept of selective testing of the data underlying the financial statements, which involves judgment regarding the areas to be tested and the nature, timing, extent and results of the tests to be performed. Our audit is not a guarantee of the accuracy of the financial statements and supplemental information and, therefore, is subject to the limitation that material errors or fraud or other illegal acts having a direct and material financial statement impact, if they exist, may not be detected. Because of the characteristics of fraud, particularly those involving concealment through collusion, falsified documentation and management's ability to override controls, an audit designed and executed in accordance with auditing standards generally accepted in the United States of America may not detect a material fraud. Further, while effective internal control reduces the likelihood that errors, fraud or other illegal acts will occur and remain undetected, it does not eliminate that possibility. For these reasons, we cannot ensure that errors, fraud or other illegal acts if present, will be detected. However, we will communicate to you, as appropriate, any such matters that we identify during our audit.

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Additionally, because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the Organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Please see EXHIBIT 1 to this engagement letter for additional information to those charged with governance on the timing and scope of our audit.

IV. OTHER SERVICES

We will assist in preparing the Organization's federal and state information and tax returns for the year ended December 31, 2019 based on information provided by you. We will also assist in preparing the financial statements of the Organization in conformity with U.S. generally accepted accounting principles based on information provided by you.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the preparation of the tax returns, but management must make all decisions with regard to those matters.

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V. MANAGEMENT RESPONSIBILITIES

As previously noted, our audit of the financial statements does not relieve you of your responsibilities.

To the extent we provide nonattest services, you agree to assume all management responsibilities for the tax preparation assistance services, financial statement preparation assistance services, and any other nonattest services we provide; oversee the services by designating Craig Spray, an individual with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. In addition to the audit, we will perform the following nonattest services for which, as discussed above, you are solely responsible:

- 1) Assistance with drafting of the financial statements and footnotes.
- 2) Assistance with preparation of information and tax returns (referenced below).

Management is responsible for establishing policies and procedures that pertain to the maintenance of adequate accounting records, for designing, implementing, and maintaining effective internal controls, including monitoring ongoing activities and effective internal controls over financial reporting, the selection and application of U.S. generally accepted accounting principles, establishing an accounting and financial reporting process for determining fair value measurements, the authorization of receipts and disbursements, the safeguarding of assets, the proper recording of transactions in the accounting records, and for reporting financial information in conformity with accounting principles generally accepted in the United States of America.

Management is also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us in the management representation letter (i) about all known or suspected fraud affecting the Organization involving (a) management, (b) employees who have significant roles in internal control over financial reporting and (c) others where the fraud could have a material effect on the consolidated financial statements and supplemental information and (ii) of its knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, analysts, regulators or others.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the organization from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. It is also the responsibility of Management to notify us of all material weaknesses, including other significant deficiencies, in the design or operation of the Organization's internal control over financial reporting that are reasonably likely to adversely affect the Organization's ability to record, process, summarize and report external financial data reliably in accordance with accounting principles generally accepted in the United States of America.

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In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws and regulations.

You are required to disclose the date through which subsequent events have been evaluated and whether that date is the date the financial statements were issued or were available to be issued. You agree that you will not date the subsequent event note earlier than the date of your management representation letter.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

To the extent we provide nonaudit services, you will be required to acknowledge in the management representation letter that you have evaluated the adequacy of our services and have reviewed and approved the results of the services.

VI. ENGAGEMENT ADMINISTRATION AND OTHER

We understand that your employees will prepare all cash, accounts receivable, and other confirmations and schedules we request and will locate any documents selected by us for testing. Any failure to provide such cooperation, and to do so on a timely basis, will impede our services, and may require us to suspend our services or withdraw from the engagement.

Greg Plotts is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit on approximately December 9, 2019.

This Agreement does not contemplate Aronson LLC providing any services in connection with the offering of securities, whether registered or exempt from registration, and Aronson LLC will charge additional fees to provide any such services. You agree not to incorporate or reference our report in a private placement or other offering of your equity or debt securities without our express written permission. You further agree we are under no obligation to re-issue our report or provide consent for the use of our report at a later date in connection with an offering of securities, the issuance of debt instruments or for any other circumstance. We will determine, at our sole discretion, whether we will re-issue our report or provide consent for the use of our report only after we have conducted any due diligence we deem necessary in the circumstances. You agree to provide us with adequate time to review documents where our report is; (a) requested to be reissued, (b)

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referred to, or (c) reference to our firm as "Experts" is expected to be made. If we decide not to re-issue our report or consent to the use of our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our engagement documentation for those periods, we are under no obligation to permit such access.

During the course of our engagement, we may request information and explanations from management regarding, among other matters, the Organization's operations, internal controls, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide us with a written representation letter confirming some or all of the representations made during the engagement. The procedures we will perform in our engagement will be heavily influenced by the representations that we receive from management. Accordingly, false representations could cause us to expend unnecessary efforts or could cause a material error or fraud to go undetected by our procedures. In view of the foregoing, you agree that we will not be responsible for any misstatements in the Organization's financial statements that we fail to detect as a result of false or misleading representations, whether oral or written, that are made to us by the Organization's management. While we may assist management in the preparation of the representation letter, it is management's responsibility to carefully review and understand the representations made therein.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Our reports are issued with the understanding that they may be reproduced only in their entirety. Should it be desired to issue or publish summary financial statements and our name is to be used, this will constitute a separate engagement subject to our approval, which must first be secured in writing. Inclusion of the audited financial statements in any document should be done only with prior approval of the document. You are responsible for providing us with the opportunity to review such document before issuance. The approval and review requirement shall not apply to disclosure of the audited financial statements as required by law.

VII. TAX SERVICES

We will prepare the following **National Rifle Association of America and Affiliates** tax and information returns. If there are other returns you expect us to prepare not listed below, please inform us as soon as possible.

- National Rifle Association of America Form 990, Form 990-T, and State Return
- The NRA Foundation, Inc. Form 990
- NRA Civil Rights Defense Fund Form 990

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- NRA Special Contribution Fund Form 990, Form 990-T, and State Return
- NRA Freedom Action Foundation Form 990

It is possible that the Organization may be required to file other returns in additional jurisdictions. For example, if you had a taxable presence in a state not listed above (e.g., an employee working, revenue derived from, or tangible property owned or rented, within a state), the Organization may be subject to state income or franchise tax in that state, depending on the particular facts. Ultimately, **National Rifle Association of America and Affiliates** is responsible for meeting its filing requirements, and Aronson LLC is responsible only for assisting in preparing the returns listed above unless you notify us of such circumstances and we agree to expand the scope of this engagement to cover such additional returns as may be required. It is important to us that you file all required returns, and we are available, of course, for consultation regarding your filing responsibilities.

These returns will be prepared from information you will furnish us. Except in the context of the services outlined above for the sole purpose of issuing an opinion regarding your financial statements, we will not audit, or otherwise verify, any information you provide unless we both agree in writing to such additional procedures. We are not responsible for detecting defalcation, irregularities, fraud or errors perpetrated or caused by others, should any exist. Nor are we responsible for any internal control deficiencies or supervision of your employees, if applicable.

This engagement does not include any services not specifically stated in this letter. However, at your written request we would be pleased to consult with you about other tax matters, such as assistance with Internal Revenue Service or state notices and examinations, proposed or completed transactions, tax projections and research in connection with such matters. We will render additional invoices for such services at our standard billing rates and such additional services are subject to the terms and conditions of this Agreement.

Aronson's services under this Agreement are subject to and will be performed in accordance with Treasury Department Circular 230, the American Institute of Certified Public Accountants (AICPA) and other professional standards applicable to tax services. We disclaim all other warranties, either express or implied.

Aronson will perform these services on the basis of the information you have provided and in consideration of the applicable tax laws, regulations and associated interpretations as of the date the services are provided. Tax laws and regulations and/or their interpretation are subject to change at any time, and such changes may be retroactive in effect and may be applicable to advice given or other services rendered before their effective dates. Aronson has no responsibility or liability for such changes occurring after the completion date of this engagement.

You acknowledge and agree that any advice, recommendations, information or work product provided by Aronson in connection with this engagement is for your sole use and may not be relied upon by any third party. Aronson has no liability or responsibility to any third parties as a result of this engagement and you agree to fully indemnify Aronson for any claim arising out of such reliance.

It is your responsibility to provide all the information required for complete and accurate returns. You should retain all the documents, canceled checks and other data that form the basis of your returns. These may be necessary to prove the accuracy and completeness of your returns to a taxing authority. Inaccuracy, incompleteness, or tardiness in the delivery of information to Aronson could have a material effect on your tax returns and the fee for services.

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We understand that you are the person responsible for the tax matters of **National Rifle Association of America and Affiliates**. You have final responsibility for the returns and, therefore, you should review the returns carefully before you sign and file them. You are also responsible for timely filing of your returns and timely payment of any amounts due. To this extent, you agree to file, unaltered and with appropriate disclosure, the tax returns as prepared by Aronson. You agree that Aronson assumes no responsibility and has no liability for any returns altered by you prior to filing with the taxing jurisdiction. You are responsible for the timely filing of the returns Aronson prepares and agree to inform us in writing of any failure to timely file the tax returns.

If an extension of time is required, any tax that may be due with your returns must be paid with that extension. Any amounts not paid by the filing deadline are subject to interest and late payment penalties.

