

NATIONAL RIFLE ASSOCIATION OF AMERICA
REPORT OF THE AUDIT COMMITTEE

Birmingham, Alabama

January 10-11, 2015

TO: NRA BOARD OF DIRECTORS

The Audit Committee met on December 10, 2014 in Arlington, Virginia via conference call. Committee members present were Charles L. Cotton, Chairman, Ronnie Barrett, David G. Coy, and Ron Schmeits. William Bachenberg, Graham Hill, and Herbert A. Lanford, Jr. were excused from the meeting. Also present were Wilson H. Phillips Jr., NRA Treasurer, Rick Tedrick, Secretary and NRA Managing Director of Finance, Sonya Rowling, Director of Accounting Operations and Financial Reporting, Mary Rose Adkins, ILA Fiscal Officer, Christie Majors, Director of Finance of NRA Foundation, Inc. (NRAF), Angela St. Onge, Manager, Accounting and Financial Reporting, and Chris Boyd, Controller (NRAF). Al Weber and Steve Marconi from McGladrey LLP was also in attendance.

ITEMS ADDRESSED BY THE COMMITTEE

The minutes from the September 11, 2014 meeting were approved.

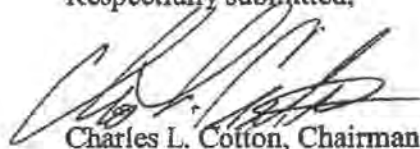
External Auditors: The Committee and McGladrey LLP discussed the following matters. These items represent routine and normal communications that occur between external auditors and their clients.

- Update on Audit Planning
- Fieldwork Schedule
- Audit Committee Inquiries

Disclosure of Financial Interests: The Audit Committee reviewed the yearly disclosure of financial interests questionnaire and requests all members of the Board of Directors and Executive Council, along with all NRA Officers to complete the questionnaire.

Whistleblowing Procedures: Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.

Respectfully submitted,


Charles L. Cotton, Chairman

NATIONAL RIFLE ASSOCIATION OF AMERICA**REPORT OF THE AUDIT COMMITTEE**

Nashville, Tennessee

April 13-14, 2015

TO: NRA BOARD OF DIRECTORS

The Audit Committee met on March 10, 2015 in Fairfax, Virginia (via webinar). Committee members present were Charles L. Cotton, Chairman, Graham Hill, Vice Chairman, William Bachenberg, Ronnie Barrett, David G. Coy, and Herbert A. Lanford, Jr. Ron Schmeits was absent from the meeting. Also present were Wilson H. Phillips Jr., NRA Treasurer, Rick Tedrick, Secretary and NRA Managing Director of Finance, Sonya Rowling, Director of Accounting Operations and Financial Reporting, Mary Rose Adkins, ILA Fiscal Officer, Christie Majors, Director of Finance of NRA Foundation, Inc. (NRAF), Angela St. Onge, Manager, Accounting and Financial Reporting, and Chris Boyd, Controller (NRAF). Al Weber, Steve Marconi, and Julia Boyle from McGladrey LLP and Steve Hart, outside General Counsel from Williams and Jensen, PLLC, were also in attendance.

ITEMS ADDRESSED BY THE COMMITTEE

The minutes from the December 10, 2014 meeting were approved.

McGladrey LLP's Report to Management: Al Weber and Steve Marconi reviewed the overall audit process, key procedures and areas of focus, accounting updates in the industry, and consolidated financial statement highlights. There were no significant deficiencies or material weaknesses identified.

Other McGladrey LLP Communications to the Audit Committee: Julia Boyle reviewed the required communications to the Audit Committee as outlined in the letter addressed to the Committee.

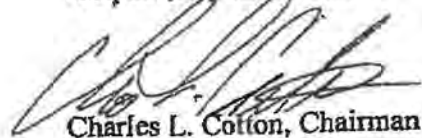
Review of December 31, 2014 Audited Consolidated Financial Statements: Rick Tedrick presented the audited consolidated financial statements of the NRA and affiliates for the year ended December 31, 2014. Mr. Tedrick noted that the NRA received an unmodified or clean audit opinion on the financial statements. The Committee unanimously approved the NRA consolidated financial statements.

Disclosure of Financial Interests: Rick Tedrick gave an update as to the status of the disclosure of financial interests questionnaires.

Whistleblowing Procedures: Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.

Executive Session: The Committee met in Executive Session separately with the auditors and with staff. No issues resulted from the executive session discussions.

Respectfully submitted,


Charles L. Cotton, Chairman

251

NATIONAL RIFLE ASSOCIATION OF AMERICA

REPORT OF THE AUDIT COMMITTEE

Arlington, VA

September 12-13, 2015

TO: NRA BOARD OF DIRECTORS

The Audit Committee met on September 10, 2015 in Arlington, Virginia. Committee members present were Charles L. Cotton, Chairman, Graham Hill, Vice Chairman, William A. Bachenberg, David G. Coy, and Herbert A. Lanford, Jr. Also present were Wilson H. Phillips Jr., NRA Treasurer, and Rick Tedrick, Secretary and NRA Managing Director of Finance. Other NRA staff was also in attendance. Al Weber, Engagement Partner, Jim Sweeney, Tax Partner, Steve Marconi, Audit Supervisor from McGladrey LLP and Steve Hart, outside General Counsel from Williams and Jensen, PLLC, were also in attendance.

ITEMS ADDRESSED BY THE COMMITTEE

The minutes from the March 10, 2015 meeting were approved.

External Auditors: The Committee and McGladrey LLP discussed the following matters. These items represent routine and normal communications that occur between external auditors and their clients.

- Auditor/Audit Committee Relationship
- Audit Committee Communications including the planning process, internal controls, materiality and audit timing
- Accounting Updates
- Audit Committee Inquiries

Review of NRA's 990 and 990-T: Emily Cummins, Director, Tax and Risk Management, provided a detailed review of key disclosures, types of taxes paid and revenue sources highlighting which sources are taxable. It was also noted that the NRA is in good standing with the IRS and state taxing authorities.

The Treasurer's office staff is available to review any sections of the Forms 990 and 990-T.

Review of Retirement Plan Audits: Emily Cummins also reviewed the highlights of the retirement plan audits.

Whistleblowing Procedures: Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the most recent past and current Chairman's of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.

Respectfully submitted,



Charles L. Cotton, Chairman

NATIONAL RIFLE ASSOCIATION OF AMERICA

REPORT OF THE AUDIT COMMITTEE

Arlington, Virginia

January 9-10, 2016

TO: NRA BOARD OF DIRECTORS

The Audit Committee met on January 7, 2016 in Arlington, Virginia. Committee members present were Charles L. Cotton, Chairman, Graham Hill, Vice Chairman, William A. Bachenberg, David G. Coy, and Herbert A. Lanford, Jr. Also present were Wilson H. Phillips Jr., NRA Treasurer, John Frazer, NRA Secretary, Rick Tedrick, Secretary and NRA Managing Director of Finance, Sonya Rowling, Director of Accounting Operations and Financial Reporting, Mary Rose Adkins, ILA Fiscal Officer, Christie Majors, Director of Finance of NRA Foundation, Inc. (NRAF), Angela St. Onge, Controller (NRA) and Emily Cummins, Managing Director of Tax and Risk Management. Al Weber (via telephone), Engagement Partner, Steve Marconi, Audit Supervisor, and Julia Boyle, Audit Senior from RSM LLP and Steve Hart, outside General Counsel from Williams and Jensen, PLLC, were also in attendance.

ITEMS ADDRESSED BY THE COMMITTEE

Items not requiring Board action:

The minutes from the September 10, 2015 meeting were approved.

External Auditors: The Committee and RSM LLP discussed the following matters. These items represent routine and normal communications that occur between external auditors and their clients.

- Update on Audit Planning
- Fieldwork Schedule
- Audit Committee Inquiries

Financial Disclosure Questionnaire: The Audit Committee reviewed the yearly financial disclosure questionnaire and requests all members of the Board of Directors and Executive Council, along with all NRA Officers to complete the questionnaire.

Whistleblowing Procedures: Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.

Selection of NRA's Auditing and Tax Firm: After extensive discussion, it was unanimously agreed that RSM US LLP be reappointed as NRA's auditors for the three fiscal years ending December 31, 2016, 2017 and 2018. Discussions concluded that although the RFP process is beneficial to the organization, at this time it is more advisable to continue utilizing RSM US LLP. Key factors in awarding these audits to RSM US LLP were their expertise in the not-for profit accounting and tax areas, knowledge of the NRA, and continued favorable pricing.

Items requiring Board action:

Resolution Board adoption of the Conflict of Interest and Related Party Transaction Policy – (See Resolution 1)

The meeting adjourned at 1:15pm.

Respectfully submitted,



Charles L. Cotton, Chairman

Resolution 1

MOVED, that the Board of Directors adopt the Conflict of Interest and Related Party Transaction Policy as presented in Attachment 1.

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, [REDACTED], 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 _____, 2016.

NATIONAL RIFLE ASSOCIATION OF AMERICA**REPORT OF THE AUDIT COMMITTEE****Louisville, Kentucky****May 23-24, 2016****TO: NRA BOARD OF DIRECTORS**

The Audit Committee met on March 8, 2016 in Fairfax, Virginia (via webinar). Committee members present were Charles L. Cotton, Chairman, William A. Bachenberg, David G. Coy, and Herbert A. Lanford, Jr. Graham Hill, Vice Chairman, was absent from the meeting. Also present were Wilson H. Phillips Jr., NRA Treasurer, Rick Tedrick, Secretary and NRA Managing Director of Finance, Sonya Rowling, Director of Accounting Operations and Financial Reporting, Mary Rose Adkins, ILA Fiscal Officer, Christie Majors, Director of Finance of NRA Foundation, Inc. (NRAF), Angela St. Onge, Controller (NRA), and Chris Boyd, Controller (NRAF). Al Weber, Engagement Partner and Julia Boyle, Audit Supervisor, from RSM US LLP and Steve Hart, outside General Counsel from Williams and Jensen, PLLC, were also in attendance.

