

# EXHIBIT “5”

**To:** Powell, Josh[JPowell@nrahq.org]  
**Cc:** Frazer, John  
**From:** McCormick, Stephen  
**Sent:** 2017-06-12T14:44:01Z  
**Importance:** Normal  
**Subject:** Conflict of Interest Policies  
**Received:** 2017-06-12T14:44:01Z  
[Statement of Corporate Ethics.pdf](#)  
[Conflict of Interest and Related Party Transaction Policy.pdf](#)

Good Morning Mr. Powell,

Attached are the "Conflict of Interest and Related Party Transaction Policy" from the Board Policy Manual and the "Statement of Corporate Ethics" from the NRA Employee Handbook.

Best Regards,

**Stephen McCormick**

Office of the Secretary

National Rifle Association of America

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**NRA**

<b>SUBJECT:</b>	<b>STATEMENT OF CORPORATE ETHICS</b>	<b>EFFECTIVE:</b>	<b>01/01/04</b>
		<b>PAGE NO.:</b>	<b>A-1.03: 1 of 4</b>

**I. STATEMENT OF POLICY**

It is the policy of the National Rifle Association of America to conduct the Association's business in an honest and forthright manner. To this end, NRA employees strive for excellence in their work and for a consistent standard of integrity in their business dealings.

Consistent with this objective is the Association's requirement that all employees comply with applicable bylaws and policies of the association, and all relevant laws and regulations in conducting the association's business. No violation of the spirit or intent of these bylaws, policies, laws and regulations will be tolerated.

To maintain consistent standards of integrity:

1. Association employees shall not become involved in any activity which might influence, be reasonably expected to influence, or give the appearance of influencing their objective business judgment in dealing with others. Employees shall not become involved in conflict of interest situations.
2. No Association employees shall engage in illegal or unethical actions or obtain special favors or consideration from any person or organization.
3. Association employees shall maintain complete and accurate books, records and documentation in accordance with the accounting rules and controls established by the Association.
4. Each officer, director, division director or activity supervisor, shall have responsibility: (a) to insure that these policies are communicated to the employees reporting to them; (b) to clarify and explain said policies when necessary; (c) to monitor compliance therewith, and (d) to report all known (or suspected) violations of said policies to the Executive Vice President of the Association, the Treasurer of the Association, and to other persons whom they designate.

Where a question arises whether a particular anticipated course of business conduct is ethical or legal, the individual contemplating the action or directed to perform the action shall seek advice from the Office of the General Counsel of the Association.

Failure to comply with this policy and any specific implementing policies may result in dismissal from employment or other disciplinary action. Violations of law will be reported to appropriate law enforcement officials.

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## II. Ethical Business Relationships

To ensure that the National Rifle Association of America maintains a reputation for ethical conduct in its business relationships, it is the individual responsibility of each officer or employee to avoid any activity or interest which might tend to discredit him or herself, or the Association. Specific prohibitions are as follows:

Each officer or employee will be free of any investment, association or connection which interferes, or may appear to interfere, with the independent exercise of his or her judgment on behalf of the Association. The fulfillment of this obligation shall include, but not be limited to, the following:

1. No officer or employee may own directly or indirectly, or act as agent or trustee for, any financial interest in any supplier of goods or services to the association, unless such financial interest is in stocks, bonds or other publicly traded securities or a corporation, and the interest comprises less than five percent (5%) of the assets of the corporation.
2. No officer or employee may hold a position of director, officer, employee or agent with any such supplier.
3. No officer or employee may accept personal favors or gratuities from any such supplier with the agreement or understanding, either express or implied, that such officer or employee shall use his or her position, influence or discretion in a manner designed to benefit or reward such supplier in any dealings with the Association.
4. No employee may accept personal favors or gratuities from any supplier with either a retail price or fair-market value in excess of \$100.00 unless, prior to accepting or receiving such personal favor or gratuity, the employee submits a written statement of justification which is approved by the Executive or Director of the employee's division. A copy of the approved justification will be filed with the Human Resources Division.
5. No officer or employee should use, for personal gain, any information which he or she acquires in course of his or her employment.
6. Any employee involved in any situation which may represent a possible conflict of interest is to immediately report same to the Executive Vice President.