The Internal Revenue Code and regulations impose preparation and disclosure standards with noncompliance penalties on both the preparer of a tax return and on the taxpayer. To avoid exposure to these penalties, it may be necessary in some cases to make certain disclosures to you and/or in the tax return concerning positions taken on the return that do not meet these standards. Accordingly, we will advise you if we identify such a situation, and we will discuss those tax positions that may increase the risk of exposure to penalties and any recommended disclosures before completing the preparation of the return. If we conclude that we are obligated to disclose a position and you refuse to permit disclosure, we reserve the right to withdraw from the engagement. Likewise, where we disagree about the obligation to disclose a position, you also have a right to choose another professional to prepare your return. In either event, you agree to compensate us for our services to the date of the withdrawal. Our engagement with you will terminate upon our withdrawal.

While assisting in preparing your returns, we will inform you of any material tax positions of which we are aware that, in our judgment, do not meet required statutory or regulatory thresholds. An undisclosed tax return position must have at least "substantial authority" (estimated to be approximately a 40% or greater likelihood of success if challenged by the IRS), and a disclosed tax position must have at least a "reasonable basis" (estimated to be approximately a 20% or greater likelihood of success if challenged by the IRS, so long as no "listed transaction" or "principal purpose transaction" is involved). You agree to inform us of any tax positions of which you are aware that would not meet these thresholds, and we reserve the right to stop work if the return cannot be completed in conformity with these standards.

You agree to assume full responsibility for the substantive outcomes of the services described above, including any findings that may result. You also acknowledge that the services described above are adequate for your purposes and that you will establish and monitor the performance of these services to ensure that they meet management's objectives. Any and all decisions involving management functions related to these services will be made by you, and you accept full responsibility for such decisions. We understand that you have designated a management-level individual to be responsible and accountable for overseeing the performance of these services and that you have determined this individual is qualified to conduct such oversight.

US Treasury Regulations require taxpayers to disclose any tax strategy or transaction that the IRS identifies as: 1) a Listed Transaction; 2) substantially similar to a Listed Transaction; or 3) any other Reportable Transaction. In addition, certain states have similar disclosure requirements. Noncompliance with these rules may result in significant penalties. You agree to inform Aronson of participation in any such transactions. The law provides significant penalties for failure to adequately disclose certain transactions designated as "reportable." A description of these transactions will be provided to you if requested. Alternatively the list is

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available on our website. Unless otherwise notified in writing, we will prepare your returns with the assumption you have not engaged in any reportable transaction.

The law provides other penalties that may be imposed when taxpayers understate their tax liability or fail to timely file or pay. Additionally, you are required to maintain and retain adequate documentation to support the tax returns as filed as penalties can be imposed by taxing authorities for the failure to produce adequate documentation supporting the items included in a tax return. Aronson has no responsibility or liability for your failure to maintain adequate documentation. If you would like information on the amount or the circumstances of these penalties, please contact us.

The IRS permits you to authorize us to discuss, on a limited basis, aspects of your return for one year after the return's due date. Your consent to such a discussion is evidenced by checking a box on the return. Unless you tell us otherwise, we will check that box authorizing the IRS to discuss your return with us.

Most tax returns require signatures, under penalty of perjury, by the taxpayer or an officer of the taxpayer affirming that the tax returns and the accompanying schedules and statements are true, correct, and complete to the best of his or her knowledge. You are responsible for understanding and agreeing with the various amounts, computations, and statements made in the tax returns and accept responsibility for the results of the tax services rendered. Aronson's services may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, you. Aronson will not perform any management functions or make management decisions for you in connection with this engagement.

Certain communications involving tax advice may be privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written, advance authority to make that disclosure.

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expenses incurred in defending the privilege, including, by way of illustration only, our attorney's fees, court costs, outside adviser's costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege.

The returns may be selected for review by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a tax examination, we will be available upon request to represent you and will render additional invoices for the time and charges incurred.

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VIII. ENGAGEMENT FEES

Our fees are based upon the time required for the services at our regular hourly rates, which range from \$156 to \$400, depending upon the level of the individuals providing services. We estimate that our fees for the audit and other services other than assistance with the preparation of the information and tax returns will be:

- Consolidated National Rifle Association of America and Affiliates Report - \$20,000
- Audit of National Rifle Association of America - \$120,000
- Audit of The NRA Foundation, Inc. - \$48,000
- Audit of NRA Civil Rights Defense Fund - \$15,000
- Audit of NRA Special Contribution Fund - \$20,000
- Audit of NRA Freedom Action Foundation - \$15,000
- Audit of NRA Political Victory Fund - \$12,000

We estimate that our fees for the preparation of the information and tax returns will be:

- National Rifle Association of America Form 990, Form 990-T, and State Return - \$6,000
- The NRA Foundation, Inc. Form 990 - \$3,000
- NRA Civil Rights Defense Fund Form 990 - \$2,000
- NRA Special Contribution Fund Form 990, Form 990-T, and State Return - \$2,500
- NRA Freedom Action Foundation Form 990 - \$1,500

You will also be billed for out-of-area travel incurred during the course of the engagement. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

Our invoices for these fees will be rendered each month as work progresses and are payable within 30 days from the invoice date. If you fail to pay by the due date, interest will accrue on your invoices at the rate of twelve percent (12%) per annum. If you fail to pay your invoices when they are due, and your invoices are referred to an attorney for collection, you will be responsible for reasonable attorney's fees and court costs.

Our professional fee and out-of-pocket expense estimates are based on the following assumptions:

- (1) No unexpected circumstances will be encountered in the course of the engagement.
- (2) We will have the full cooperation of your personnel.

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- (3) All of the "PBC" items will be properly completed and provided to us at the start of the scheduled audit fieldwork. If not, you will be charged an additional fee of 10-20% of the stated audit fee, depending on the significance of the "PBC" items that are not complete and ready.
- (4) If the "PBC" items are not ready at the start of scheduled audit fieldwork and it is necessary to reschedule the audit, you will be charged an additional rescheduling fee of up to 10% of the stated audit fee. In addition, the rescheduled audit timing will be based on staff availability.

Furthermore, this fee quote assumes issuance of our report shortly after completion of fieldwork. To the extent this is not accomplished as a result of factors outside our control such as untimely review of document draft, untimely presentation of the signed management representation letter (untimely being more than two business days after delivery of the draft) or lack of needed third party evidence such as confirmations or bank waivers, we will bill you for the additional time required to update our procedures to a later report date. The cost of these procedures will be billed at our hourly rates.

In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

IX. STANDARD BUSINESS TERMS

a. Original Records: At the conclusion of the engagement, we will return to you all original records you supplied to us. Your Organization records are the primary records for your operations and comprise the backup and support for your financial reports and tax returns. Our records and files, including engagement documentation, whether kept on paper or electronic media, are our property and are not a substitute for your own records. Our firm policy calls for us to destroy our engagement files and all pertinent engagement documentation after a retention period of seven years (or longer, if required by law or regulation), after which time these items will no longer be available. We are under no obligation to notify you that our records relating to your Organization are to be destroyed. We reserve the right to modify the retention period without notifying you. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention period.

b. Deliverables: Unless specified in the Engagement Letter, materials specifically prepared by Aronson for the Organization as a deliverable under an Engagement Letter may, when fully paid for by the Organization, be used, copied, and distributed internally by the Organization, but solely for its internal business purposes.

Unless contemplated by the Engagement Letter or required by law, the Organization shall not, without Aronson's prior written consent, disclose to a third party, publicly quote or make reference to the Deliverables.

The documentation for this engagement, including the workpapers, is not part of the Deliverables, is the property of Aronson and constitutes confidential information. We may have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. If we are required by law, regulation or professional standards to make certain

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documentation available to Regulators, the Organization hereby authorizes us to do so, subject to the same notice and cooperation provisions as set forth in subsection IX(e) below.

You agree that you will not modify the deliverables for or for distribution to third parties. You also understand that we may on occasion send you documents marked as draft and understand that those are for your review purpose only, should not be distributed in any way and should be destroyed as soon as possible.

c. Standards of Performance: Aronson shall perform its Services in conformity with the terms expressly set forth in this Agreement, including all applicable professional standards. Accordingly, our Services shall be evaluated on our substantial conformance with such terms and standards. Any claim of nonconformance (and applicability of such standards) must be clearly and convincingly shown. The Organization acknowledges that the Services will involve the participation and cooperation of management and others of the Organization. Unless required by professional standards, the Engagement Letter, or the Organization and Aronson otherwise agree in writing, Aronson shall have no responsibility to update any of its work after its completion

d. Warranty: Each party represents and warrants to the other that it has full power and authority to enter into and perform this Agreement and any Engagement Letter entered into pursuant hereto and the person signing this Agreement or such Engagement Letter on behalf of each party hereto has been properly authorized and empowered to enter into this Agreement.

Aronson warrants that it will perform its services on a reasonable professional efforts basis. This warranty is in lieu of, and we expressly disclaim, all other warranties, express, implied or otherwise, including without limitation any implied warranties of merchantability or fitness for a particular purpose. We cannot and do not warrant computer hardware, software or services provided by other parties.

e. Limitation on Damages and Indemnification: The liability (including attorney's fees and all other costs) of Aronson and its present or former partners, principals, agents or employees related to any claim for damages relating to the services performed under this Agreement shall not exceed three times the fees paid to Aronson for the portion of the work to which the claim relates.

The limitations of liability and damages in this Section apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including the negligence of either party.

Additionally, in no event shall either party be liable for any lost profits, lost business opportunity, lost data, consequential, special, incidental, exemplary or punitive damages arising out of or related to this Agreement.

As Aronson is performing the Services solely for the benefit of the Organization, the Organization will indemnify Aronson, its subsidiaries and their present or former partners, principals, employees, officers and agents against all costs, fees, expenses, damages and liabilities (including attorneys' fees and all defense costs) associated with any third-party claim, based, in whole or in part, upon our failure to detect material misstatements in the Organization's financial statements, from false or misleading representations made to us by any member of the Organization's management, or from intercompany fraud.