ITEMS ADDRESSED BY THE COMMITTEE

The minutes from the January 7, 2016 meeting were approved.

RSM US LLP's Report to Management: Al Weber and Julia Boyle reviewed the overall audit process, key procedures and areas of focus, consolidated financial statement highlights and accounting updates in the industry. There were no significant deficiencies or material weaknesses identified.

Other RSM US LLP Communications to the Audit Committee: Julia Boyle reviewed required communications to the Audit Committee as outlined in the letter addressed to the Committee.

Review of December 31, 2015 Audited Consolidated Financial Statements: Rick Tedrick presented the audited consolidated financial statements of the NRA and affiliates for the year ended December 31, 2015. Mr. Tedrick noted that the NRA received an unmodified or clean audit opinion on the financial statements. The Committee unanimously approved the NRA consolidated financial statements.

Disclosure of Financial Interests: The Committee reviewed financial disclosure forms regarding dealings between the NRA and its officers, directors, and other related parties. The majority of the matters reviewed either involved minimal dollar amounts; were transactions in which Directors or their companies made payments to the NRA at fair market value for services received, such as advertising and exhibit space; or otherwise occurred in the ordinary course of business. With respect to the few transactions that are more substantial (primarily involving consulting contracts) the Committee plans to conduct a more detailed review at its September meeting, in conjunction with the review of the NRA's Form 990.

Whistleblowing Procedures: Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.

Executive Session: The Committee met in Executive Session separately with the auditors and with staff. No issues resulted from the executive session discussions.

Respectfully submitted,



Charles L. Cotton, Chairman

NATIONAL RIFLE ASSOCIATION OF AMERICA**REPORT OF THE AUDIT COMMITTEE**

Arlington, Virginia

September 10-11, 2016

TO: NRA BOARD OF DIRECTORS

The Audit Committee met on September 8, 2016 in Arlington, Virginia. Committee members present were Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, William A. Bachenberg, and Herbert A. Lanford, Jr. Robert A. Nosler was excused from the meeting. Also present were Wilson H. Phillips Jr., NRA Treasurer, Rick Tedrick, Secretary and NRA Managing Director of Finance. Other NRA Board members and staff were also in attendance. Al Weber, Engagement Partner, Steve Marconi, Audit Manager, from RSM US LLP and Steve Hart, outside General Counsel from Williams and Jensen, PLLC, were also in attendance.

ITEMS ADDRESSED BY THE COMMITTEE

The minutes from the March 8, 2016 meeting were approved.

External Auditors - RSM US LLP: The Committee and RSM US LLP discussed the following matters. These items represent routine and normal communications that occur between external auditors and their clients.

- Auditor/Audit Committee Relationship
- Overview of the Audit Process to include planning and fieldwork processes
- Required Communications including independence, internal controls, materiality, and audit timing

Review of NRA's 990 and 990-T: Emily Cummins, Managing Director, Tax and Risk Management, provided a detailed review of the 990 and the filing deadlines, revenue sources highlighting which sources are taxable, key disclosures, and industry comparisons.

The Treasurer's office staff is available to review any sections of the Forms 990 and 990-T.

Review of Retirement Plan Audits: Emily Cummins also reviewed the highlights of the retirement plan audits and the retirement plan's 5500 filings.

Whistleblowing Procedures: Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.

Executive Session: The Committee met in Executive Session to discuss disclosure of financial interests (related party transactions) and to have separate discussions with the auditors.

Disclosure of Financial Interests (related party transactions): The Committee reviewed financial disclosures regarding transactions between the NRA and its officers, directors, and other related parties.

Respectfully submitted,



Charles L. Cotton, Chairman

NATIONAL RIFLE ASSOCIATION OF AMERICA**REPORT OF THE AUDIT COMMITTEE**

Arlington, Virginia

January 7 - 8, 2017

TO: NRA BOARD OF DIRECTORS

The Audit Committee met on January 5, 2017 in Arlington, Virginia. Committee members present were Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Herbert A. Lanford, Jr. and Robert A. Nosler. William A. Bachenberg was absent from the meeting. Also present were Wilson H. Phillips Jr., NRA Treasurer, John Frazer, NRA Secretary, and Rick Tedrick, Secretary of the Audit Committee and NRA Managing Director of Finance. Other NRA staff were also in attendance. Al Weber, Engagement Partner and Steve Marconi, Audit Manager, from RSM LLP, were also in attendance.

ITEMS ADDRESSED BY THE COMMITTEE*Items not requiring Board action:*

The minutes from the September 8, 2016 meeting were approved.

External Auditors: The Committee and RSM LLP discussed the following matters. These items represent routine and normal communications that occur between external auditors and their clients.

- Update on Audit Planning
- Fieldwork Schedule
- Audit Committee Inquiries

Whistleblowing Procedures: Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.

Executive Session: The Committee met in Executive Session to have separate discussions with the external auditors.

The meeting adjourned at 12:45pm.

Respectfully submitted,


Charles L. Cotton, Chairman

**NATIONAL RIFLE ASSOCIATION OF AMERICA
REPORT OF THE AUDIT COMMITTEE**

Atlanta, Georgia

May 1 - 2, 2017

TO: NRA BOARD OF DIRECTORS

The Audit Committee met at NRA Headquarters, Fairfax, Virginia (via webinar), March 8, 2017. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, William A Bachenberg, Herbert A. Lanford, Jr. and Committee Secretary Rick Tedrick.

Committee members not able to attend were: Robert A Nosler. Other members of staff were in attendance. Al Weber, Engagement Partner; Steve Marconi, Audit Manager; and Steve Kim, Audit Supervisor, from RSM US LLP were also in attendance.

The Audit Committee also met at NRA Headquarters, Fairfax, Virginia (via conference call), April 19, 2017. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, William A Bachenberg, Herbert A. Lanford, Jr. and Committee Secretary Rick Tedrick. Committee members not able to attend were: Robert A Nosler. Other members of the NRA Board of Directors and staff were in attendance. Steve Hart, outside counsel from William and Jensen, PLLC, was also in attendance.

The Audit Committee also met at the Omni Atlanta Hotel, Atlanta, Georgia, April 27, 2017. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, William A Bachenberg, Herbert A. Lanford, Jr (via telephone) Robert A. Nosler and Committee Secretary Rick Tedrick. Other members of the NRA Board of Directors and staff were in attendance. Steve Hart, outside counsel from William and Jensen, PLLC, was also in attendance.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the January 5, 2017 meeting were approved.
2. Al Weber and Steve Marconi reviewed the overall audit process, key procedures and areas of focus, consolidated financial statement highlights and accounting updates in the industry. There were no significant deficiencies or material weaknesses identified.
3. Steve Marconi reviewed required communications to the Audit Committee as outlined in the letter addressed to the Committee.
4. After discussion, the Committee agreed that some key financial activities currently within the Field Operations Division should be moved under the Treasurer's Office.
5. Rick Tedrick presented the audited consolidated financial statements of the NRA and affiliates for the year ended December 31, 2016. Mr. Tedrick noted that the NRA received an unmodified or clean audit opinion on the financial statements. The Committee made the following motion:

"Moved, the Committee unanimously approves the NRA consolidated financial statements as presented."

6. John Frazer provided an update on the Disclosure of Financial Interests forms regarding dealings between the NRA and its officers, directors, and other related parties. The majority of the matters reviewed either involved minimal dollar amounts; were transactions in which Directors or their companies made payments to the NRA at fair market value for services received, such as advertising and exhibit space; or otherwise occurred in the ordinary course of business. Mr. Frazer identified two new transactions for the Committee's review. The Committee approved the following motions:

"Moved, that the Committee finds the transaction with Ted Nugent to provide autographs on guitars for \$62,150 is fair, reasonable, and in the best interest of the NRA due to Mr. Nugent's unique standing in the music industry."


"Moved, that the Committee finds the transaction with Craig Morgan to provide two performances for \$23,500 is fair, reasonable, and in the best interest of the NRA due to Mr. Morgan's current standing in the country music industry."

7. The Committee members agreed that it would be appropriate for training to be provided to the Board of Directors on cyber security as soon as reasonably possible.
8. Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.
9. The Committee met in Executive Session separately with the auditors, with staff and independently. No issues resulted from the executive session discussions.
10. The Committee met in Executive Session to discuss issues under the NRA Conflict of Interest and Related Party Transaction Policy. The Committee rose from Executive Session and unanimously approved the following motion:

"Moved, that the Committee finds no conflict of interest with President Cors serving on the Board of Directors of the NRA and the Corporation for the Promotion of Rifle Practice and Firearms Safety, Inc. (better known as the Civilian Marksmanship Program or CMP) and it is agreed that Mr. Cors will recuse himself should the need arise."

President Cors was present only to answer questions on his situation and left the meeting before any deliberations.