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**III Use of and Accounting for Association Funds and Assets**

1. The use of association funds or assets for any unlawful or improper purpose is strictly prohibited.
2. No undisclosed or unrecorded fund or asset of the Association shall be established for any purpose.
3. The appropriate employees of the Association will make and keep books, records, and accounts, in reasonable detail, sufficient to reflect accurately and fairly all financial transactions and the disposition of funds and assets.
4. The appropriate employees of the Association will devise and maintain a system of internal controls sufficient to provide reasonable assurance that:
  - a. Transactions are executed in accordance with management's general or specific authorization;
  - b. Transactions are recorded: 1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and 2) to maintain accountability for funds and assets;
  - c. Access to assets is permitted only in accordance with management's general or specific authorization; and
  - d. The recorded accountability for funds and assets is compared with the existing funds and assets at reasonable intervals and appropriate action is taken with respect to any differences.
5. Periodic compliance reviews shall be the responsibility of the Treasurer of the Association, at the direction of the Audit Committee established by the Board of Directors and the Executive Vice President of the Association. Employees specifically designated by the Treasurer of the Association as having responsibilities involving purchase authorization, control or disbursements of funds, and/or other control of Association assets, will be required to sign an Annual Statement of Corporate Ethics that will be maintained in the individual personnel records in the Human Resources Division.

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**IV Written Statement of Business with the Association**

The Bylaws were amended in Phoenix to require any director, officer, or employee of the Association to disclose any business with the Association in excess of \$2,000 per year. This Bylaw (Article IV, Section 2) reads as follows:

"Any Director, officer, or employee of the Association who is also a member of the governing body of any business, corporate, or other entity (whether as trustee, director, sole-owner, partner, or the like) which does any business with the Association in excess of \$2,000 either within the year or pursuant to any contract or contracts originating within a year shall immediately file a written statement of all such business as to the nature and amount thereof, to the best of his or her knowledge, with the Secretary who shall transmit such statement to the Board of Directors at its next meeting and who shall include all such statements in the Secretary's report at the next Annual Meeting for Members."

I HAVE READ THE FOREGOING AND UNDERSTAND ITS CONTENTS AND AGREE TO THE TERMS THERIN.

\_\_\_\_\_ (Signature)

\_\_\_\_\_ (Name)

\_\_\_\_\_ (Date)

Alternate contacts to report concerns:

Chairperson  
Audit Committee  
(Consult NRA Official Directory for  
contact information)

Executive Director, Human Resources  
NRA – Human Resources  
703/267-1264

General Counsel  
NRA – Office of General Counsel  
703/267-1250

## NATIONAL RIFLE ASSOCIATION OF AMERICA

## Conflict of Interest and Related Party Transaction Policy

## I. PURPOSE

All National Rifle Association of America directors, officers, and staff owe a duty of loyalty to the NRA and must act in good faith and in the NRA's best interests, rather than in their own interests or the interests of another entity or person, and must comply with applicable legal requirements. Those requirements include the proper oversight and approval of "related party transactions" between the NRA and its officers, directors, and employees. The purpose of this Conflict of Interest and Related Party Transaction Policy is to establish procedures for monitoring, reporting, and review of conflicts of interest and related party transactions.

## II. APPLICABILITY

"Related party" means (i) any director, officer, or key employee of the NRA or any affiliate of the NRA; (ii) any relative of any director, officer, or key employee of the NRA or any affiliate of the NRA; or (iii) any entity in which any individual described in (i) and (ii) has a 35 % or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5 %.

"Related party transaction" means any transaction, agreement, or any other arrangement in which a related party has a financial interest and in which the NRA or any affiliate of NRA is a participant.

This policy applies to any person who at any time during the past five years was:

1. A director of the NRA or an "affiliate." An "affiliate" is a person or entity that is directly or indirectly through one or more intermediaries, controlled by, in control of, or under common control with the NRA. Presently this includes the NRA Special Contribution Fund (the Whittington Center), NRA Civil Rights Defense Fund, The NRA Foundation, and NRA Freedom Action Foundation.
2. An officer of the NRA or an affiliate.
3. A "key employee" of the NRA or an affiliate. A "key employee" is an employee who is in a position to exercise substantial influence over the NRA and, other than NRA directors and NRA officers, may include, without limitation, a person who: (i) has authority to control a substantial portion of the NRA's capital expenditures, operating budget or employee compensation, (ii) manages a discrete segment or activity of the NRA that represents a substantial portion of the activities, assets, income or expenses of the NRA (as compared to the NRA as a whole); and (iii) receives annual compensation greater than \$150,000 from the NRA. Persons who qualify as "key employees" of the NRA will be so notified by the NRA.