In the event Aronson is requested by the Organization; or required by government regulation, subpoena, or other legal process to produce its engagement working papers or its personnel as witnesses with respect to its Services rendered for the Organization, so long as Aronson is not a party to the proceeding in which the

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information is sought, the Organization will reimburse Aronson for its professional time and expenses, as well as the fees and legal expenses, incurred in responding to such a request.

Because of the importance of the information that the Organization provides to Aronson with respect to Aronson's ability to perform the Services, the Organization hereby releases Aronson and its present and former partners, principals, agents and employees from any liability, damages, fees, expenses and costs, including attorneys fees, relating to the Services, that arise from or relate to any information, including representations by management, provided by the Organization, its personnel or agents, that is not complete, accurate or current.

The liability and remedy limitations in this Agreement are materially bargained for bases of this Agreement and that they have been taken into account and reflected in determining the consideration to be given by each party under this Agreement and in the decision by each party to enter into this Agreement.

The Organization accepts and acknowledges that any legal proceedings arising from or in connection with the services provided under this Agreement must be commenced within twelve (12) months after the performance of the Services for which the action is brought, without consideration as to the time of discovery of any claim.

As a result of our services to you, we may be required or requested to provide information or documents to you or a third-party in connection with governmental regulations or activities, or a legal, arbitration or administrative proceeding (including a grand jury investigation), in which we are not a party. Aronson shall notify you immediately of any such request or demand. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery, and Aronson will reasonably cooperate with such action. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we will construe your inaction or failure as consent to comply with the request. Our efforts in complying with such requests or demands, subject to the notice and cooperation provisions of this paragraph, will be deemed a part of this engagement and we shall be entitled to additional compensation for our time and reimbursements for our out-of-pocket expenditures (including legal fees) in complying with such request or demand.

Notwithstanding anything to the contrary in this Agreement, the terms of this Subsection (e) shall not apply to the extent damages are actually caused by the fraudulent or willful misconduct of Aronson.

f. Personnel: We have a significant investment in the training and development of our accountants; they are valued employees of Aronson LLC. If you should hire one of our accountants either during the audit or within one year after completion of this engagement, you agree to pay a personnel placement fee of ½ of the employee's salary at the time the offer is made to compensate Aronson LLC. Any offer of employment to members of the audit team prior to issuance of our report may impair our independence and may result in our inability to complete the engagement and issue a report.

g. Termination: This Agreement may be terminated by either party, with or without cause, upon thirty (30) days' written notice. In such event, we will stop providing services hereunder except on work, mutually agreed upon in writing, necessary to carry out such termination. In the event of termination; (a) you shall pay us for Services provided and expenses incurred through the effective date of termination, (b) we will provide you with all finished reports that we have prepared pursuant to this Agreement, (c) neither party shall be liable to the other for any damages that occur as a result of our ceasing to render services, and (d) we will

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require any new accounting firm that you may retain to execute a letter satisfactory to Aronson LLC pursuant to AU-C Section 510, Opening Balances, if applicable.

The Organization shall pay Aronson for all Services rendered and expenses incurred as of the date of termination, and shall reimburse Aronson for all reasonable costs associated with any termination.

Any rights and duties of the parties that by their nature extend beyond the expiration or termination of this Agreement, including but not limited to, limitation of liability, ownership of work product, and survival of obligations, any accrued rights to payment and remedies for breach of this Agreement shall survive the expiration or termination of this Agreement or any Engagement Letter.

h. Dispute Resolution: In the unlikely event that differences concerning the Services or fees should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by engaging in mediation administered by the American Arbitration Association under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute-resolution procedure. Each party shall bear their own expenses from mediation and the fees and expenses of the mediator shall be shared equally by the parties.

If the dispute is not resolved by mediation, then the parties agree that the dispute or claim shall be settled by binding arbitration. The arbitration proceeding shall take place in the Washington, DC metropolitan area, unless the parties mutually agree to a different location. The proceeding shall be governed by the provisions of the Federal Arbitration Act ("FAA") and will proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the AAA, except that no pre-hearing discovery shall be permitted unless specifically authorized by the arbitrator. The arbitrator will be selected from AAA, JAMS, the Center for Public Resources, or any other internationally or nationally-recognized organization mutually agreed upon by the parties. Potential arbitrator names will be exchanged within 15 days of the parties' agreement to settle the dispute or claim by binding arbitration, and arbitration will thereafter proceed expeditiously. The arbitration will be conducted before a single arbitrator, experienced in accounting and auditing matters. The arbitrator shall have no authority to award non-monetary or equitable relief and will not have the right to award punitive damages. The award of the arbitration shall be in writing and shall be accompanied by a well reasoned opinion. The award issued by the arbitrator may be confirmed in a judgment by any federal or state court of competent jurisdiction. Each party shall be responsible for their own costs associated with the arbitration, except that the costs of the arbitrator shall be equally divided by the parties. The arbitration proceeding and all information disclosed during the arbitration shall be maintained as confidential, except as may be required for disclosure to professional or regulatory bodies, in litigation to enforce an arbitration award, or in a related confidential arbitration. In no event shall a demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim would be barred under the applicable statute of limitations.

The alternative dispute resolution proceedings articulated in this Subsection shall not apply to claims with a value of \$25,000 or less or to actions to enforce payment of our professional invoices.

THE PARTIES WAIVE THEIR RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY DISPUTE RELATED TO THIS AGREEMENT, IN ANY MANNER. Any litigation or arbitration arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be asserted within one year from the date any such cause of action accrues, notwithstanding any statutory provision to the contrary.

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This Agreement shall be governed by the laws of the State of Maryland, without giving effect to any conflicts of laws and principles.

i. **Miscellaneous:** In the event that any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable because it is invalid or in conflict with any law of any relevant jurisdiction, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement or such Engagement Letter did not contain the particular provisions held to be unenforceable. The unenforceable provisions shall be replaced by mutually acceptable provisions which, being valid, legal and enforceable, come closest to the intention of the parties underlying the invalid or unenforceable provision. If the Services should become subject to the independence rules of the U.S. Securities and Exchange Commission, or another applicable regulatory body, with respect to the Organization, such that any provision of this Agreement would impair Aronson's independence under its rules, such provision(s) shall be of no effect.

Neither this Agreement nor any rights or licenses granted hereunder may be assigned, delegated or subcontracted by either party without the written consent of the other party. Either party may assign and transfer this Agreement to any successor that acquires all or substantially all of the business or assets of such party by way of merger, consolidation, other business reorganization, or the sale of interests or assets, provided that the party notifies the other party in writing of such assignment and the successor agrees in writing to be bound by the terms and conditions of this Agreement.

The parties are independent contractors. Nothing herein shall be deemed to constitute either party as the representative, agent, partner or joint venture of the other.

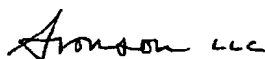
The failure of either party at any time to enforce any of the provisions of this Agreement will in no way be construed as a waiver of such provisions and will not affect the right of the party thereafter to enforce each and every provision thereof in accordance with its terms.

The Organization acknowledges that: (i) Aronson and the Organization may correspond or convey documentation via Internet e-mail unless the Organization expressly requests otherwise, (ii) neither party has control over the performance, reliability, availability, or security of Internet e-mail, and (iii) Aronson shall not be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption, or alteration of any Internet e-mail.

Except to the extent expressly provided to the contrary, no third-party beneficiaries are intended under this Agreement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign a copy and return it to us.

Very truly yours,



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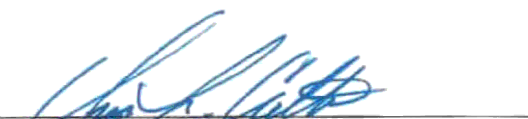
RESPONSE:

This letter correctly sets forth the understanding of **National Rifle Association of America and Affiliates**.


Mr. Craig B. Spray

NRA CFO & Treasurer

Date


Mr. Charles L. Cotton

Audit Committee Chair


Date

Certified Public Accountants & Management Consultants

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EXHIBIT 1 TO ENGAGEMENT LETTER

This attachment is intended to communicate certain matters related to the planned scope and conduct of our audit of the financial statements described in the accompanying engagement agreement.

Communication

Effective two-way communication between our audit team and those charged with governance (herein referred to as “you” or “your”) is important to understanding matters related to the audit and in developing a constructive working relationship.

We will discuss with you your oversight of the effectiveness of internal control and any areas where you request additional procedures to be undertaken. We expect that you will timely communicate with us any matters you consider relevant to the audit. Such matters might include information that may significantly affect the nature, timing, and extent of audit procedures, your suspicion or detection of fraud, or any concerns you may have about the integrity or competence of your senior management.

We will timely communicate to you any fraud involving senior management and other fraud that causes a material misstatement of the financial statements, illegal acts that come to our attention (unless they are clearly inconsequential), and disagreements with management and other serious difficulties encountered in performing the audit. We will also communicate to you (and to management) any significant deficiencies or material weaknesses in internal control that become known to us during the course of the audit. Other matters arising from the audit that are, in our professional judgment, significant and relevant to you in your oversight of the financial reporting process will be communicated to you in writing after the audit.

Although we are responsible for communicating specific matters in accordance with the accompanying engagement agreement and this exhibit, management also has responsibility to communicate matters of governance interest to those charged with governance. Communication by us does not relieve management of this responsibility. Similarly, management’s communication to those charged with governance does not relieve us of the responsibility to also communicate them; however, communication of those matters by management may affect the form or timing of our communication. Clear communication of specific matters required to be communicated under generally accepted auditing standards (GAAS) is an integral part of every audit; however, GAAS do not require the auditor to perform procedures specifically to identify other significant matters to communicate with those charged with governance.