Respectfully submitted,


Charles L. Cotton
Chairman

**NATIONAL RIFLE ASSOCIATION OF AMERICA
REPORT OF THE AUDIT COMMITTEE**

Springfield, Missouri

September 9 - 10, 2017

TO: NRA BOARD OF DIRECTORS

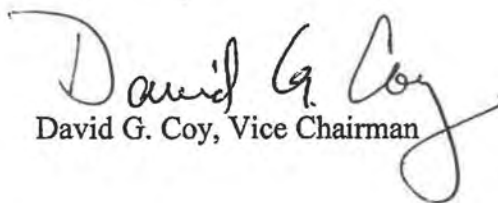
The Audit Committee met at University Plaza Hotel & Convention Center, Springfield, Missouri, September 7, 2017. Committee members present were: Charles L. Cotton, Chairman (via telephone), David G. Coy, Vice Chairman, Herbert A. Lanford, Jr., Robert A. Nosler, Curtis S. Jenkins and Acting Committee Secretary Sonya Rowling. Committee members not able to attend were: Rick Tedrick, Committee Secretary. Other members of the NRA staff were in attendance. Al Weber, Engagement Partner from RSM US LLP and Steve Hart, outside counsel from William and Jensen, PLLC, was also in attendance.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were address:

1. The committee approved the Committee's Report to the Board of Directors presented on May 1, 2017.
2. Al Weber reviewed the auditor/audit committee relationship, the overview of the audit process to include the planning and fieldwork processes, and required communications including independence, internal controls, materiality and audit timing.
3. Emily Cummins, Managing Director, Tax and Risk Management, provided an update on the NRA's enterprise risk management framework and reviewed the NRA's 990/990T and retirement plan audits.
4. John Frazer, NRA Secretary and General Counsel, provided an update on the Disclosure of Financial Interests forms regarding dealings between the NRA and its officers, directors, and other related parties. Mr. Frazer identified no new transactions for the Committee's review. The committee deferred the review of specific related party transactions until such time as the contracts have been finalized.
5. The committee deferred the discussion of a revised Conflict of Interest policy.
6. Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, Human Resources Director, or the Secretary of the Audit Committee. The General Counsel had one issue to discuss in Executive Session.

7. The Committee met in Executive Session. The Committee rose from Executive Session with no issues to report.

Respectfully submitted,


David G. Coy, Vice Chairman

**NATIONAL RIFLE ASSOCIATION OF AMERICA
REPORT OF THE AUDIT COMMITTEE**

Arlington, Virginia

January 13 - 14, 2018

TO: NRA BOARD OF DIRECTORS

The Audit Committee met at Westin Arlington Gateway, Arlington Virginia, January 11, 2018. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Herbert A. Lanford, Jr., Robert A. Nosler, Curtis S. Jenkins and Committee Secretary Rick Tedrick. Wilson H. Phillips, Jr., NRA Treasurer, John Frazer, NRA Secretary, Joshua Powell, NRA Executive Director General Operations and Chief of Staff, and other members of staff were in attendance. Steve Hart, outside General Counsel from William and Jensen, PLLC, Alex Reid, Partner from Morgan, Lewis & Bockius, LLP (tax lawyer), and Al Weber, Engagement Partner and Steve Marconi, Audit Manager, from RSM LLP, were also in attendance.

The Audit Committee met at NRA Headquarters, Fairfax, Virginia (via conference call), December 7, 2017. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Herbert A. Lanford, Jr., Robert A. Nosler, Curtis S. Jenkins and Committee Secretary Rick Tedrick. Other members of staff were in attendance. Steve Hart, outside General Counsel from William and Jensen, PLLC, was also in attendance.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were address:

1. The committee approved the Committee's Report to the Board of Directors presented on September 9, 2017.
2. The Committee approved the Minutes of the Audit Committee dated December 7, 2017.
3. John Frazer provided an update on related party transactions regarding dealings between the NRA and its officers, directors, and other related parties.
4. Al Weber and Steve Marconi provided an update of the audit planning, fieldwork schedule and audit committee inquiries. These items represent routine and normal communications that occur between external auditors and their clients.
5. Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.

6. The Committee met in Executive Session separately with the auditors, with staff and independently. No issues resulted from the executive session discussions.

Respectfully submitted,



Charles L. Cotton, Chairman

**NATIONAL RIFLE ASSOCIATION OF AMERICA
REPORT OF THE AUDIT COMMITTEE**

Dallas, Texas

May 7-8, 2018

TO: NRA BOARD OF DIRECTORS

The Audit Committee met at NRA Headquarters, Fairfax, Virginia (via webinar), March 7, 2018. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins, and Herbert A. Lanford, Jr. Committee members not able to attend were: Robert A. Nosler. Others in attendance were: John Frazer, NRA Secretary; Wilson H. Phillips Jr., NRA Treasurer; Rick Tedrick, Committee Secretary and NRA Managing Director of Finance; Sonya Rowling, Director of Accounting Operations and Financial Reporting; Mary Rose Adkins, ILA Fiscal Officer; Christie Majors, Director of Finance of NRA Foundation, Inc. (NRAF); Emily Cummins, Managing Director of Tax and Risk Management; Angela St. Onge, Controller (NRA); and Jean Hwang, Finance Manager (NRAF). Al Weber, Engagement Partner; Steve Marconi, Audit Manager; Steve Kim, Audit Supervisor, and Danielle Atar, In Charge, from RSM US LLP were in attendance. Steve Hart, outside General Counsel from William and Jensen, PLLC, was also in attendance.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the January 13, 2018 meeting were approved.
2. Al Weber, Steve Marconi and Steve Kim reviewed the overall audit process, key procedures and areas of focus, consolidated financial statement highlights and accounting updates in the industry. There were no significant deficiencies or material weaknesses identified.
3. Steve Marconi reviewed required communications to the Audit Committee as outlined in the letter addressed to the Committee.
4. Rick Tedrick presented the audited consolidated financial statements of the NRA and affiliates for the year ended December 31, 2017. Mr. Tedrick noted that the NRA received an unmodified or clean audit opinion on the financial statements. The Committee made the following motion, which was passed unanimously:

“Moved, the Committee unanimously approves the NRA consolidated financial statements as presented.”

5. Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.

6. The Committee met in Executive Session separately with the auditors, with staff and independently. No issues resulted from the executive session discussions.

Respectfully submitted,



Charles L. Cotton, Chairman

**NATIONAL RIFLE ASSOCIATION OF AMERICA
REPORT OF THE AUDIT COMMITTEE**

Arlington, Virginia

September 8 - 9, 2018

TO: NRA BOARD OF DIRECTORS

The Audit Committee met at NRA Headquarters, Fairfax, Virginia, July 30, 2018. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins, Herbert A. Lanford, Jr. and Carolyn Meadows. Others in attendance were: John Frazer, NRA Secretary; Wilson H. Phillips Jr., NRA Treasurer, Joshua Powell, Executive Director of General Operations; Craig Spray, Chief Financial Officer; Rick Tedrick, Committee Secretary and NRA Managing Director of Finance; Emily Cummins, Managing Director of Tax and Risk Management; Sonya Rowling, Director of Accounting Operations and Financial Reporting; Michael Erstling, Director of Budget and Financial Analysis; and Lisa Supernaugh, Managing Director of Executive Operations. Other Board members were also in attendance. Steve Hart, outside counsel, and William A. Brewer III, Partner and Sarah Rogers, Partner, from Brewer Attorneys and Counselors were also in attendance.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the March 7, 2018 meeting were approved.
2. Emily Cummins provided an update on the NRA's risk management framework and reviewed the NRA's 990/990T and retirement plan audits.
3. Al Weber reviewed the auditor/audit committee relationship, the overview of the audit process to include the planning and fieldwork processes, and required communications including independence, internal controls, materiality and audit timing.
4. The Committee met in executive session with counsel and staff, and independently.

The Audit Committee met at The Westin Arlington Gateway, Arlington, Virginia, September 6, 2018. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins, Herbert A. Lanford, Jr. Committee member Carolyn Meadows attended by telephone. John Frazer, NRA Secretary and General Counsel, served as committee secretary. Others in attendance were: NRA Directors Scott Bach, Pete Brownell, and Todd Rathner; Wilson H. Phillips Jr., NRA Treasurer, Joshua Powell, Executive Director of General Operations; Craig Spray, Chief Financial Officer; Emily Cummins, Managing Director of Tax and Risk Management; Christy Majors, NRA Foundation Director of Finance; Sonya Rowling, Director of Accounting Operations and Financial Reporting; Michael Erstling, Director of Budget and Financial Analysis; and Lisa Supernaugh, Managing Director of Executive Operations. Steve Hart, outside counsel from J. Steven Hart, PLLC, and Sarah Rogers, Partner,

and Travis Carter, Managing Director, Public Affairs from Brewer Attorneys and Counselors were also in attendance. Al Weber, Engagement Partner; Steve Marconi, Audit Manager; and Zack Fortsch, Partner, from RSM US LLP were also in attendance.

The committee heard presentations from the RSM US LLP audit team regarding the scope and methodology of the upcoming audit. Updates on revisions to the draft 2017 Form 990 were presented by Emily Cummins, Managing Director of Tax and Risk Management, and Zack Fortsch from RSM.

The committee went into executive session at 12:40 p.m., and rose from executive session at 2:33, having adopted the following resolutions:

I. Oliver North

WHEREAS, on or about May 15, 2018, Lieutenant Colonel Oliver North entered into a contract with Ackerman McQueen, Inc. ("AMC") (the "AMC Contract") which remains in force at this time, and in which Lieutenant Colonel North has a substantial financial interest; and

WHEREAS, because Lieutenant Colonel North has at all relevant times been a director and officer of the NRA, the Audit Committee undertook to analyze whether the AMC Contract gave rise to an improper conflict of interest; and

WHEREAS, factors considered by the Committee in its analysis included (i) Lieutenant Colonel North's unique leadership qualities, proven fundraising record, and experience in the field of television reporting and production, and (ii) in light of the foregoing, the absence of alternative candidates for Lieutenant Colonel North's role; and

WHEREAS, the Audit Committee has therefore determined that it is fair, reasonable, and in the best interest of the NRA to approve and ratify Lieutenant Colonel North's continued participation in the AMC Contract during his service on the NRA Board and as an NRA officer; now, therefore, be it

RESOLVED that Lieutenant Colonel North's continued participation in the AMC Contract during his service on the NRA Board and as an NRA officer is hereby approved and ratified, subject to the following provisos:

1. That Lieutenant Colonel North shall abstain from participating in any deliberations or votes regarding Ackerman McQueen; and
2. That any material change in the terms of the AMC Contract, or duties under the AMC Contract, be disclosed to the Committee and approved prior to execution.

