

KANSAS ATHLETICS INC.
ANNUAL CONFLICT OF INTEREST DISCLOSURE FORM
(form updated September 2015)

This annual disclosure form is circulated to all persons to whom KAI's Conflict of Interest Policy applies to assist them in considering disclosure (see page 3 for KAI's Conflict of Interest Policy adopted 2/7/13). Please understand that the attached policy does not relieve Directors, Officers and Key Employees from the continuing duty to make disclosures at any future time a conflict arises.

Please refer to the attached "DEFINITIONS" page for any term marked with a "*".

1. I recognize that the Conflict of Interest policy of Kansas Athletics (KAI) applies to me because I am (check all that apply):

- _____ a member (Director) of the Board of Directors of KAI
 _____ an Officer* of the Board of Directors of KAI
 _____ a Key Employee* of KAI
 _____ one of the top five highest paid employees of KAI

2. I, or a Family Member* of mine, serves as a Director, Officer*, or Key Employee* of the following organizations (state the organization and your and/or your family member's position with that organization):

3. I, or a Family Member* of mine have at least a 35% ownership interest or investment interest* in the following companies (also indicate the family member and the nature of the relationship):

4. I am aware of a Transaction* (past or present) or contemplated future Transaction between KAI and one of the following: myself, a Family Member* of mine or one of the entities listed in question #2 or #3 above. Details of the Transaction or contemplated Transaction are as follows:

After completing this form, please return the form to the Corporate Counsel of Kansas Athletics, Inc.

Date

This image shows a single sheet of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. The paper has a slight shadow on the right side, suggesting it is resting on a surface.

KANSAS ATHLETICS, INC. CONFLICT OF INTEREST POLICY

(adopted 2/7/13 by Board of Directors)

I. Purpose

The purpose of the Conflict of Interest Policy is to provide a formalized procedure for the disclosure of circumstances which may result in a conflict of interest transaction. This form has been generated to assist Directors, Officers, Key Employees and others in the disclosure of potential conflicts of interest. All Directors, Officers and Key Employees are required to complete the related disclosure form and provide periodic updates to the form as may be necessary. The intent of this Conflict of Interest is not to eliminate any current or future business relationships with Kansas Athletics, but to require disclosure and management of conflicts.

II. Conflict of Interest Policies

The Board of Directors shall adopt and enforce effective conflict of interest policies which will require the **prompt disclosure** of any actual or potential conflict of interest on the part of members of the Board of Directors, Officers, and Key Employees of the Corporation. Such policies shall provide that all members of the Board of Directors, Officers and Key Employees, whose positions might place them in conflict of interest situations, shall be obligated to promptly disclose any such situation and to annually submit a Conflict of Interest Disclosure Statement to the Corporate Counsel of Kansas Athletics for review and submission to the Board of Directors. Periodic updating of the information is also required to be made by members of the Board of Directors, Officers, and Key Employees when such persons become Interested Members or Disqualified Persons by virtue of any change by such person's or Family Member's previously disclosed status. Periodic information should be provided to Corporate Counsel for review and submission to Members of the Board of Directors.

III. Definitions

Corporation means Kansas Athletics, Inc. or its subsidiary, Jayhawk Tennis Center, LLC.

Interested Member means any member of the Board of Directors who has a conflict of interest with respect to a proposed Transaction, which means the member is: (i) a Disqualified Person with respect to the proposed Transaction; (ii) related to any Disqualified Person participating in or economically benefiting from the proposed Transaction; (iii) in an employment relationship subject to the direction or control of any Disqualified Person participating in or economically benefiting from the proposed Transaction; (iv) receiving compensation or other payments subject to approval by any Disqualified Person participating in or economically benefiting from the proposed Transaction; (v) has financial interest affected by the proposed Transaction; (vi) approve a proposed Transaction of any Disqualified Person who in turn has approved or will approve

a transaction providing economic benefit to that member; or (vii) has substantial influence over the affairs of the Corporation. The Board of Directors shall have the authority to determine if any Director is an Interested Member but no Director who is the subject of such determination shall be present during the debate and voting on such determination.

Disqualified Person means with respect to any transaction, any person who is in a position to exercise substantial influence over the affairs of the Corporation or was in such a position at any time during the five-year period ending on the date of the Transaction. The following individuals are deemed to be Disqualified Persons of the Corporation: (i) Directors; (ii) Officers; (iii) Key Employees; (iv) the top five highest compensated persons of the Corporation; (v) Family Members; (vi) entities other than a tax exempt organization of which a current or former Officer, Director, or Key Employee was serving at the time of the Transaction as an Officer, Director, or Key Employee, with an ownership interest in excess of 5%; and (vii) an entity more than 35% owned directly or indirectly, individually or collectively, by one or more current or former Officers, Directors, Key Employees and/or their Family Members.

Family Member means any spouse, brother or sister (whole or half blood), spouse of brother or sister, ancestor, children (natural or adopted), grandchildren, great grandchildren and spouses of children, grandchildren and great grandchildren of any other Disqualified Person.

Key Employee means: (i) any employee who receives reportable compensation from the Corporation and all related organizations in excess of \$150,000 for any calendar year; or (ii) any employee who has the responsibilities, powers, or influence over the Corporation as a whole that is similar to those of Officers, or Directors; or (iii) any employee that manages a discrete segment or activity of the Corporation that represents 10% or more of the activities, assets, income or expenses of the Corporation as compared to the Corporation as a whole; or (iv) any employee who has or shares authority to control or determine 10% or more of the Corporation's capital expenditures, operating budget or compensation for employees.