Independence

Our independence policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. We are not aware of any circumstances that have impaired our independence with respect to our engagement as described in the accompanying engagement agreement.

The Audit Planning Process

Our audit approach places a strong emphasis on obtaining an understanding of how your organization functions. This enables us to identify key audit components and tailor our procedures to the unique aspects of your organization.

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We will obtain an understanding of internal control to assess the impact of internal control on determining the nature, timing and extent of audit procedures, and we will establish an overall materiality limit for audit purposes. We will conduct formal discussions among engagement team members to consider how and where your financial statements might be susceptible to material misstatement due to fraud or error. We will use this knowledge and understanding, together with other factors, to first assess the risk that errors or fraud might cause a material misstatement at the financial statement level. The assessment of the risks of material misstatement at the financial statement level provides us with parameters within which to design the audit procedures for specific account balances and classes of transactions. Our risk assessment process at the account-balance or class-of-transactions level consists of:

- An assessment of inherent risk (the susceptibility of an assertion relating to an account balance or class of transactions to a material misstatement, assuming there are no related controls); and
- An evaluation of the design effectiveness of internal control over financial reporting and our assessment of control risk (the risk that a material misstatement could occur in an assertion and not be prevented or detected on a timely basis by the organization's internal control).

We will then determine the nature, timing and extent of test of controls and substantive procedures necessary given the risks identified and the controls as we understand them.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Our review and understanding of the organization's internal control is not undertaken for the purpose of expressing an opinion on the effectiveness of internal control. Management is responsible for designing and maintaining an effective internal control environment.

The Concept of Materiality in Planning and Executing the Audit

In planning the audit, the materiality limit is viewed as the maximum aggregate amount of pretax misstatements, which if detected and not corrected, would cause us to modify our opinion on the financial statements. The materiality limit is an allowance not only for misstatements that will be detected and not corrected but also for misstatements that may not be detected by the audit. Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods. At the end of the audit, we will inform you of all individual unrecorded misstatements aggregated by us in connection with our evaluation of our audit test results.

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LLC



October 26, 2020

The Audit Committee
National Rifle Association of America and Affiliates
11250 Waples Mill Road
Fairfax, Virginia 22030
ATTN: Mr. Craig B. Spray, NRA CFO & Treasurer

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Dear Mr. Spray:

We are pleased to confirm our understanding of the services we are to provide for **National Rifle Association of America and Affiliates** for the year ended December 31, 2020.

I. AUDIT SERVICES AND RELATED REPORT

We will audit the consolidated financial statements of **National Rifle Association of America and Affiliates** (the “NRA” or “Organization”), which comprise the Consolidated Statements of Financial Position as of December 31, 2020, the related Consolidated Statements of Activities and Changes in Net Assets, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the consolidated financial statements, we will audit the financial statements of **National Rifle Association of America, The NRA Foundation, Inc., NRA Civil Rights Defense Fund, NRA Special Contribution Fund, and NRA Freedom Action Foundation**, which comprise the Statements of Financial Position as of December 31, 2020, the related Statements of Activities and Changes in Net Assets, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements, and we will audit the financial statements of **NRA Political Victory Fund**, which comprise the Statements of Support and Revenue Collected, Expenses Paid and Changes in Cash Arising from Cash Transactions as of December 31, 2020, and the related notes to the financial statements (“the financial statements”).

Our responsibility for other information included in documents containing the Organization’s audited financial statements and auditor’s report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether such other information contained in such documents is properly stated.

II. AUDIT OBJECTIVE

The objective of our audit is the expression of an opinion (as described in this Agreement) about whether your financial statements, are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or those charged with governance of your responsibilities. The audit of the financial statements of **NRA Political Victory Fund** will be conducted in accordance with the cash basis of accounting, which is a basis of accounting other than

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accounting principles generally accepted in the United States of America. Our other audits will be conducted in accordance with auditing standards generally accepted in the United States of America and will include tests of your accounting records and other procedures we consider necessary to enable us to express such an opinion.

We will issue written reports upon completion of our audit of the Organization's financial statements. Our report will be addressed to the Board of Directors and Members of the **National Rifle Association of America**. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion or add an emphasis-of-matter or other-matter paragraph. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, then in such circumstances, you understand and agree that we may decline to express an opinion and/or withdraw from the engagement and/or terminate this Agreement.

III. AUDIT PROCEDURES

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable, but not absolute, assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the Organization or to acts by management or employees acting on behalf of the Organization.

An audit is not designed to detect error or fraud that is immaterial to the financial statements. Our audit will not include a detailed audit of transactions, such as would be necessary to disclose errors or fraud that did not cause a material misstatement of the financial statements. It is important to recognize that there are inherent limitations in the auditing process. Audits are based on the concept of selective testing of the data underlying the financial statements, which involves judgment regarding the areas to be tested and the nature, timing, extent and results of the tests to be performed. Our audit is not a guarantee of the accuracy of the financial statements and supplemental information and, therefore, is subject to the limitation that material errors or fraud or other illegal acts having a direct and material financial statement impact, if they exist, may not be detected. Because of the characteristics of fraud, particularly those involving concealment through collusion, falsified documentation and management's ability to override controls, an audit designed and executed in accordance with auditing standards generally accepted in the United States of America may not detect a material fraud. Further, while effective internal control reduces the likelihood that errors, fraud or other illegal acts will occur and remain undetected, it does not eliminate that possibility. For these reasons, we cannot ensure that errors, fraud or other illegal acts if present, will be detected. However, we will communicate to you, as appropriate, any such matters that we identify during our audit.

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Additionally, because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our audit will include obtaining an understanding of the Organization and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. Accordingly, we will express no such opinion. However, during the audit, we will communicate to you and those charged with governance internal control related matters that are required to be communicated under professional standards.

It is understood that lawsuits with the State of New York and with the District of Columbia, filed in August 2020, will be the subject of audit procedures, and they may be material to Aronson's work to form an opinion for its report on your financial statements. With the exception of confidential, privileged (including, but not limited to, attorney-client privileged and attorney work product) or information prohibited by a court from disclosure, you agree to provide the information that we request with regard to those lawsuits.

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Please see **EXHIBIT 1** to this engagement letter for additional information to those charged with governance on the timing and scope of our audit.

IV. OTHER SERVICES

We will assist in the review of the Organization's federal and state tax returns for the year ended December 31, 2020 based on information provided by you.

We will also assist in preparing the financial statements of the Organization in conformity with U.S. generally accepted accounting principles based on information provided by you.

We will perform the services in accordance with applicable professional standards, including the Statements on Standards for Tax Services issued by the American Institute of Certified Public Accountants. The other services

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are limited to the financial statement and tax services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. We will advise management with regard to tax positions taken in the review of the tax returns, but management must make all decisions with regard to those matters.

V. MANAGEMENT RESPONSIBILITIES

As previously noted, our audit of the financial statements does not relieve you of your responsibilities.

To the extent we provide nonattest services, you agree to assume all management responsibilities, financial statement preparation assistance services, and any other nonattest services we provide; oversee the services by designating Craig Spray, an individual with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. In addition to the audit (an "attest" service), we will perform the following nonattest services for which, as discussed above, you are solely responsible:

- 1) Assistance with drafting of the financial statements and footnotes.
- 2) Assistance with the review of information for tax returns (referenced below).

Management is responsible for establishing policies and procedures that pertain to the maintenance of adequate accounting records, for designing, implementing, and maintaining effective internal controls, including monitoring ongoing activities and effective internal controls over financial reporting, the selection and application of U.S. generally accepted accounting principles, establishing an accounting and financial reporting process for determining fair value measurements, the authorization of receipts and disbursements, the safeguarding of assets, the proper recording of transactions in the accounting records, and for reporting financial information in conformity with accounting principles generally accepted in the United States of America.

Management is also responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us in the management representation letter (i) about all known or suspected fraud affecting the Organization involving (a) management, (b) employees who have significant roles in internal control over financial reporting and (c) others where the fraud could have a material effect on the consolidated financial statements and supplemental information and (ii) of its knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, analysts, regulators or others.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the organization from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. It is also the responsibility of Management to notify us of all material weaknesses, including other significant deficiencies, in the design or operation of the Organization's internal control over financial reporting that are reasonably likely to adversely affect the Organization's ability to record, process, summarize and report external financial data reliably in accordance with accounting principles generally accepted in the United States of America.

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In addition, you are responsible for identifying and ensuring that the Organization complies with applicable laws and regulations.

You are required to disclose the date through which subsequent events have been evaluated and whether that date is the date the financial statements were issued or were available to be issued. You agree that you will not date the subsequent event note earlier than the date of your management representation letter.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information in the electronic site with the original document.

We may issue preliminary draft financial statements to you for your review. Any preliminary draft financial statements should not be relied on or distributed.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

To the extent we provide nonaudit services, you will be required to acknowledge in the management representation letter that you have evaluated the adequacy of our services and have reviewed and approved the results of the services.

VI. ENGAGEMENT ADMINISTRATION AND OTHER

We understand that your employees will prepare all cash, accounts receivable, and other confirmations and schedules we request and will locate any documents selected by us for testing. Any failure to provide such cooperation, and to do so on a timely basis, will impede our services, and may require us to suspend our services or withdraw from the engagement.

Greg Plotts is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it. We expect to begin our audit on approximately November 4, 2020.