II. Marion Hammer

WHEREAS, due to her unique experience and celebrated accomplishments over decades of service as a lobbyist for Second Amendment rights in Florida, the NRA has for several years engaged one of its directors, Marion Hammer, as a consultant; and

WHEREAS, the NRA and the Audit Committee have determined that no other available individual possesses comparable knowledge and competencies in Ms. Hammer's field; and

WHEREAS, the NRA has determined that an increase in Ms. Hammer's annual consulting fee from \$168,000 to \$220,000 is therefore appropriate, and the Audit Committee concurs that such an increase is fair, reasonable, and in the best interest of the NRA; now, therefore, be it

RESOLVED that the foregoing increase is hereby approved and ratified. The Committee further notes that any material change in the terms of the contract, or duties under the contract, shall be disclosed to the Committee and approved prior to execution.

III. Julie Golob

WHEREAS, due to Julie Golob's unique stature as a competitive shooting champion and resulting high social media profile, her ongoing work as a host and production consultant for video programming under contract with Ackerman McQueen (at an annual rate of \$30,000), and her authorship of articles for NRA Publications at standard author rates, are fair, reasonable, and in the best interests of the NRA; now therefore, be it

RESOLVED that the foregoing arrangements are approved and ratified accordingly. The committee further notes that any material change in such arrangements shall be disclosed to the Committee and approved prior to execution of any contract.

IV. Woody Phillips**A. July 2018 Sailing Trip**

WHEREAS, upon review of material facts regarding the participation by the NRA's Treasurer, Wilson H. Phillips, in a July 2018 sailing trip that involved a vessel owned by the shareholder of an NRA contractor, Membership Marketing Partners ("MMP"), the Audit Committee determines that it is fair, reasonable, and in the best interest of the NRA to approve and ratify Mr. Phillips' participation in the trip; and

WHEREAS, factors considered in this determination include:

- (i) that participants in the trip included high-net-worth individuals with prominent conservative connections who have contributed to the expansion of the NRA's donor network in the Dallas/Fort Worth area, and fostering relationships with these individuals can reasonably be expected to further enhance the NRA's donor network;
- (ii) that the trip imposed no cost upon the NRA;
- (iii) that there were no alternative vessels presented for Mr. Phillips' consideration;
- (iv) that Mr. Phillips paid for his participation in the trip by making a \$25,000 donation to Race to Erase MS [multiple sclerosis];
- (v) that Mr. Phillips disclosed the trip to outside counsel before embarking upon it, and formally disclosed the trip to the Audit Committee shortly upon his return; and
- (vi) that the circumstances surrounding the trip do not otherwise give rise to an appearance of improper influence; now therefore, be it

RESOLVED that Mr. Phillips' participation in the July 2018 sailing trip disclosed pursuant to his September 2018 conflicts questionnaire is hereby ratified and approved.

B. HomeTelos

WHEREAS, upon review of material facts concerning the NRA's engagement of an information technology contractor, HomeTelos L.P. ("HomeTelos") whose chairman and founder maintains a personal relationship with the NRA's Treasurer, Wilson H. Phillips, the Audit Committee has determined that the engagement was fair, reasonable, and in the best interest of the NRA when undertaken; and

WHEREAS, factors considered in the foregoing determination include:

- (i) that although Mr. Phillips maintains a longstanding personal relationship with a HomeTelos executive, that person is not a relative of Mr. Phillips as defined by the NRA's Conflict of Interest and Related Party Transaction Policy; thus, this transaction was disclosed to the Audit Committee out of an abundance of caution;
- (ii) that although Mr. Phillips maintains a longstanding personal relationship with a HomeTelos executive, that person is not a relative of Mr. Phillips as defined by the NRA's Conflict of Interest and Related Party Transaction Policy; thus, this transaction was disclosed to the Audit Committee out of an abundance of caution;

- (iii) that the NRA's Managing Director of Information Services, Tony Hayes, advised counsel that he had interviewed HomeTelos before engaging it, and determined that the vendor's proposal was satisfactory and its pricing was reasonable relative to the pricing of similar services;
- (iv) that Mr. Hayes was unaware, when he agreed to engage HomeTelos, of the relationship between Mr. Phillips' friend and HomeTelos;
- (v) that Mr. Hayes reports that HomeTelos satisfactorily performed the service for which it was engaged; and
- (vi) that the HomeTelos contract was discontinued for unrelated business reasons (the obsolescence of particular software needs) in 2017; and

WHEREAS, the Audit Committee therefore determines that it is fair, reasonable, and in the best interest of the NRA to ratify and approve the HomeTelos engagement; now, therefore, be it

RESOLVED that the NRA's engagement of HomeTelos for the period from September 2014 to May 2017, for total compensation of approximately \$1.36 million, is hereby ratified and approved.

V. Josh Powell

A. McKenna

WHEREAS, since July 2016, the NRA has purchased consulting and fundraising services from McKenna & Associates ("McKenna") totaling approx. \$2.44 million; and

WHEREAS, beginning December 15, 2017, Colleen Gallagher, the wife of NRA officer Josh Powell, has been subcontracted by McKenna as a Senior Advisor; and

WHEREAS, the Audit Committee has therefore reviewed material facts concerning the NRA's transactions with McKenna and any interest therein by Mr. Powell or Ms. Gallagher; and

WHEREAS, the Committee has determined that the NRA's transactions with McKenna were fair, reasonable, and in the best interest of the NRA at the time each transaction was undertaken; and

WHEREAS, the Committee further determines that it is fair, reasonable, and in the best interest of the NRA to continue the NRA's present business relationship with McKenna subject to the below provisos; and

WHEREAS, factors considered in reaching this determination include:

- (i) That the NRA's engagement of McKenna preceded Ms. Gallagher's business relationship with McKenna;
- (ii) McKenna's success at the development of key donor relationships, and the lack of equally effective alternative conduits to such relationships; and
- (iii) The present status of a strategically significant project involving McKenna;

now, therefore, be it

RESOLVED that the NRA's transactions with McKenna are hereby approved and ratified, and that the NRA may continue to transact with McKenna during the period from September 2018 to January 2019, subject to the following provisos:

1. That Mr. Powell continue to be "walled off" from any negotiation or determination regarding the scope or pricing of McKenna's services;
2. That the NRA solicit competitive bids for the services provided by McKenna wherever feasible, including with respect to purchases of services directly related to political strategy, public relations, membership, fundraising, or marketing, which ordinarily may be exempt from the NRA's competitive bidding requirement;
3. That to avoid any appearance of impropriety, the NRA limit its engagement of McKenna to services and projects for which there are no available, comparably suited, alternative service providers; and
4. That the NRA's business relationship with McKenna be re-evaluated by the Audit Committee at its January 2019 meeting.

B. Jim Powell Photography

WHEREAS, Jim Powell, the father of NRA officer Josh Powell, owns and operates a photography service known as Jim Powell Advertising Photography ("JPAP"); and

WHEREAS, during 2017 and 2018, Ackerman McQueen engaged JPAP for various event-photography projects and invoiced the NRA approximately \$93,000 for JPAP's services; and

WHEREAS, in June 2018, the NRA directly executed a purchase order with JPAP for additional event photography services totaling \$49,300, of which \$9,976.45 worth of services and expenses were subsequently rendered and invoiced; and

WHEREAS, the NRA cancelled the remainder of the foregoing purchase order to avoid any appearance of impropriety; and

WHEREAS, the Audit Committee has reviewed the material facts of the foregoing transactions, and related-party interests therein, in order to assess whether such

transactions were fair, reasonable, and in the best interest of the NRA when undertaken; and

WHEREAS, the Audit Committee has considered the following factors:

- (i) The fact that disinterested NRA personnel reviewed the photography produced by JPAP, along with prices invoiced by Ackerman for similar event photography services, and determined that the NRA appears to have received reasonably fair value for the amounts paid.

Now, therefore, be it

RESOLVED that the NRA's engagement of JPAP is determined to have been fair, reasonable, and in the best interest of the NRA when undertaken, and is therefore ratified and approved; however, be it further

RESOLVED that to avoid any appearance of impropriety, the NRA will forbear from any transactions with JPAP in the future.

The Audit Committee noted several instances in which transactions that posed potential conflicts of interest (and, thus, should have been disclosed and approved in advance) were disclosed after the fact. Specifically, disclosures should have occurred prospectively (rather than retrospectively) with respect to the matters involving: Lt. Colonel North and Ackerman McQueen; Ms. Hammer's consulting agreement; Mr. Phillips' sailing trip and his relationship with an executive at an information technology vendor; and Josh Powell's relationships with respect to McKenna & Associates and Jim Powell Advertising Photography. The Audit Committee's review of circumstances surrounding these transactions suggests that while there has been no intentional wrongdoing in these issues, there has been a misperception, shared by several directors and officers, that conflicts questionnaires need only be submitted annually. As of the date of this meeting, the NRA's officers have held the first of several "Compliance Refresher" seminar sessions for upper management, addressing this misperception and other key points. In addition, the NRA Secretary has provided a written reminder to the Board regarding the ongoing duty to disclose potential conflicts. The Audit Committee directs the NRA's officers to continue these sessions, and to strengthen other internal communications and processes as necessary to ensure that disclosures of potential conflicts are timely submitted.

The Committee returned briefly to executive session from 2:40 to 2:45 p.m. The committee then met briefly with the audit team. There were no further action items for the board.