4. A "relative" of any of the foregoing persons. A "relative" is a (i) spouse, ancestor, child (whether natural or adopted), grandchild, great-grandchild, sibling (whether whole- or half-blood), or domestic partner, or (ii) spouse or domestic partner of a child (whether natural or adopted), grandchild, great-grandchild or sibling (whether whole-blood or half-blood).

5. A "substantial contributor" to the NRA or an affiliate. This is defined as a person who contributed more than 2% of the total contributions received by the NRA or an affiliate within a calendar year. Persons who qualify as "substantial contributors" to the NRA will be so notified by the NRA.

This policy also applies to any entity in which any of the foregoing persons has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.

Any person or entity described in paragraphs 1 to 5 shall be referred to as a "Covered Person."

### III. CONFLICTS OF INTEREST

A conflict of interest arises whenever the interests of the NRA come into conflict with a financial or personal interest of a Covered Person, or otherwise whenever a Covered Person's personal or financial interest could be reasonably viewed as affecting his or her objectivity or independence in fulfilling their duties to the NRA.

While it is not possible to describe or anticipate all the circumstances that might involve a conflict of interest, a conflict of interest *may* arise when a Covered Person, directly or indirectly:

1. Has an interest (financial or otherwise) in a transaction, agreement, or any other arrangement in which the NRA or any affiliate participates.
2. Has a compensation arrangement with the NRA or an affiliate, or other interest in a transaction with the NRA or an affiliate.
3. Has a compensation arrangement or other interest in or affiliation with any entity or individual that: (i) sells goods or services to, or purchases goods or services from, the NRA or an affiliate; (ii) competes with the NRA or an affiliate; or (iii) the NRA or an affiliate has, or is negotiating, or contemplating negotiating, any other transaction or arrangement with.
4. Has the ability to use his or her position, or confidential information or the assets of the NRA or an affiliate, to his or her (or an affiliated party's) personal advantage or for an improper or illegal purpose.
5. Has solicited or accepted any gift, entertainment, or other favor where such gift might create the appearance of influence on the Covered Person (other than gifts of nominal value, which

are clearly tokens of respect and friendship unrelated to any particular transaction. Nominal value is market value of \$250 or less).

6. Has acquired any property or other rights in which the NRA has, or the Covered Person knows or has reason to believe at the time of acquisition that the NRA is likely to have, an interest.
7. Has an opportunity related to the activities of the NRA that is available to the NRA or to the Covered Person, unless the NRA Board of Directors or NRA Audit Committee has made an informed decision that the NRA will not pursue that opportunity.
8. Is indebted to the NRA, other than for amounts due for ordinary travel and expense advances.
9. Is subject to any other circumstance that may, in fact or in appearance, make it difficult for the Covered Person to exercise independent, objective judgment or otherwise effectively perform its duties to the NRA.

#### IV. CONFLICT OF INTEREST DISCLOSURE AND QUESTIONNAIRE

All material facts related to conflicts of interest (including the nature of your interest and information about any proposed transaction or other arrangement) are required to be disclosed in good faith and in writing to the NRA Audit Committee. Contact Thomas R. Tedrick, 703-267-1067, secretary of the NRA Audit Committee. Disclosures should be made in advance, before any action is taken on the matter. Conflict identification and analysis can be difficult and, therefore, you are at all times expected to err on the side of caution and disclose all instances where a conflict of interest or the appearance of a conflict exists, even if you do not believe that there is an actual conflict.

Each current officer and director of the NRA, as well as each candidate for the NRA Board of Directors (prior to his or her initial election), must submit to the Secretary of the NRA at least once per year (and updated as appropriate) a questionnaire prescribed by the Secretary of the NRA asking about potential conflicts of interest to the extent required by law. The Secretary shall provide copies of all completed statements to the Chairman of the NRA Audit Committee.

In addition, this policy shall be distributed annually to each officer, director, and key employee of the NRA.

#### V. REVIEW AND APPROVAL

The NRA Audit Committee will review all transactions that involve potential conflicts of interest and determine whether to approve or ratify such transactions. The NRA Audit Committee may only approve the underlying transaction if it determines that such transaction, under the terms and within the circumstances and conditions presented, is fair, reasonable, and in the best interests of the NRA. In making its determination, the NRA Audit Committee will consider, without limitation:

1. Alternative transactions to the extent available.
2. The NRA's mission and resources.
3. The possibility of creating an appearance of impropriety that might impair the confidence in, or the reputation of, the NRA (even if there is no actual conflict or wrongdoing).
4. Whether the conflict may result in any private inurement, excess benefit transaction, or impermissible private benefit under laws applicable to tax-exempt organizations.