During the course of our engagement, we may request information and explanations from management regarding, among other matters, the Organization's operations, internal controls, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide us with a written representation letter confirming some or all of the representations made during the engagement. The procedures we will perform in our engagement will be heavily influenced by the representations that we receive from management. Accordingly, false representations could cause us to expend unnecessary efforts or could cause a material error or fraud to go undetected by our procedures. In view of the foregoing, you agree that we will not be responsible for any misstatements in the Organization's financial statements that we fail to detect as a result, in whole or in part, of false or misleading representations, whether oral or written, that are made to us at any time prior to the

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issuance of our report by the Organization's management or its agents. While we may assist management in the preparation of the representation letter, it is management's responsibility to carefully review and understand the representations made therein.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted by us in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

Our reports are issued with the understanding that they may be reproduced only in their entirety. Should it be desired to issue or publish summary financial statements and our name is to be used, this will constitute a separate engagement subject to our approval, which must first be secured in writing. Inclusion of the audited financial statements in any document should be done only with prior approval of the document. You are responsible for providing us with the opportunity to review such document before issuance. The approval and review requirement shall not apply to disclosure of the audited financial statements as required by law.

VII. TAX SERVICES

We will review the following **National Rifle Association of America and Affiliates** tax and information returns. If there are other returns you expect us to review not listed below, please inform us as soon as possible.

- National Rifle Association of America Form 990, Form 990-T, and State Return
- The NRA Foundation, Inc. Form 990
- NRA Civil Rights Defense Fund Form 990
- NRA Special Contribution Fund Form 990, Form 990-T, and State Return
- NRA Freedom Action Foundation Form 990

It is possible that the Organization may be required to file other returns in additional jurisdictions. For example, if you had a taxable presence in a state not listed above (e.g., an employee working, revenue derived from, or tangible property owned or rented, within a state), the Organization may be subject to state income or franchise tax in that state, depending on the particular facts. Ultimately, **National Rifle Association of America and Affiliates** is responsible for meeting its filing requirements, and Aronson LLC is responsible only for assisting in the review of the returns listed above unless you notify us of such circumstances and we agree to expand the scope of this engagement to cover such additional returns as may be required. It is important to us that you file all required returns, and we are available, of course, for consultation regarding your filing responsibilities.

These returns will be reviewed from information you will furnish us. Except in the context of the services outlined above for the sole purpose of issuing an opinion regarding your financial statements, we will not audit, or otherwise verify, any information you provide unless we both agree in writing to such additional procedures.

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We are not responsible for detecting defalcation, irregularities, fraud or errors perpetrated or caused by others, should any exist. Nor are we responsible for any internal control deficiencies or supervision of your employees, if applicable.

This engagement does not include any services not specifically stated in this letter. However, at your written request we would be pleased to consult with you about other tax matters, such as assistance with Internal Revenue Service or state notices and examinations, proposed or completed transactions, tax projections and research in connection with such matters. We will render additional invoices for such services at our standard billing rates and such additional services are subject to the terms and conditions of this Agreement.

Aronson's services under this Agreement are subject to and will be performed in accordance with Treasury Department Circular 230, the American Institute of Certified Public Accountants (AICPA) and other professional standards applicable to tax services. We disclaim all other warranties, either express or implied.

Aronson will perform these services on the basis of the information you have provided and in consideration of the applicable tax laws, regulations and associated interpretations as of the date the services are provided. Tax laws and regulations and/or their interpretation are subject to change at any time, and such changes may be retroactive in effect and may be applicable to advice given or other services rendered before their effective dates. Aronson has no responsibility or liability for such changes occurring after the completion date of this engagement.

You acknowledge and agree that any advice, recommendations, information or work product provided by Aronson in connection with this engagement is for your sole use and may not be relied upon by any third party. Aronson has no liability or responsibility to any third parties as a result of this engagement and you agree to fully indemnify Aronson for any claim arising out of such reliance.

It is your responsibility to provide all the information required for complete and accurate returns. You should retain all the documents, canceled checks and other data that form the basis of your returns. These may be necessary to prove the accuracy and completeness of your returns to a taxing authority. Inaccuracy, incompleteness, or tardiness in the delivery of information to Aronson could have a material effect on your tax returns and the fee for services.

We understand that you are the person responsible for the tax matters of **National Rifle Association of America and Affiliates**. You have final responsibility for the returns and, therefore, you should review the returns carefully before you sign and file them. You are also responsible for timely filing of your returns and timely payment of any amounts due. To this extent, you agree to file, unaltered and with appropriate disclosure, the tax returns as reviewed by Aronson. You agree that Aronson assumes no responsibility and has no liability for any returns filed by you with the taxing jurisdiction. You are responsible for the timely filing of the returns.

If an extension of time is required, any tax that may be due with your returns must be paid with that extension. Any amounts not paid by the filing deadline are subject to interest and late payment penalties.

The Internal Revenue Code and regulations impose preparation and disclosure standards with noncompliance penalties on both the preparer of a tax return and on the taxpayer. Aronson will not be the paid preparer of your tax returns, as the NRA will have self-prepared returns which Aronson will review. To avoid exposure to these penalties, it may be necessary in some cases to make certain disclosures to you and/or in the tax return concerning positions taken on the return that do not meet these standards. Accordingly, we will advise you if we identify such a situation, and we will discuss those tax positions that may increase the risk of exposure to

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penalties and any recommended disclosures before completing the preparation of the return. If we conclude that the NRA is obligated to disclose a position and you refuse to permit disclosure, we reserve the right to withdraw from the engagement. Likewise, where we disagree about the obligation to disclose a position, you also have a right to choose another professional to review your return. In either event, you agree to compensate us for our services to the date of the withdrawal. Our engagement with you will terminate upon our withdrawal.

While assisting in reviewing your returns, we will inform you of any material tax positions of which we are aware that, in our judgment, do not meet required statutory or regulatory thresholds. An undisclosed tax return position must have at least "substantial authority" (estimated to be approximately a 40% or greater likelihood of success if challenged by the IRS), and a disclosed tax position must have at least a "reasonable basis" (estimated to be approximately a 20% or greater likelihood of success if challenged by the IRS, so long as no "listed transaction" or "principal purpose transaction" is involved). You agree to inform us of any tax positions of which you are aware that would not meet these thresholds, and we reserve the right to stop work if the return cannot be completed in conformity with these standards.

You agree to assume full responsibility for the substantive outcomes of the services described above, including any findings that may result. You also acknowledge that the services described above are adequate for your purposes and that you will establish and monitor the performance of these services to ensure that they meet management's objectives. Any and all decisions involving management functions related to these services will be made by you, and you accept full responsibility for such decisions. We understand that you have designated a management-level individual to be responsible and accountable for overseeing the performance of these services and that you have determined this individual is qualified to conduct such oversight.

US Treasury Regulations require taxpayers to disclose any tax strategy or transaction that the IRS identifies as: 1) a Listed Transaction; 2) substantially similar to a Listed Transaction; or 3) any other Reportable Transaction. In addition, certain states have similar disclosure requirements. Noncompliance with these rules may result in significant penalties. You agree to inform Aronson of participation in any such transactions. The law provides significant penalties for failure to adequately disclose certain transactions designated as "reportable." A description of these transactions will be provided to you if requested. Alternatively the list is available on our website. Unless otherwise notified in writing, we will review your returns with the assumption you have not engaged in any reportable transaction.

The law provides other penalties that may be imposed when taxpayers understate their tax liability or fail to timely file or pay. Additionally, you are required to maintain and retain adequate documentation to support the tax returns as filed as penalties can be imposed by taxing authorities for the failure to produce adequate documentation supporting the items included in a tax return. Aronson has no responsibility or liability for your failure to maintain adequate documentation. If you would like information on the amount or the circumstances of these penalties, please contact us.

Most tax returns require signatures, under penalty of perjury, by the taxpayer or an officer of the taxpayer affirming that the tax returns and the accompanying schedules and statements are true, correct, and complete to the best of his or her knowledge. You are responsible for understanding and agreeing with the various amounts, computations, and statements made in the tax returns and accept responsibility for the results of the tax services rendered. Aronson's services may include advice and recommendations, but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, you. Aronson will not perform any management functions or make management decisions for you in connection with this engagement.

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Certain communications involving tax advice may be privileged and not subject to disclosure to the IRS. By disclosing the contents of those communications to anyone, or by turning over information about those communications to the government, you, your employees, or agents may be waiving this privilege. To protect this right to privileged communication, please consult with us or your attorney prior to disclosing any information about our tax advice. Should you decide it is appropriate for us to disclose any potentially privileged communication, you agree to provide us with written, advance authority to make that disclosure.

Should we receive any request for the disclosure of privileged information from any third party, including a subpoena or IRS summons, we will notify you. In the event you direct us not to make the disclosure, you agree to hold us harmless from any expenses incurred in defending the privilege, including, by way of illustration only, our attorney's fees, court costs, outside adviser's costs, or penalties or fines imposed as a result of your asserting the privilege or your direction to us to assert the privilege.

The returns may be selected for review by the taxing authorities. In the event of an audit, you may be requested to produce documents, records, or other evidence to substantiate the items of income and deduction shown on a tax return. Any proposed adjustments by the examining agent are subject to certain rights of appeal. In the event of a tax examination, we will be available upon request to represent you and will render additional invoices for the time and charges incurred.