Respectfully submitted,



Charles L. Cotton, Chairman

**NATIONAL RIFLE ASSOCIATION OF AMERICA
REPORT OF THE AUDIT COMMITTEE**

Tysons Corner, Virginia

January 5 - 6, 2019

TO: NRA BOARD OF DIRECTORS

The Audit Committee met at NRA Headquarters, Fairfax, Virginia, December 5, 2018. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins, Herbert A. Lanford, Jr. and Carolyn Meadows. Others in attendance were: John Frazer, NRA Secretary; Craig B. Spray, NRA Treasurer, Joshua Powell, Executive Director of General Operations; David Warren, Committee Secretary; Rick Tedrick, NRA Managing Director of Finance; Sonya Rowling, Director of Accounting Operations and Financial Reporting; Michael Erstling, Director of Budget and Financial Analysis; and Lisa Supernaugh, Managing Director of Executive Operations. Other Board members were also in attendance. Steve Hart, outside counsel, and William A. Brewer III, Partner and Sarah Rogers, Partner, from Brewer Attorneys and Counselors were also in attendance. Al Weber, Engagement Partner from RSM US LLP were also in attendance.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the September 6, 2018 meeting were approved.
2. Al Weber reviewed the interim audit planning, fieldwork schedule, and acknowledged the completion of the Foundation inventory count.

The committee went into executive session at 1:40 p.m., and rose from executive session at 3:30 p.m., having adopted the following resolutions:

I. Pete Brownell – Crow Shooting Supply

WHEREAS, The NRA Foundation provides grants to qualified organizations and activities in support of the Foundation's charitable and educational mission; and

WHEREAS, prior to and into 2009, The NRA Foundation issued checks to grant recipients who would then purchase products for use in undertaking the activities supported by the Foundation; and

WHEREAS, in 2009, The NRA Foundation established a Grant Product Fulfillment Program whereby certain products would be purchased by the Foundation in bulk and provided directly to grant recipients, thereby maximizing the effectiveness of the Foundation's grant dollars through better than average pricing, resulting in stretching available grant funds and obtaining automatic receipts and records showing how grant funds were used; and

WHEREAS, The NRA Foundation started the Grant Product Fulfillment Program using the Outdoor Marketing Group, with the Outdoor Marketing Group negotiating for and purchasing the grant fulfillment products; and

WHEREAS, in 2010, Crow Shooting Supply became one of the Outdoor Marketing Group's many vendors providing such grant fulfillment products; and

WHEREAS, in 2011, Brownells purchased Crow Shooting Supply; and

WHEREAS, at the time of Brownells' purchase of Crow Shooting Supply, Frank Brownell (father of NRA director Pete R. Brownell) served as a Trustee and President of The NRA Foundation; and

WHEREAS, the relationship between the Outdoor Marketing Group and Crow Shooting Supply continued into 2016; and

WHEREAS, in 2016, The NRA Foundation began directly negotiating for and purchasing the grant fulfillment products from vendors directly, including Crow Shooting Supply; and

WHEREAS, all purchases made from Crow Shooting Supply by The NRA Foundation are made in arms-length transactions at fair market value prices beneficial to the Foundation; and

WHEREAS, Pete R. Brownell, as a director of the National Rifle Association, properly disclosed this relationship in 2016; and

WHEREAS, Pete R. Brownell was elected President of the National Rifle Association on May 1, 2017 and held that position until May 7, 2018; and

WHEREAS, in accordance with the Bylaws of The NRA Foundation, during his service as President of the National Rifle Association, Pete R. Brownell held the title of an *ex officio* member of the Board of Trustees of The NRA Foundation; and

WHEREAS, Pete R. Brownell was appointed to the Board of Trustees of The NRA Foundation by the Board of Directors of the National Rifle Association in May of 2018; and

WHEREAS, the Audit Committee has therefore determined that it is fair, reasonable, and in the best interest of the NRA to approve and ratify Crow Shooting Supply's continued participation in The NRA Foundation's Grant Product Fulfillment Program; now, therefore, be it

RESOLVED, that Crow Shooting Supply's continued participation in The NRA Foundation's Grant Product Fulfillment Program is hereby approved and ratified, subject to the following provisos:

1. That Pete R. Brownell shall abstain from participating in any deliberations or votes regarding Crow Shooting Supply.

2. That The NRA Foundation's agreement(s) with Crow Shooting Supply for 2019 be reviewed to ensure that all purchases made from Crow Shooting Supply by The NRA Foundation continue to be made in arms-length transactions at fair market value prices beneficial to the Foundation; and
3. That the foregoing fair-market-value analysis be informed by competitive bids, price-comparison research, or other objective indicators of potential alternative pricing.

II. Ian Walters

WHEREAS, in 2017 and 2018, the NRA employed Ian Walters, the son of Managing Director of Outreach Operations Millie Hallow, as an independent contractor to be the sound stage manager for the NRA Country Sound Stage at each NRA Annual Meeting; and

WHEREAS, Mr. Walters' duties included managing stage operations, serving as master of ceremonies, and playing recorded and live music between other acts;

WHEREAS, Mr. Walters, as a part-time professional musician, has prior experience in such activities commensurate with the needs of the NRA;

WHEREAS, Mr. Walters was paid a fee of \$2,000 and expenses of \$54.06, plus travel costs, in 2016 and a fee of \$2,500, plus travel costs, in 2018, in each case for approximately four days' work on site; and

WHEREAS, Mr. Walters also provided a live musical performance at an Advancement donor event in connection with the 2017 presidential inauguration, for a fee of \$1,000; now therefore be it

RESOLVED, that the Audit Committee finds:

1. That the employment of Mr. Walters as a stage manager and performer was fair, reasonable, and in the best interest of the NRA, and is therefore approved and ratified;
2. That his future services on similar terms are also approved; and
3. That any material change in the terms of his future engagements be reviewed by the Audit Committee prior to execution.

III. Jim Powell Photography

WHEREAS, the Audit Committee, at its September 6, 2018 meeting, approved and ratified payments to Jim Powell Advertising Photography (JPAP) for services performed, and

WHEREAS, an additional invoice related to that work but not reviewed by the committee contained additional charges for a cancellation fee and mileage reimbursement, totaling \$1,536.28; and

WHEREAS, those additional charges were minor and would not materially change the committee's ratification of the past engagement of JPAP as a transaction that was fair, reasonable, and in the best interest of the NRA; now therefore be it

RESOLVED, that the payment of those additional charges was also fair, reasonable, and in the best interest of the NRA.

IV. Robert Dowlut

WHEREAS, since his retirement in 2015, the NRA has employed NRA Civil Rights Defense Fund trustee and former NRA General Counsel Robert J. Dowlut as outside counsel on an annual fixed fee basis of \$220,000 for 2016 and 2017, and \$150,000 for 2018; and

WHEREAS, due to Mr. Dowlut's extensive experience in the NRA's corporate and Second Amendment legal matters, the Audit Committee has previously reviewed and approved Mr. Dowlut's engagement as fair, reasonable, and in the best interest of the NRA; and

WHEREAS, the changing legal and budgetary needs of the Association make it necessary to revise that contract, and Mr. Dowlut has executed an amendment to his contract to perform services for a rate of \$200 per hour rather than for an annual fee; now therefore be it

RESOLVED, that the Audit Committee approves and ratifies the new fee arrangement as fair, reasonable, and in the best interest of the NRA.

The Committee returned briefly to executive session from 3:45 to 4:00 p.m. The committee then met briefly with the audit team, where David Coy, Vice Chairman, commented to the Financial Services staff in attendance, regarding the committee's appreciation for the issues raised and assistance provided to the committee's work following the statements in the July 2018 committee meeting. There were no further action items for the board.

The Audit Committee met at The Hyatt Regency Tysons Corner Center, Tysons Corner, Virginia, January 4, 2019. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins, Herbert A. Lanford, Jr. and Carolyn Meadows. Others in attendance were: John Frazer, NRA Secretary; Craig B. Spray, NRA Treasurer; David Warren, Committee Secretary; Sonya Rowling, Director of Accounting Operations and Financial Reporting and Michael Erstling, Director of Budget and Financial Analysis. Other Board members were also in attendance. Steve Hart, outside counsel, and William A. Brewer III, Partner and Sarah Rogers, Partner, from Brewer Attorneys and Counselors were also in attendance.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the December 5, 2018 meeting were approved.

The committee went into executive session at 1:40 p.m., and rose from executive session at 3:30 p.m., having adopted no new resolutions:

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Charles L. Cotton", with a long horizontal line extending to the right.

Charles L. Cotton, Chairman

**NATIONAL RIFLE ASSOCIATION OF AMERICA
REPORT OF THE AUDIT COMMITTEE**

Indianapolis, Indiana

April 29, 2019

TO: NRA BOARD OF DIRECTORS

The Audit Committee met via teleconference at 3 p.m. EST, February 6, 2019. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins, Herbert A. Lanford, Jr. and Carolyn Meadows. Others in attendance were: John Frazer, NRA Secretary; Craig B. Spray, NRA Treasurer; David Warren, Committee Secretary; Sonya Rowling, Director of Accounting Operations and Financial Reporting. Steve Hart, outside counsel, and William A. Brewer III, Partner and Sarah Rogers, Partner, from Brewer Attorneys and Counselors were also in attendance. It was noted that the meeting was duly authorized and appropriate notice was given.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the January 3rd, 2019 meeting were approved.
2. The Committee met in executive session to discuss related party transactions and the pension plan beneficiaries' overpayment. The Committee rose from the executive sessions with two recommendations.

The Committee makes the following recommendation to the Board of Directors:

I Dave Butz

WHEREAS, NRA director Dave Butz gained fame through his highly successful career as a college and professional football player, including two Super Bowl victories and election to the College Football Hall of Fame; and

WHEREAS, Butz is also a trained and well-qualified shotgun coach, and has provided personal appearances including shooting instruction at NRA donor events, outreach events, and charitable events; and

WHEREAS, in the past, Butz has provided such services on an annual flat-fee basis for varying fees (currently at \$150,000 per year), which have been duly disclosed to the Secretary of the NRA; and

WHEREAS, the officers of the NRA have evaluated Butz's services and determined that a per-appearance fee is more suited to the variable need for those services; and

WHEREAS, the officers of the NRA have reviewed publicly available information regarding personal appearance fees charged by players comparable to Butz in playing history and honors; now therefore be it

RESOLVED, that the Audit Committee finds that contracting with Butz for a daily event fee of \$7,000 (plus reasonable and necessary expenses) is fair, reasonable, and in the best interests of the NRA, and approves contracting with him on those terms.