Officer means those persons elected or appointed to manage the Corporation's daily operations, such as a president, vice-president, secretary or treasurer. The Officers of the Corporation are determined by reference to the organizing documents of such Corporation, its bylaws or its resolutions.

Thirty-Five Percent Controlled Entity means any corporation, partnership, trust or estate in which any Disqualified Person and or Family Member owns either directly or indirectly more than thirty-five percent of the combined voting power, profits interest or beneficial interest, respectively.

Transaction means any transaction with a Disqualified Person, including, but not limited to, payments between the Corporation and a Disqualified Person which exceeds \$100,000; transactions during the year from a single transaction between the Corporation and Disqualified Person which exceeds \$10,000 or 1% of the Corporation's total revenue

or compensation payments by the organization paid to a Family Member of a Disqualified Person in excess of \$10,000; a compensation arrangement; contract for services; acquisition; recruitment incentive; loan guarantee; license; scholarship; provision of malpractice or other insurance; payment for covenants not to compete; lease of property or equipment; arrangement for use of computers, equipment, facilities or personnel; sale; loan; loan forgiveness; annuity; lease of personnel; investment interest; income guarantee; credit enhancement; payment of expenses or reimbursement of expenses.

IV. Procedure

A. Duty to Disclose. An Interested Member or Disqualified Person must disclose to the Board of Directors the existence and nature of a proposed Transaction. It is the Board's responsibility to determine whether a conflict exists and inform the appropriate parties of the conflict and the conflict management plan.

- (i) **Determining Whether a Conflict of Interest Exists.** After disclosure of the financial interest, the Chairperson (or Vice Chairperson, if the Chairperson potentially is a Disqualified Person) will be responsible for determining necessary information on any proposed Transaction for the Board of Directors. Information for any proposed Transaction may include:
 - a. Identification of the parties to the proposed Transaction, including the Disqualified Person and the nature of the Disqualified Person's relationship to the Corporation and to any other parties to the proposed Transaction;
 - b. A brief description of the business purpose of the proposed Transaction, including a description of the criteria used to choose the non-Corporation parties to the proposed Transaction;
 - c. Depending on the proposed Transaction, a determination and documentation of the fair market value nature of the proposed Transaction, which may include, but not be limited to, data identifying compensation levels paid by similarly situated organizations for functionally compared positions; the availability of similar services in the geographic area of the Corporation; independent compensation surveys; actual written offers from similar institutions competing for the services of the Disqualified Person; independent appraisals of the value of property that the Corporation intends to purchase from, or sell or provide to the Disqualified Person; prevailing commercial rates and terms; receipts or quotes; comparability studies; fairness opinions; competitive bids or other sources of independent fair market value data; and
 - d. Documentation of legal counsel review of the proposed Transaction, if necessary.

- (ii) The Board of Directors will make an independent determination of the reasonableness of the proposed Transaction and will approve or disapprove or otherwise dispose of the proposed Transaction as follows:
 - a. Interested Members of the Board of Directors may not participate in the discussion and vote on any proposed Transaction.
 - b. A Disqualified Person and/or Interested Member of the Board of Directors may be present at the meeting at which a proposed Transaction is considered only to answer questions about the proposed Transaction. Such Disqualified Person and/or Interested Member must recuse himself/herself from the meeting and not be present during the debate and voting on the proposed Transaction. A Transaction is approved if it receives the affirmative vote of a majority of the Directors on the Board who are not Disqualified Persons and/or Interested Members, but a transaction may not be approved by a single Director. If such a majority of the Directors on the Board vote to approve the transaction, then a quorum is deemed present for the purpose of the vote and action taken under this Section.
 - c. The Board of Directors may rely on the information presented to it pursuant to IV (A)(i) above, but the Board may undertake its own evaluation of the appropriateness of the proposed Transaction and is not required to limit its evaluation to this information. The Board may direct the Chairperson to develop other information that the Board believes necessary for it to make a determination.
- (iii) The Board of Directors will document the process of approval or other disposition of any proposed Transaction. The documentation will appear in the minutes of the meeting of the Board of Directors and will include:
 - a. The terms of the Transaction and the date it was approved;
 - b. Identification of the members of the Board who were present during the debate on the Transaction and those who voted on the Transaction;
 - c. Any Comparability Data obtained and relied on by the Board and how the Comparability Data was obtained;
 - d. Any actions taken with respect to consideration of the Transaction by any Disqualified Person or any interested member of the Board of Directors;

- e. the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection therewith.

B. Violations of the Conflict of Interest Policy

- (i) If the Board has reasonable cause to believe that a Member of the Board of Directors, any Officer or Key Employee has failed to disclose an actual or possible conflict of interest, it shall inform the Member, Officer or Key Employee of the basis for such belief and afford him or her an opportunity to explain the alleged failure to disclose.
- (ii) If, after hearing the response of the Member, Officer or Key Employee and making such further investigation as may be warranted in the circumstances, the Board determines that the Member, Officer or Key Employee has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

V. Compensation Committees

- A. A voting member of the Board of Directors or any committee who receives compensation, directly or indirectly, from Kansas Athletics for services is precluded from voting on matters pertaining to that member's compensation.

VI. Annual Statements

Each Director, Officer, and Key Employee, or other person who has substantial influence over Kansas Athletics shall annually sign a statement which affirms that such person (i) has received a copy of the Conflict of Interest Policy; (ii) has read and understands the policy; and (iii) has agreed to comply with the policy.