VIII. ENGAGEMENT FEES

Our fees are based upon the time required for the services at our regular hourly rates, which range from \$150 to \$600, depending upon the level of the individuals providing services. We estimate that our fees for the audit and other services, other than specific audit procedures that will be performed to address the New York and District of Columbia Attorney Generals' lawsuit, will be:

- Consolidated National Rifle Association of America and Affiliates Report - \$20,500
- Audit of National Rifle Association of America - \$125,000
- Audit of The NRA Foundation, Inc. - \$50,000
- Audit of NRA Civil Rights Defense Fund - \$15,500
- Audit of NRA Special Contribution Fund - \$20,000
- Audit of NRA Freedom Action Foundation - \$15,000
- Audit of NRA Political Victory Fund - \$12,000

We estimate that our fees for the review of the information and tax returns will be:

- National Rifle Association of America Form 990, Form 990-T, and State Return - \$6,000
- The NRA Foundation, Inc. Form 990 - \$3,000
- NRA Civil Rights Defense Fund Form 990 - \$2,500

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- NRA Special Contribution Fund Form 990, Form 990-T, and State Return - \$2,500
- NRA Freedom Action Foundation Form 990 - \$1,500

You will also be billed for out-of-area travel incurred during the course of the engagement. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

You will be billed additional fees at our standard hourly rates for specific audit procedures that will be performed to address the New York and District of Columbia Attorney Generals' lawsuit.

Our invoices for these fees will be rendered each month as work progresses and are payable within 30 days from the invoice date. If you fail to pay by the due date, interest will accrue on your invoices at the rate of twelve percent (12%) per annum. If you fail to pay your invoices when they are due, and your invoices are referred to an attorney for collection, you will be responsible for reasonable attorney's fees and court costs.

Our professional fee and out-of-pocket expense estimates are based on the following assumptions:

- (1) No unexpected circumstances will be encountered in the course of the engagement.
- (2) We will have the full cooperation of your personnel.
- (3) All of the "PBC" items will be properly completed and provided to us at the start of the scheduled audit fieldwork. If not, you will be charged an additional fee of 10-20% of the stated audit fee, depending on the significance of the "PBC" items that are not complete and ready.
- (4) If the "PBC" items are not ready at the start of scheduled audit fieldwork and it is necessary to reschedule the audit, you will be charged an additional rescheduling fee of up to 10% of the stated audit fee. In addition, the rescheduled audit timing will be based on staff availability.

Furthermore, this fee quote assumes issuance of our report shortly after completion of fieldwork. To the extent this is not accomplished as a result of factors outside our control, such as untimely review of document draft, untimely presentation of the signed management representation letter (untimely being more than two business days after delivery of the draft) or lack of needed third party evidence such as confirmations or bank waivers, we will bill you for the additional time required to update our procedures to a later report date. The cost of these procedures will be billed at our hourly rates.

In accordance with our firm policies, work may be suspended if your account becomes overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not issued our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

IX. STANDARD BUSINESS TERMS

a. Original Records: At the conclusion of the engagement, we will return to you all original records you supplied to us. Your Organization records are the primary records for your operations and comprise the backup

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and support for your financial reports and tax returns. Our records and files, including engagement documentation, whether kept on paper or electronic media, are our property and are not a substitute for your own records. Our firm policy calls for us to destroy our engagement files and all pertinent engagement documentation after a retention period of seven years (or longer, if required by law or regulation), after which time these items will no longer be available. We are under no obligation to notify you that our records relating to your Organization are to be destroyed. We reserve the right to modify the retention period without notifying you. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention period.

b. Deliverables: Unless specified in the Engagement Letter, materials specifically prepared by Aronson for the Organization as a deliverable under an Engagement Letter may, when fully paid for by the Organization, be used, copied, and distributed internally by the Organization, but solely for its internal business purposes.

Unless contemplated by the Engagement Letter or required by law, the Organization shall not, without Aronson's prior written consent, disclose to a third party, publicly quote or make reference to the Deliverables.

The documentation for this engagement, including the workpapers, is not part of the Deliverables, is the property of Aronson and constitutes confidential information. We may have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. If we are required by law, regulation or professional standards to make certain documentation available to Regulators, the Organization hereby authorizes us to do so, subject to the same notice and cooperation provisions as set forth in subsection IX(e) below.

You agree that you will not modify the deliverables for or for distribution to third parties. You also understand that we may on occasion send you documents marked as draft and understand that those are for your review purpose only, should not be distributed in any way and should be destroyed as soon as possible.

c. Standards of Performance: Aronson shall perform its Services (which term, as used in this Section IV, includes both audit/attest services and other non-attest services) in conformity with the terms expressly set forth in this Agreement, including all applicable professional standards. Accordingly, our Services shall be evaluated on our substantial conformance with such terms and standards. Any claim of nonconformance (and applicability of such standards) must be proven by clear and convincing evidence. The Organization acknowledges that the Services will involve the participation and cooperation of management and others of the Organization. Unless required by professional standards, the Engagement Letter, or the Organization and Aronson otherwise agree in writing, Aronson shall have no responsibility to update any of its work after its completion

d. Warranty: Each party represents and warrants to the other that it has full power and authority to enter into and perform this Agreement and any Engagement Letter entered into pursuant hereto and the person signing this Agreement or such Engagement Letter on behalf of each party hereto has been properly authorized and empowered to enter into this Agreement.

Aronson will perform its services within applicable professional standards. We expressly disclaim, all warranties, express, implied or otherwise, including without limitation any implied warranties of merchantability or fitness for a particular purpose. We cannot and do not warrant computer hardware, software or services provided by other parties.

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e. Limitation on Damages and Indemnification: The liability (including attorney's fees and all other costs) of Aronson and its present or former partners, principals, agents or employees related to any claim for damages relating to the services performed under this Agreement shall not exceed three times the fees paid to Aronson for the portion of the work to which the claim relates.

The limitations of liability and damages in this Section apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including the negligence of either party.

Additionally, in no event shall either party be liable for any lost profits, lost business opportunity, lost data, consequential, special, incidental, exemplary or punitive damages arising out of or related to this Agreement.

As Aronson is performing the Services solely for the benefit of the Organization, the Organization will indemnify Aronson, its subsidiaries and their present or former partners, principals, employees, officers and agents against all costs, fees, expenses, damages and liabilities (including attorneys' fees and all defense costs) associated with any claim of any type by any third-party (meaning any person or entity other than the Organization), based, in whole or in part, upon our failure to detect material misstatements in the Organization's financial statements, that relates to or is caused in whole or in part by false or misleading documentation provided to us, or mis-representations made to us, or knowing non-disclosure or concealment from us of fraud or information known to be related to the performance of our Services, by any member of the Organization's management or agents, or from intercompany fraud.

In the event Aronson is requested by the Organization; or required by government regulation, subpoena, or other legal process to produce its engagement working papers or its personnel as witnesses with respect to its Services rendered for the Organization, so long as Aronson is not a party to the proceeding in which the information is sought, the Organization will reimburse Aronson for its professional time and expenses, as well as the fees and legal expenses, incurred in responding to such a request.

Because of the importance of the information that Aronson requests from the Organization and that the Organization provides to Aronson with respect to Aronson's ability to perform the Services, the Organization hereby releases Aronson and its present and former partners, principals, agents and employees from any liability, damages, fees, expenses and costs, including attorney fees, relating to the Services, that arise from or relate to any information, including but not limited to representations by management, requested from or provided by the Organization, its personnel or agents, that is not complete, accurate or current.

The liability and remedy limitations in this Agreement are materially bargained for bases of this Agreement and that they have been taken into account and reflected in determining the consideration to be given by each party under this Agreement and in the decision by each party to enter into this Agreement.

The Organization accepts and acknowledges that any legal proceedings arising from or in connection with the services provided under this Agreement must be commenced within twelve (12) months after the performance of the Services for which the action is brought, without consideration as to the time of discovery of any claim.

As a result of our services to you, we may be required or requested to provide information or documents to you or a third-party in connection with governmental regulations or activities, or a legal, arbitration or administrative proceeding (including a grand jury investigation), in which we are not a party. Aronson shall notify you immediately of any such request or demand. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery, and Aronson will reasonably cooperate with such action. If you take no action within the time permitted for us to respond

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or if your action does not result in a judicial order protecting us from supplying requested information, we will construe your inaction or failure as consent to comply with the request. Our efforts in complying with such requests or demands, subject to the notice and cooperation provisions of this paragraph, will be deemed a part of this engagement and we shall be entitled to additional compensation for our time and reimbursements for our out-of-pocket expenditures (including legal fees) in complying with such request or demand.

Notwithstanding anything to the contrary in this Agreement, any duties of the NRA to disclose information and/or any rights that may accrue to Aronson in regard to the NRA's failure to disclose information, shall not apply to confidential, privileged (including, but not limited to, attorney-client privileged and attorney work product) or information prohibited by a court from disclosure.

Notwithstanding anything to the contrary in this Agreement, the terms of this Subsection (e) shall not apply to the extent damages are actually caused by the fraudulent or willful misconduct of Aronson.

f. Personnel: We have a significant investment in the training and development of our accountants; they are valued employees of Aronson LLC. If you should hire one of our accountants either during the audit or within one year after completion of this engagement, you agree to pay a personnel placement fee of ½ of the employee's salary at the time the offer is made to compensate Aronson LLC. Any offer of employment to members of the audit team prior to issuance of our report may impair our independence and may result in our inability to complete the engagement and issue a report.

g. Termination: This Agreement may be terminated by either party, with or without cause, upon thirty (30) days' written notice. In such event, we will stop providing services hereunder except on work, mutually agreed upon in writing, necessary to carry out such termination. In the event of termination; (a) you shall pay us for Services provided and expenses incurred through the effective date of termination, (b) we will provide you with all finished reports that we have prepared pursuant to this Agreement, (c) neither party shall be liable to the other for any damages that occur as a result of our ceasing to render services, and (d) we will require any new accounting firm that you may retain to execute a letter satisfactory to Aronson LLC pursuant to AU-C Section 510, Opening Balances, if applicable.