II. Pension Overpayments

WHEREAS, from 2000 to 2016, the National Rifle Association's Defined Pension Benefit Plan was administered by Principal Financial Group; and

WHEREAS, beginning in 2000, Principal failed to calculate benefits correctly based on the terms of the Plan and made other errors and omissions; and

WHEREAS, these errors were not discovered and fully understood until 2016, and in the meantime resulted in underpayment of benefits due to 76 retirees in the amount of approximately \$2.5 million (including accrued interest), and overpayments to 13 retirees in the amount of approximately \$295,000 (plus later accrued interest); and

WHEREAS, the NRA disclosed the errors to the Internal Revenue Service and entered into a Voluntary Correction Program (VCP) that was approved by the IRS in 2018; and

WHEREAS, in accordance with the VCP, the Plan has corrected the underpayments by compensating the affected retirees; and

WHEREAS, the NRA initially decided, as a matter of equity to retirees, not to seek repayment of the overpaid amounts, and incorporated that understanding into the VCP; and

WHEREAS, the NRA later decided instead to seek such repayment, and six retirees to date have returned small repayments totaling \$32,308.67 (including interest); and

WHEREAS, pursuant to the VCP, the NRA has made the Plan whole with respect to the overpayments by transferring approximately \$423,000 (reflecting the amount of unreimbursed overpayments and accrued interest) into the Plan; and

WHEREAS, following further review of the matter by the NRA's officers and with the advice of counsel, the NRA's officers have decided to withdraw the requests for repayment and refund those repayments that have been made, based on the following factors, among others:

1. That the VCP, as approved by the IRS, allowed for direct reimbursement of the Plan by the NRA for overpayments, without repayment by the retirees;
2. That pressing the requests for repayment would likely result in litigation that could be costly even if the NRA prevailed;

3. That insisting on repayment could lead to adverse private and public reaction among retirees, employees, donors, members, the public, and regulators;
4. That the NRA has a reasonable chance of recovering at least some costs from Principal.

RESOLVED, that the Audit Committee finds that it is in the best interest of the NRA to treat all Plan beneficiaries equally by withdrawing the requests for repayment, and by returning the repayments that were made; and be it further

RESOLVED, that the Audit Committee concurs in the officers' plan to seek compensation from Principal for the monetary losses, compliance costs, and attorneys' fees caused by Principal's errors in this matter.

The Audit Committee met at NRA Headquarters, Fairfax, Virginia and via teleconference at 9 a.m. EST, March 8, 2019. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins, Herbert A. Lanford, Jr. and Carolyn Meadows. Others in attendance were: James W. Porter, NRA Board Member; John Frazer, NRA Secretary; Craig B. Spray, NRA Treasurer; David Warren, Committee Secretary; Rick Tedrick, NRA Managing Director of Finance; Sonya Rowling, Director of Accounting Operations and Financial Reporting; Robert Owens, ILA Chief Fiscal Officer; Angela St. Onge, NRA Controller and Jean Hwang, Manager of Financial Operations, Foundation Finance. Al Weber, RSM Relationship Lead & Audit Partner; Steve Marconi, RSM Audit Senior Manager; Lindsay Fryar, RSM Audit Senior In-Charge; and Steve Hart, outside counsel were also in attendance. It was noted that the meeting was duly authorized and appropriate notice was given.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the February 6, 2019 meeting were approved.
2. The Committee met with the Association's audit firm and staff, to discuss the overall audit process, key procedures and areas of focus, consolidated financial statement highlights and accounting updates in the industry. There were no significant deficiencies or material weaknesses identified.
3. The Committee met in executive session to discuss the Audit & Tax firm selection, contract procedures, legal fees reimbursement for officers, directors and employees and related party transactions. The Committee rose from the executive sessions with five recommendations.

L. Selection of NRA's Auditing and Tax Firm

After discussion, it was unanimously agreed that RSM US LLP be reappointed as NRA's auditors for the two fiscal years ending December 31, 2019 and 2020. Discussions concluded that although the RFP process is beneficial to the organization, at this time it is more advisable to continue utilizing RSM US LLP. Key factors in awarding these audits to RSM US LLP were

their expertise in the not-for profit accounting and tax areas, knowledge of the NRA, and continued favorable pricing.

II. Brewer, Attorneys and Counselors

WHEREAS, the contract between the National Rifle Association of America ("NRA") and Brewer, Attorneys and Counselors ("Brewer") does not comply with the internal controls and policies established by the NRA; it is therefore

RESOLVED, that all representation of the NRA by Brewer must be pursuant to a contract that complies with the internal controls and policies established by the NRA.

[Resolution Retracted at the April 28, 2019 Committee Meeting]

III. Legal Counsel for Officers, Directors and Employees

WHEREAS, the United States Department of Justice (DOJ) and various congressional committees are conducting investigations regarding Russian conduct that could have violated the laws of the United States of America;

WHEREAS, the DOJ and committees are interviewing various persons who could be potential witnesses, including officers, directors, and employees of the NRA;

WHEREAS, recent investigations of Russian matters have demonstrated that a potential witness could become a party to litigation, or may be threatened to become a party;

WHEREAS, the NRA's Bylaws, Article IV, Section 4, provide for indemnification of directors, and New York Not For Profit Corporation Law § 722 authorizes the indemnification of officers and directors;

WHEREAS, a component of indemnification is the providing of independent counsel to represent an officer or director; and

WHEREAS, to avoid any potential conflict between NRA and its officers, directors and employees it may be advisable that certain officers, directors, or employees be represented by independent counsel; now, therefore, be it

RESOLVED, that the NRA Audit Committee finds that provision of independent counsel based on the sound discretion of senior management is fair, reasonable, and in the best interest of the NRA;

RESOLVED, that providing counsel in such manner, at reasonable fees to be negotiated by management, is approved and ratified; and be it further

RESOLVED, that management shall require reimbursement of any advanced funds if a judgment, or other final adjudication, is rendered in a proceeding adverse to the indemnified

individual which indicates that the indemnified individual: (i) acted in bad faith; or (ii) acted for a purpose which could not be reasonably believed to be in the best interests of the NRA.

IV. NYSRPA – Membership Prospecting

WHEREAS, Membership Marketing Partners LLC (MMP) of Fairfax, Virginia, submitted to the National Rifle Association of America (NRA) a prospect proposal, dated February 26, 2019, that contains two main components: (1) ask members of the NRA to join the New York State Rifle and Pistol Association (NYSRPA) and (2) ask NYSRPA members to join NRA;

WHEREAS, NYSRPA is New York's largest and nation's oldest firearms advocacy organization; since 1871, NYSRPA has been dedicated to the preservation of Second Amendment rights, firearm safety, education and training, and the shooting sports; NYSRPA's membership consists of individuals and clubs throughout the state; NYSRPA is a not-for-profit 501(c)(4) organization and the official NRA-affiliated State Association in New York;

WHEREAS, Tom King is president of NYSRPA, a position for which he receives compensation from NYSRPA, and he also serves on the NRA's board of directors, a position for which he receives no compensation;

WHEREAS, NYSRPA faces unique challenges in New York in fulfilling its mission, which mission is in harmony with NRA's purposes and objectives;

WHEREAS, the prospect proposal from MMP would strengthen both NRA and NYSRPA by increasing membership in each and the prospect proposal should be approved; now, therefore, be it

RESOLVED, that the NRA Audit Committee has reviewed this proposed transaction for potential conflict of interest and finds no conflict of interest.

V. Nosler – Rifle Purchases

WHEREAS, Robert Nosler, an NRA director and a trustee of The NRA Foundation, is the chairman and president of Nosler, Inc., whose products include high quality sporting rifles; and

WHEREAS, at various times since 2014, Nosler, Inc., has offered the NRA Foundation the opportunity to buy these rifles at favorable prices approximately one third below standard wholesale pricing; and

WHEREAS, these rifles are then offered at Friends of NRA events for the benefit of the NRA Foundation;

WHEREAS, in 2019, the NRA Foundation has ordered a quantity of these rifles for the same purpose, at a total purchase price of \$57,710; now therefore be it

RESOLVED, that the committee finds that due to the highly favorable pricing terms, these transactions are fair, reasonable, and in the best interest of the NRA, that the transactions are approved and ratified, and that similar future transactions, on substantially the same terms, are also authorized.

The Audit Committee met at the JW Marriott, Indianapolis, Indiana at 1 p.m. EST, April 28, 2019. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins, Herbert A. Lanford, Jr. and Carolyn Meadows. Others in attendance were: John Frazer, NRA Secretary; Craig B. Spray, NRA Treasurer; David Warren, Committee Secretary. Witt Davis, outside counsel, and William A. Brewer III, Partner and Sarah Rogers, Partner, from Brewer Attorneys and Counselors were also in attendance. Other members of the NRA Board of Directors and NRA staff were also in attendance. It was noted that the meeting was duly authorized and appropriate notice was given.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the March 8, 2019 meeting were approved.
2. The Committee met in executive session to discuss contract and policy related matters, and related party transactions. The Committee rose from the executive sessions with eleven recommendations.