The approval of any transaction that is subject to this policy shall require the approval of at least a majority of the members of the NRA Audit Committee present and voting at the meeting. Persons with an interest in any transaction under review by the NRA Audit Committee are not permitted to be present at or participate in any deliberations or voting by the NRA Audit Committee with respect to the matter giving rise to the potential conflict, and must not attempt to influence improperly the deliberation or voting on such matter. In appropriate circumstances, any such person may be called upon to provide information relevant to the approval of the transaction prior to the commencement of deliberations or voting on the transaction.

Approval is usually not required for (a) de minimis transactions, (b) transactions or activities that are undertaken in the ordinary course of business by NRA staff, (c) benefits provided to a related party solely as a member of a class that the NRA intends to benefit as part of the accomplishment of its mission, (d) transactions related to compensation of employees or reimbursement of reasonable expenses incurred by a related party on behalf of the NRA; or (e) officer compensation pursuant to Article V, Section 6 of the NRA Bylaws.

For purposes of the previous paragraph, a transaction or activity is in the "ordinary course of business" if it is consistent either with the NRA's consistently applied past practices in similar transactions or with common practices in the fields in which the NRA operates. Factors in determining whether a transaction or activity is in the "ordinary course of business" include whether the transaction is customary, normal, and routine; the NRA's longstanding practice of engaging in such transactions; the frequency of similar transactions in the past; the amount of money involved; whether the transaction relates to the main purposes of the NRA; whether the transaction is incidental to officer's or director's role with NRA; and whether the transaction is in good faith and without unjustified favoritism.

In the event the NRA or a Covered Person in error enters into or otherwise participates in a conflict of interest transaction that requires pre-approval by the NRA Audit Committee pursuant to this Policy, such transaction shall promptly upon discovery of such error be presented to the NRA Audit Committee for its review and the NRA Audit Committee shall consider, if appropriate, whether to (i) ratify such transaction, (ii) direct the rescission or modification of the transaction, (iii) take any disciplinary action, or (iv) make changes to the NRA's controls and procedures in connection with such error.

## VI. RECORDS

The minutes of the NRA Audit Committee meeting during which a potential or actual conflict of interest is disclosed or discussed shall be documented contemporaneously with the meeting and reflect the name of the Covered Person, the nature of the conflict, and details of the deliberations of the disinterested directors (such as documents reviewed, any alternatives considered, comparative costs or bids, market value information, and other factors considered in deliberations) and the resolution of the conflict including any ongoing procedures to manage any conflict that was approved. The interested person shall only be informed of the final decision and not of particular directors' positions or how they voted. In addition, certain related party transactions are required to be disclosed in the notes to the NRA's audited financial statements and its annual federal tax filing on Form 990, as well as on various state filings, such as registrations for charitable solicitation.

## VII. COMPLIANCE

If the NRA Audit Committee has reasonable cause to believe that a Covered Person has failed to comply with this policy, it may make such further investigation as may be warranted in the circumstances. If the Audit Committee determines that a Covered Person has failed to comply with this policy, it shall take appropriate action under the NRA Bylaws or applicable law.

## VIII. POLICY ADOPTION AND OVERSIGHT

The NRA Audit Committee is responsible for providing oversight of the adoption and implementation of, and compliance with this policy. Only directors satisfying the definition of "independence" pursuant to applicable law are permitted to participate in any deliberations or voting on matters relating to this policy. An "independent director" is defined to mean a member of the NRA Board of Directors who satisfies the following requirements:

1. Is not, and has not been within the last three years, an employee of the NRA or an affiliate of the NRA, and does not have a relative who is, or has been within the last three years, a key employee of the NRA or an affiliate of the NRA;
2. Has not received and does not have a relative who has received, in any of the last three fiscal years, more than \$10,000 in direct compensation from the NRA or an affiliate of the NRA (not including reasonable compensation or reimbursement for services as a director);
3. Is not a current employee of or does not have a substantial financial interest in, and does not have a relative who is a current officer of or has a substantial financial interest in, any entity that has made payments to or received payments from the NRA or an affiliate of the NRA for property or services in an amount which, in any of the last three fiscal years, exceeds the lesser of: (a) \$25,000 or (b) 2% of such entity's consolidated gross revenue (which payments do not include charitable contributions), unless such payments are for services which the NRA performs as part of its nonprofit purposes, provided that such services are available to individual members of the public on the same terms.

This Conflict of Interest and Related Party Transaction Policy was adopted by the NRA Board of Directors on the \_\_\_\_ day of Jan., 2016.