The Organization shall pay Aronson for all Services rendered and expenses incurred as of the date of termination, and shall reimburse Aronson for all reasonable costs associated with any termination.

Any rights and duties of the parties that by their nature extend beyond the expiration or termination of this Agreement, including but not limited to, limitation of liability, ownership of work product, and survival of obligations, any accrued rights to payment and remedies for breach of this Agreement shall survive the expiration or termination of this Agreement or any Engagement Letter.

h. Dispute Resolution: In the unlikely event that differences concerning the Services or fees should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by engaging in mediation administered by the American Arbitration Association under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute-resolution procedure. Each party shall bear their own expenses from mediation and the fees and expenses of the mediator shall be shared equally by the parties.

If the dispute is not resolved by mediation, then the parties agree that the dispute or claim shall be settled by binding arbitration. The arbitration proceeding shall take place in the Washington, DC metropolitan area, unless the parties mutually agree to a different location. The proceeding shall be governed by the provisions of the

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Federal Arbitration Act (“FAA”) and will proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the AAA, except that no pre-hearing discovery shall be permitted unless specifically authorized by the arbitrator. The arbitrator will be selected from AAA, JAMS, the Center for Public Resources, or any other internationally or nationally-recognized organization mutually agreed upon by the parties. If the parties cannot agree on the arbitration organization from which to draw the arbitrator, then they shall use AAA. Potential arbitrator names will be exchanged within 15 days of the parties’ agreement to settle the dispute or claim by binding arbitration, and arbitration will thereafter proceed expeditiously. The arbitration will be conducted before a single arbitrator, experienced in accounting and auditing matters. The arbitrator shall have no authority to award non-monetary or equitable relief and will not have the right to award punitive damages. The award of the arbitration shall be in writing and shall be accompanied by a well reasoned opinion. The award issued by the arbitrator may be confirmed in a judgment by any federal or state court of competent jurisdiction. Each party shall be responsible for their own costs associated with the arbitration, except that the costs of the arbitrator shall be equally divided by the parties. The arbitration proceeding and all information disclosed during the arbitration shall be maintained as confidential, except as may be required for disclosure to professional or regulatory bodies, in litigation to enforce an arbitration award, or in a related confidential arbitration. In no event shall a demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim would be barred under the applicable statute of limitations.

The alternative dispute resolution proceedings articulated in this Subsection shall not apply to claims with a value of \$25,000 or less or to actions to enforce payment of our professional invoices.

THE PARTIES WAIVE THEIR RIGHT TO A JURY TRIAL IN CONNECTION WITH ANY DISPUTE RELATED TO THIS AGREEMENT, IN ANY MANNER. Any litigation or arbitration arising out of this engagement, except actions by us to enforce payment of our professional invoices, must be asserted within one year from the date any such cause of action accrues, notwithstanding any statutory provision to the contrary.

This Agreement shall be governed by the laws of the State of Maryland, without giving effect to any conflicts of laws and principles.

i. Miscellaneous: In the event that any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable because it is invalid or in conflict with any law of any relevant jurisdiction, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement or such Engagement Letter did not contain the particular provisions held to be unenforceable. The unenforceable provisions shall be replaced by mutually acceptable provisions which, being valid, legal and enforceable, come closest to the intention of the parties underlying the invalid or unenforceable provision. If the Services should become subject to the independence rules of the U.S. Securities and Exchange Commission, or another applicable regulatory body, with respect to the Organization, such that any provision of this Agreement would impair Aronson’s independence under its rules, such provision(s) shall be of no effect.

Neither this Agreement nor any rights or licenses granted hereunder may be assigned, delegated or subcontracted by either party without the written consent of the other party. Either party may assign and transfer this Agreement to any successor that acquires all or substantially all of the business or assets of such party by way of merger, consolidation, other business reorganization, or the sale of interests or assets, provided that the party notifies the other party in writing of such assignment and the successor agrees in writing to be bound by the terms and conditions of this Agreement.

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The parties are independent contractors. Nothing herein shall be deemed to constitute either party as the representative, agent, partner or joint venture of the other.

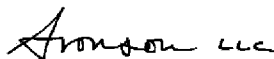
The failure of either party at any time to enforce any of the provisions of this Agreement will in no way be construed as a waiver of such provisions and will not affect the right of the party thereafter to enforce each and every provision thereof in accordance with its terms.

The Organization acknowledges that: (i) Aronson and the Organization may correspond or convey documentation via Internet e-mail unless the Organization expressly requests otherwise, (ii) neither party has control over the performance, reliability, availability, or security of Internet e-mail, and (iii) Aronson shall not be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption, or alteration of any Internet e-mail.

Except to the extent expressly provided to the contrary, no third-party beneficiaries are intended under this Agreement.

We appreciate the opportunity to be of service to you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign a copy and return it to us.

Sincerely,

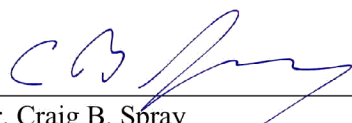


ARONSON LLC

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RESPONSE:

This letter correctly sets forth the understanding of **National Rifle Association of America and Affiliates**.



Mr. Craig B. Spray

NRA CFO & Treasurer

10/29/2020

Date



Mr. Charles L. Cotton

Audit Committee Chair

10/29/2020

Date

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EXHIBIT 1 TO ENGAGEMENT LETTER

This attachment is intended to communicate certain matters related to the planned scope and conduct of our audit of the financial statements described in the accompanying engagement agreement.

Communication

Effective two-way communication between our audit team and those charged with governance (herein referred to as “you” or “your”) is important to understanding matters related to the audit and in developing a constructive working relationship.

We will discuss with you your oversight of the effectiveness of internal control and any areas where you request additional procedures to be undertaken. We expect that you will timely communicate with us any matters you consider relevant to the audit. Such matters might include information that may significantly affect the nature, timing, and extent of audit procedures, your suspicion or detection of fraud, or any concerns you may have about the integrity or competence of your senior management.

We will timely communicate to you any fraud involving senior management and other fraud that causes a material misstatement of the financial statements, illegal acts that come to our attention (unless they are clearly inconsequential), and disagreements with management and other serious difficulties encountered in performing the audit. We will also communicate to you (and to management) any significant deficiencies or material weaknesses in internal control that become known to us during the course of the audit. Other matters arising from the audit that are, in our professional judgment, significant and relevant to you in your oversight of the financial reporting process will be communicated to you in writing after the audit.

Although we are responsible for communicating specific matters in accordance with the accompanying engagement agreement and this exhibit, management also has responsibility to communicate matters of governance interest to those charged with governance. Communication by us does not relieve management of this responsibility. Similarly, management’s communication to those charged with governance does not relieve us of the responsibility to also communicate them; however, communication of those matters by management may affect the form or timing of our communication. Clear communication of specific matters required to be communicated under generally accepted auditing standards (GAAS) is an integral part of every audit; however, GAAS do not require the auditor to perform procedures specifically to identify other significant matters to communicate with those charged with governance.

Independence

Our independence policies and procedures are designed to provide reasonable assurance that our firm and its personnel comply with applicable professional independence standards. Our policies address financial interests, business and family relationships, and non-audit services that may be thought to bear on independence. We are not aware of any circumstances that have impaired our independence with respect to our engagement as described in the accompanying engagement agreement.

The Audit Planning Process

Our audit approach places a strong emphasis on obtaining an understanding of how your organization functions. This enables us to identify key audit components and tailor our procedures to the unique aspects of your organization.

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We will obtain an understanding of internal control to assess the impact of internal control on determining the nature, timing and extent of audit procedures, and we will establish an overall materiality limit for audit purposes. We will conduct formal discussions among engagement team members to consider how and where your financial statements might be susceptible to material misstatement due to fraud or error. We will use this knowledge and understanding, together with other factors, to first assess the risk that errors or fraud might cause a material misstatement at the financial statement level. The assessment of the risks of material misstatement at the financial statement level provides us with parameters within which to design the audit procedures for specific account balances and classes of transactions. Our risk assessment process at the account-balance or class-of-transactions level consists of:

- An assessment of inherent risk (the susceptibility of an assertion relating to an account balance or class of transactions to a material misstatement, assuming there are no related controls); and
- An evaluation of the design effectiveness of internal control over financial reporting and our assessment of control risk (the risk that a material misstatement could occur in an assertion and not be prevented or detected on a timely basis by the organization's internal control).

We will then determine the nature, timing and extent of test of controls and substantive procedures necessary given the risks identified and the controls as we understand them.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Our review and understanding of the organization's internal control is not undertaken for the purpose of expressing an opinion on the effectiveness of internal control. Management is responsible for designing and maintaining an effective internal control environment.