L Olson Gun Purchases

WHEREAS, NRA director Lance Olson has expertise in the field of gun collecting and strong relationships with fellow gun collectors; and

WHEREAS, Olson has been retained by the NRA for several years to pursue outreach efforts to the gun collecting community, as well as to acquire collectible firearms for use in NRA fundraising efforts and other programs, and the Audit Committee has previously approved and ratified the NRA's use of his services; and

WHEREAS, Olson's acquisitions from time to time have included purchases from the collection of Tom Selleck, who at all relevant times was a member of the NRA's board of directors; and

WHEREAS, those acquisitions included:

- A set of five specially serialized Smith and Wesson revolvers, bought for \$12,500 in 2016 and sold for approximately \$50,000 at an NRA fundraising auction that same year; and
- A group of 17 collectible firearms bought for \$476,000 in 2018 and professionally appraised at \$508,000 (exclusive of any premium resulting from their association with Selleck), which were acquired for resale or other use in NRA fundraising efforts; now therefore be it

RESOLVED, that the Audit Committee finds, based on the sale results or appraisals for these firearms, the purchases were fair, reasonable, and in the best interest of the NRA at the time they took place, and are approved and ratified accordingly; and be it further

RESOLVED, that all purchases by Olson shall be subject to approval in advance by the NRA Treasurer and Secretary, as well as subject to annual review by the Audit Committee, with a third party appraisal.

II. Ted Nugent—Advertising

WHEREAS, Ted Nugent is a member of the Board of Directors of the National Rifle Association of America (NRA), a position for which he receives no compensation;

WHEREAS, Ted Nugent is well known as an avid hunter and is the host and producer of “Spirit of the Wild,” a hunting-related television program produced by SpiritWild Productions, Inc.;

WHEREAS, Ted Nugent’s wife, Shemane Nugent, is the president and director of SpiritWild Productions;

WHEREAS, the audience of “Spirit of the Wild” is a desirable audience for NRA marketing efforts, and the NRA has in the past entered into a series of agreements to advertise on the program, including payments of \$40,000 for 2017, and \$80,000 for 2018, but has not renewed an agreement for the current year; therefore be it

RESOLVED, that the NRA Audit Committee has reviewed the past sponsorships of “Spirit of the Wild” and finds that they were, at the time of execution, fair, reasonable, and in the best interest of the NRA, and priced competitively relative to alternatives, and are approved and ratified accordingly.

III. Ted Nugent—Guitars

WHEREAS, Ted Nugent is a member of the Board of Directors of the National Rifle Association of America (NRA), a position for which he receives no compensation;

WHEREAS, Ted Nugent is a well-known singer, songwriter, and guitarist;

WHEREAS, the NRA Audit Committee at its meeting of March 8, 2017, made the following approval with respect to Ted Nugent’s compensation for autographing guitars for sale at Friends of NRA Events, at a rate of \$50 per guitar: “the Committee finds the transaction with Ted Nugent to provide autographs on guitars for \$62,150 is fair, reasonable, and in the best interest of the NRA due to Mr. Nugent’s unique standing in the music industry”;

WHEREAS, guitars autographed by Ted Nugent have provided highly favorable financial returns to the NRA Foundation, with average sale prices of approximately \$400 to \$800 over cost to the Foundation; now, therefore, be it

RESOLVED, that the NRA Audit Committee has reviewed the proposal for a similar guitar signing project by Ted Nugent and finds the transaction to be fair, reasonable, and in the best interest of NRA, and approves it accordingly; and be it further.

RESOLVED, that approval for future transactions regarding such an autograph project is hereby granted, provided that future similar transactions are on substantially the same terms as the present one, subject to any material change that would compel this Committee to re-evaluate its approval

IV. Scott Bach/ANJRPC

WHEREAS, the Association of New Jersey Rifle and Pistol Clubs, Inc. (ANJRPC) is New Jersey's largest firearms advocacy organization; ANJRPC has been dedicated since 1934 to the preservation of Second Amendment rights, firearm safety, education and training, and the shooting sports; ANJRPC's membership consists of individuals and clubs throughout the state; ANJRPC is a not-for-profit 501 (c) (7) organization and the official NRA-affiliated state association in New Jersey;

WHEREAS, Scott L. Bach is president of ANJRPC, a position for which he receives compensation from ANJRPC, and he also serves on the NRA's board of directors, a position for which he receives no compensation;

WHEREAS, NRA provides financial assistance to ANJRPC in the form of grants; the year of each grant and the amount are as follows: 2004 - \$15,000; 2005 - \$15,000; 2006 - \$15,000; 2007 - \$15,000; 2008 - \$20,000; 2009 - \$20,000; 2010 - zero; 2011 - \$20,000; 2012 - zero; 2013 - \$50,000; 2014 - \$25,000; 2015 - \$25,000; 2016 - \$25,000; 2017 - \$25,000; 2018 - \$36,000;

WHEREAS, ANJRPC faces unique challenges in New Jersey in fulfilling its mission, which mission is in harmony with NRA's purposes and objectives;

WHEREAS, the grants from NRA help ANJRPC to fulfill its mission and are in keeping with NRA's best interests in supporting state organizations whose purposes and objectives are in harmony with those of NRA; now, therefore, be it

RESOLVED, that the NRA Audit Committee has reviewed the financial assistance extended to ANJRPC for potential conflict of interest, finds no conflict of interest, and be it further

RESOLVED, that the past support extended to ANJRPC is fair, reasonable, and in the best interest of the NRA, that it is approved and ratified accordingly, and that future support at substantially the same levels is also approved, subject to any material change that would compel this Committee to re-evaluate such support.

V. Marion Hammer/Unified Sportsmen of Florida

WHEREAS, Unified Sportsmen of Florida (USF) is Florida's largest firearms advocacy organization; USF has been dedicated since 1978 to the preservation of firearms rights of all law-abiding firearms owners in Florida and preserving the firearms rights guaranteed in the United States and Florida Constitutions; USF also supports firearm safety, education and training, and the shooting sports; USF is a not-for-profit 501(c)(4) organization and the official NRA-affiliated state association in Florida;

WHEREAS, Marion P. Hammer is executive director of USF, a position for which she receives compensation from USF, and she also serves on the NRA's board of directors, a position for which she receives no compensation, although she does receive consulting fees from the NRA as previously approved by the Audit Committee;

WHEREAS, NRA provides financial assistance to USF in the form of legislative assistance grants to actively and aggressively promote and advance the legislative mission and goals of NRA/ILA in Florida for the purpose of protecting and supporting law-abiding firearm owners' Second Amendment rights; the year of each grant and the amount are as follows: 2000 - \$120,000; 2001 - \$140,000; 2002 - \$180,000; 2003 - \$180,000; 2004 - \$180,000; 2005 - \$180,000; 2006 - \$180,000; 2007 - \$180,000; 2008 - \$180,000; 2009 - \$192,000; 2010 - \$216,000; 2011 - \$216,000; 2012 - \$216,000; 2013 - \$216,000; 2014 - \$216,000; 2015 - \$216,000; 2016 - \$216,000; 2017 - \$216,000; 2018 - \$216,000; 2019 - \$36,000.

WHEREAS, NRA provides USF an annual grant of \$216,000 to maintain a full-time office and staff near the Florida Capitol, where all the necessary services are provided to run a successful state lobbying operation;

WHEREAS, USF faces unique challenges in Florida in fulfilling its mission, which mission aligns with NRA's purposes and objectives;

WHEREAS, the grants from NRA help USF to fulfill its mission and are in keeping with NRA's best interests in supporting state organizations whose purposes and objectives are in harmony with those of NRA; now, therefore, be it

RESOLVED, that the NRA Audit Committee has reviewed the financial assistance extended to USF for potential conflict of interest, finds no conflict of interest, and be it further

RESOLVED, that the support extended to USF is fair, reasonable, and in the best interest of the NRA, that it be approved and ratified accordingly, and that future support at substantially the same levels is also approved, subject to any material change that would compel this Committee to re-evaluate such support.

VI. American Conservative Union

WHEREAS, the American Conservative Union (ACU) is the nation's oldest conservative grassroots organization and seeks to preserve and protect the values of life, liberty, and property for every American;

WHEREAS, the National Rifle Association of America supports similar values, and NRA officers have frequently spoken before the ACU's annual Conservative Political Action Conference—an event that has provided the NRA with a platform to spread its message;

WHEREAS, NRA Second Vice President Carolyn D. Meadows is Second Vice Chairman of ACU, a position for which she receives no compensation;

WHEREAS, Millie Hallow is employed by the NRA as Managing Director of Outreach Operations, and her son, Ian Walters, is employed by the ACU;

WHEREAS, Millie Hallow exerts no influence over the NRA's decision to support the ACU and has participated in no relevant deliberations, or voting, nor would her position at the NRA enable her to exert such influence or participate in such decision-making, deliberations, or voting;

WHEREAS, the NRA has provided ongoing financial support to the ACU, primarily in the form of sponsorship for CPAC;

WHEREAS, the history of this financial support is as follows: 2014 - \$110,000; 2015 - \$345,000; 2016 - \$155,000; 2017 - \$257,169.79; 2018 - \$200,000; 2019 - \$100,000; now, therefore, be it

RESOLVED, that the NRA Audit Committee has reviewed NRA support of the ACU for potential conflict of interest, finds no conflict of interest, and finds that such support is fair, reasonable, and in the best interest of the NRA; and be it further

RESOLVED, that the past support of ACU is approved and ratified, and that future support at substantially the same level is also approved, subject to any material change that would compel this Committee to re-evaluate such support.