The Concept of Materiality in Planning and Executing the Audit

In planning the audit, the materiality limit is viewed as the maximum aggregate amount of pretax misstatements, which if detected and not corrected, would cause us to modify our opinion on the financial statements. The materiality limit is an allowance not only for misstatements that will be detected and not corrected but also for misstatements that may not be detected by the audit. Our assessment of materiality throughout the audit will be based on both quantitative and qualitative considerations. Because of the interaction of quantitative and qualitative considerations, misstatements of a relatively small amount could have a material effect on the current financial statements as well as financial statements of future periods. At the end of the audit, we will inform you of all individual unrecorded misstatements aggregated by us in connection with our evaluation of our audit test results.

citrix | RightSignature

SIGNATURE
CERTIFICATEREFERENCE NUMBER
FBE22179-FE2D-4BC0-ADEB-47782FEDF058

TRANSACTION DETAILS

Reference Number
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10/29/2020 16:53 EDT**Identity Method**
email**Distribution Method**
email**Signed Checksum**
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Enabled**Document Passcode**
Disabled

DOCUMENT DETAILS

Document Name
National Rifle Association Of America And Affiliates - Aronson Llc Engagement Letter**Filename**
national_rifle_association_of_america_and_affiliates_-_aronson_llc_engagement_letter.pdf**Pages**
18 pages**Content Type**
application/pdf**File Size**
585 KB**Original Checksum**

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SIGNERS

SIGNER

Name
Charles L. Cotton
Email
charles@cottonfamily.com**Signer Sequence**
1**Components**
2

E-SIGNATURE

Status
signed**Multi-factor Digital Fingerprint Checksum**
5a214cd70392c9f313b113018be4bccc67b9e9d5e73256cfff8102f8a38cd02a9**IP Address**
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Firefox via Windows**Typed Signature***Chas. L. Cotton***Signature Reference ID**
F1E8D64D

EVENTS

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AUDITS

TIMESTAMP

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10/29/2020 15:26 EDT

10/29/2020 15:26 EDT

10/29/2020 15:26 EDT

10/29/2020 16:52 EDT

AUDIT

Angelina Tracey (atracey@aronsonllc.com) created document 'national_rifle_association_of_america_and_affiliates_-_aronson_llc_engagement_letter.pdf' on Chrome via Windows from 74.96.77.68.

Craig B. Spray (cspray@nrahq.org) was emailed a link to sign.

Craig B. Spray (cspray@nrahq.org) viewed the document on Mobile Safari via iOS from 166.216.159.86.

Craig B. Spray (cspray@nrahq.org) authenticated via email on Mobile Safari via iOS from 166.216.159.86.

Craig B. Spray (cspray@nrahq.org) signed the document on Mobile Safari via iOS from 166.216.159.86.

Charles L. Cotton (charles@cottonfamily.com) was emailed a link to sign.

Charles L. Cotton (charles@cottonfamily.com) viewed the document on Firefox via Windows from 73.155.168.163.

TIMESTAMP

10/29/2020 16:53 EDT

10/29/2020 16:53 EDT

AUDIT

Charles L. Cotton (charles@cottonfamily.com) authenticated via email on Firefox via Windows from 73.155.168.163.

Charles L. Cotton (charles@cottonfamily.com) signed the document on Firefox via Windows from 73.155.168.163.

EXHIBIT B

NYAG v. National Rifle Association of America et al., Index No. 451625/2020

Categorical Privilege Log of Documents Withheld by Aronson Pursuant to the Direction of the National Rifle Association of America on Privilege Grounds¹

March 21, 2022

CategoryNo.	Date Range	Document Type	Sender(s)/ Recipient(s)/ Copyee(s)	Category Description	Privilege Justification ²	Documents Withheld
1	Oct. 8, 2020 – Sep. 16, 2021.	Email, PDF,hard copy documents, electronic documents.	Attorneys: In-house and outside counsel for the NRA, including but not limited to John Frazer, Sarah Gervase, Bill Brewer, Sarah Rogers, Don Lan. Troutman Sanders. Client: The National RifleAssociation of America, including but not limited to John Frazer, Sonya Rowling, Craig Spray, Rick Tedrick, and AngelaSt. Onge.	Materials revealing substance ofattorney work product, trial preparation materials, and confidential communications between and among attorneys, client, and/or Aronson as adviser (1) providing legal advice; and/or (2) providing or requesting information to inform such advicepredominantly but not necessarilyexclusively in connection with the preparation of the NRA’s regulatory/tax filings. Information shared by the NRA with Aronson on a confidential basis pursuant to contractual confidentiality undertaking/obligation.	Attorney-Client PrivilegeAttorney Work Product Trial Preparation	12

¹ This categorical privilege log applies to documents that the Association instructed Aronson to withhold on grounds of privileges belonging to the NRA and/or its counsel for all documents teed up by Aronson for production and sent to the Association’s counsel on or before February 23, 2022. Please note that documents have been produced that contain redactions. To the extent the redactions are for privileges, as opposed to First Amendment, confidentiality, or PII, they fall into one of the categories listed herein. The NRA is available to provide information about specific redactions upon request.

² The documents are privileged under the attorney-client, work product, trial preparation and / or common interest privileges, and/or a combination of such privileges depending onthe individual document, email, or thread. No waiver of privileges occurred by including Aronson in or sharing these communications with Aronson because it was done in a confidential setting pursuant to an undertaking to maintain materials confidential and with the reasonable understanding that materials would be kept confidential. Moreover, the information was not shared in a manner that would make it more likely for the adversary to acquire them. Separately, on non-waiver of attorney-client privilege in this context, *see, e.g., Ross v. UKI, Ltd.*, 2003 WL 22319573 (S.D.N.Y. Oct. 9, 2003) and *U.S. v. Kovel*, 296 F.2d 918 (2d Cir. 1961). The inclusion of Aronson in the communications was necessary to enable efficient and informed advice to the NRA and/or enable Aronson’s work. Witnesses will testify that they understood these communications to be in furtherance of legal advice and confidential. The Authority provided by the New York State Office of the Attorney General on February 7, 2022 is factually inapposite and does not preclude the invocation of privileges herein.

CategoryNo.	Date Range	Document Type	Sender(s)/ Recipient(s)/ Copyee(s)	Category Description	Privilege Justification ²	Documents Withheld
2	Sep. 17, 2019 – Oct. 19, 2021.	Email, PDF,hard copy documents, electronic documents.	Attorneys: In-house and outside counsel for the NRA, including but not limitedto Sarah Gervase and Brewer, Attorneys & Counselors. Client: The National Rifle Association of America, including but not limited to John Frazer, Sonya Rowling, Craig Spray, Rick Tedrick, Michael Erstling, Portia Padilla, Tyler Schropp, and Angela St. Onge.	Materials revealing substance of attorney work product, trial preparation materials, and confidential communications between and among attorneys andclient (1) providing legal advice; and/or (2) providing or requestinginformation to inform such advice predominantly but not necessarilyexclusively in connection with the audit of the NRA’s financial statements. Shared by the NRA with Aronsonon a confidential basis pursuant tocontractual confidentiality undertaking/obligation.	Attorney-Client Privilege Attorney Work Product Trial Preparation	5
3	Jan. 30, 2020	PDF, electronic document.	Attorneys: Outside counsel for the NRA, Brewer, Attorneys& Counselors. Client: The National Rifle Association of America.	Outside counsel’s billing statements revealing substance of confidential attorney-client communications, attorney work product, and trial preparation materials concerning active and pending legal matters, shared bythe NRA with Aronson on a confidential basis pursuant to contractual confidentiality undertaking/obligation.	Attorney-Client PrivilegeAttorney Work Product Trial Preparation	1

CategoryNo.	Date Range	Document Type	Sender(s)/ Recipient(s)/ Copyee(s)	Category Description	Privilege Justification ²	Documents Withheld
4	Mar. 6, 2021.	Email, PDF, electronic documents.	Client: The National Rifle Association of America, including Sonya Rowling, Rick Tedrick, and Portia Padilla.	Materials gathered at the request of the NRA’s bankruptcy counsel in support of the NRA’s application before the Bankruptcy Court for permission to pay Aronson in the ordinary course of business. ³	Attorney-client privilege Attorney Work Product Trial Preparation Common Interest	5

³ The documents in this category include multi-email threads that consist of communications over which the NRA claims asserted privileges. The NRA has no objection to Aronson producing the emails within this category exclusively between individuals from Aronson (as long as the understanding emails revealing materials protected by NRA privileges are redacted), although the NRA anticipates that for the reasons set forth in the certification Aronson will assert the same privilege over these documents.

EXHIBIT C

From: St. Onge, Angela <AStOnge@nrahq.org>
Sent: Thursday, January 30, 2020 1:31 PM
To: Jesse Shaffer
Cc: Karl Spanbauer
Subject: RE: Cash Disbursements during Jan for NRA
Attachments: SKM_C45820013013042.pdf; SKM_C45820013013030.pdf; Global New Beginnings.pdf

EXTERNAL EMAIL

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender, recognize their email address, and know the content is safe.

Jesse,

Attached are the invoices for the items listed below.

Thanks,
Angie

From: Jesse Shaffer [mailto:JShaffer@aronsonllc.com]
Sent: Thursday, January 30, 2020 12:53 PM
To: St. Onge, Angela <AStOnge@nrahq.org>
Cc: Karl Spanbauer <KSpanbauer@aronsonllc.com>
Subject: Cash Disbursements during Jan for NRA

Hello Angela,

Could you provide the invoices for the following January 2020 disbursement? We do not need the checks, only the invoices for the following selections:

668831	1/2/2020	10006816	529239	30920	1,173,150.00	GLOBAL NEW BEGINNINGS INC
669412	1/9/2020	12080	531617	PENSION	938,325.00	FIDELITY INVESTMENTS
				CONTRIB		
670228	1/23/2020	10017904	532517	61826	1,097,780.36	BREWER ATTORNEYS & COUNSELORS

You may either upload those invoices to Sharefile task #91 or you can email those back to me. Thank you for the help!

Jesse Shaffer

Associate, Assurance Services

Aronson LLC

Expanding What's Possible

111 Rockville Pike, Suite 600 | Rockville, MD 20850

*****We have moved effective December 2nd. New address is above.***

Direct Line: 240.630.0858

Visit our website: www.aronsonllc.com

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