VII. Youth for Tomorrow

WHEREAS, Youth For Tomorrow (YFT) is a Virginia-based charity dedicated to providing children and families with the opportunity to focus their lives and develop confidence, skills, intellectual ability, spiritual insight and moral integrity, resulting in positive changes to the benefit of the child, the family, the community and the nation;

WHEREAS, Susan LaPierre is President of Youth For Tomorrow; her husband Wayne LaPierre is Executive Vice President of the National Rifle Association of America;

WHEREAS, Oliver North is a member of the board of trustees of YFT, and also serves as a director and President of the NRA;

WHEREAS, YFT pays no compensation to Susan LaPierre or Oliver North, nor does Susan LaPierre or Oliver North hold any financial interest in YFT;

WHEREAS, the NRA has financially supported YFT through sponsorship of fundraising events, and receives positive publicity and donor entertainment opportunities as a result of that support;

WHEREAS, the history of this financial support by NRA is as follows: 2015 - \$155,000; 2016 - \$170,000; 2018 - \$125,000;

WHEREAS, neither Susan LaPierre nor Oliver North has exerted any influence over the NRA's decision to support YFT, nor have they participated in relevant deliberations or voting; now, therefore, be it

RESOLVED, that the NRA Audit Committee has reviewed NRA support of YFT for potential conflict of interest, finds no conflict of interest, and finds that such support is fair, reasonable, and in the best interest of the NRA; and be it further

RESOLVED, that past NRA support of YFT is approved and ratified, and that future support made in accordance with the NRA's normal policies and practice is also approved.

VIII. Sandy Froman/Ruger

WHEREAS, Sturm, Ruger & Co. (Ruger) is a well-known manufacturer of firearms, which has dealt with the National Rifle Association of America many years;

WHEREAS, Ruger purchases advertising in publications of the NRA, in arms' length transactions between NRA and Ruger; Ruger also provides donations and support to NRA programs, and NRA licenses the NRA logo for use on special promotional Ruger firearms, resulting in royalties to the NRA;

WHEREAS, the NRA Foundation purchases Ruger firearms at favorable prices for use in its programs, ;

WHEREAS, Sandra S. Froman is an NRA director and past President of NRA, who currently serves on Ruger's Board of Directors, for which she receives pretax compensation totaling roughly \$150,000 annually; (total calculated compensation is \$150,917);

WHEREAS, Froman, as a practicing attorney and longtime NRA director, is knowledgeable about conflicts of interest and the duty of loyalty and thus exerts no control over decisions on the NRA Board of Directors involving Ruger and exerts no control over decisions of the Ruger Board of Directors involving the NRA, and will recuse herself from any relevant deliberations or voting; now, therefore, be it

RESOLVED, that the NRA Audit Committee has reviewed Froman's relationship with Ruger for potential conflict of interest, and finds no conflict of interest in her continuing service on both boards under the conditions described.

IX. Don Young Campaign Contributions

WHEREAS, the NRA's ability to participate in the public policy arena is subject to extensive laws and regulations at the federal, state, and local levels;

WHEREAS, the NRA maintains a federal political action committee, the NRA Political Victory Fund (NRA-PVF), which is funded in accordance with applicable law; the NRA-PVF makes political contributions at the federal level on a bipartisan basis, consistent with the NRA's contribution policies and public policy goals and without regard to the private political preferences of management;

WHEREAS, the National Rifle Association of America maintains compliance processes designed to ensure that its activities are conducted in accordance with all relevant laws governing political contributions, and all political contributions by NRA-PVF are duly disclosed in accordance with all applicable requirements including, without limitation, disclosures to the Federal Election Commission;

WHEREAS, from time to time, members of the NRA's Board of Directors have also served as members of Congress; consistent with this tradition, NRA Director Don Young of Alaska currently serves simultaneously as the U.S. Congressional representative for the congressional district of Alaska;

WHEREAS, the Directors of the NRA support the purposes and objectives of the NRA; these purposes and objectives are protected and advanced through means that include the political process; and it is in the best interest of the NRA to support the election of political candidates whose views align with the NRA's purposes and objectives;

WHEREAS, the decision of the NRA-PVF's trustees to support the election of Don Young to Congress is a reasonable decision in support of NRA's purposes and objectives; now, therefore, be it

RESOLVED, that the NRA Audit Committee has reviewed this matter for potential conflicts of interest and finds no conflict of interest because support for pro-Second Amendment candidates occurs in the ordinary course of business for the NRA-PVF; and be it further

RESOLVED, that future support of Congressman Young or other similarly situated candidates shall not require the approval of the Audit Committee.

X. Peacemaker National Training Center

WHEREAS, the Director of the NRA's Competitive Shooting Division, Cole McCulloch, is the owner of Peacemaker National Training Center ("PNTC"), a shooting facility in West Virginia; and

WHEREAS, in 2014, three years before Mr. McCulloch's employment by the NRA, PNTC began hosting the World Shooting Championship (the "Championship"), a multi-

disciplinary sport shooting tournament which requires the use of a facility like PNTC, and the NRA became a monetary sponsor of the Championship in 2015; and WHEREAS, beginning in 2016, the NRA became the operator of the Championship, consistent with the furtherance of its not-for-profit purposes and objectives;; and

WHEREAS, during 2018, PNTC offered the use of its facilities to the NRA to conduct and host the Championship in exchange for consideration of \$70,500 (the "2018 Transaction"); and

WHEREAS, the NRA at the time did not classify Mr. McCulloch as a "key person" within the meaning of its Conflict of Interest and Related Party Transaction Policy, but the Audit Committee nonetheless unanimously approved the 2018 Transaction; and

WHEREAS, the Championship was a success, and the NRA wishes to host the Championship at PNTC once again during 2019, likewise at a cost of \$70,500 (the "Proposed 2019 Transaction"); and

WHEREAS, although the NRA does not anticipate that Mr. McCulloch will constitute a "key person" for purposes of any transactions during the upcoming year, it nonetheless seeks ratification and approval of the above-referenced transactions for the avoidance of doubt; now, therefore, be it

RESOLVED that the Audit Committee has reviewed the foregoing transactions, the contract terms governing them, and the fact that Peacemaker's location relatively close to headquarters provides advantages over alternative facilities, and based on its review has determined that hosting the Championship at PNTC pursuant to the above-referenced terms was and continues to be fair, reasonable, and in the best interests of the NRA; and be it further

RESOLVED that the 2018 Transaction and the Proposed 2019 Transaction are each hereby ratified and approved; and be it further

RESOLVED that Mr. McCulloch shall continue to recuse himself from any negotiations, deliberations, voting, or decision-making concerning the NRA's contract(s) with PNTC.

XI. McKenna Associates

WHEREAS, at its September 6, 2018 meeting, the Audit Committee of the National Rifle Association reviewed the Association's dealings with McKenna Associates, approved and ratified those transactions to date, and proposed to re-evaluate the NRA's relationship with McKenna at a future date; and

WHEREAS, Colleen Gallagher, the wife of NRA chief of staff Josh Powell, is now a full-time McKenna employee, but does not work on the firm's NRA projects; and

WHEREAS, as of the end of 2018, the management of the Association had terminated all work by McKenna other than a contract for fundraising advisory and donor identification services, and paid all outstanding invoices (with discounts applied); and

WHEREAS, that preexisting contract has been renewed for 2019, with the inclusion of firm fundraising targets, and is pending final approval by NRA officers pursuant to the NRA's procurement policy; and

WHEREAS, McKenna's work will continue to be overseen by the Office of Advancement, and Josh Powell will have no role in such oversight; now, therefore, be it

RESOLVED, that the Audit Committee finds that McKenna's new contract is fair, reasonable, and in the best interests of the NRA.

XII. Brewer, Attorneys and Counselors

WHEREAS, on March 8, 2019, the Audit Committee resolved that "all representation of the NRA by Brewer must be pursuant to a contract that complies with the internal controls and policies established by the NRA";

WHEREAS, the NRA procurement policy requires that "[a]ll contracts requiring payments equal to or greater than \$100,000 in any twelve month period, must have written approval of: a. the appropriate Division Director and b. the Executive Vice President and c. The Treasurer. The signature of the President and one of the Vice Presidents is also required as written acknowledgment of the contract/ commitment";

WHEREAS, the engagement letter between the NRA and Brewer Attorneys & Counselors signed by Secretary / General Counsel John Frazer on March 7, 2018 was not signed by the President and First or Second Vice President;

WHEREAS, the Audit Committee has determined that the board of directors subsequently ratified the Brewer engagement by knowingly acquiescing to the representation after numerous briefings by Brewer attorneys and NRA officers regarding the representation;

WHEREAS, the scope of the Brewer engagement is to represent the NRA "in connection with litigation and strategic needs arising from the termination, or potential termination, of key corporate relationships by contract counterparties in response to political pressure" including, more specifically, to "1. [r]esearch, develop and prosecute potential litigation on behalf of the NRA against one or more counterparties who have so-terminate their relationships, as well as provide advice to the NRA regarding the preservation of other, material corporate relationships; and 2. [a]ssist in advising and representing the NRA with respect to the New York Department of Financial Services' investigation of the NRA's affinity insurance programs, and with respect to related investigations of NRA activities that may occur in New York or elsewhere";

NOW BE IT RESOLVED, that the resolution of March 8, 2019 is modified as follows: "the representation of the NRA by Brewer pursuant to the engagement letter was duly authorized. The

Audit Committee recommends that the board of directors work with management to determine whether to modify the scope of the engagement letter to take into account subsequent developments."

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Ch. L. Cotton", written in a cursive style.

Charles L. Cotton, Chairman

**NATIONAL RIFLE ASSOCIATION OF AMERICA
REPORT OF THE AUDIT COMMITTEE**

Herndon, Virginia

September 14, 2019

TO: NRA BOARD OF DIRECTORS

The Audit Committee met via teleconference at 11 a.m. EST, May 10, 2019. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins, Herbert A. Lanford, Jr. and Carolyn Meadows. Others in attendance were: John Frazer, NRA Secretary; Craig B. Spray, NRA Treasurer and David Warren, Committee Secretary. Wit Davis, outside counsel, was also in attendance. It was noted that the meeting was duly authorized and appropriate notice was given.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the April 28, 2019 meeting were approved, with the correction that several items were adopted resolutions rather than recommendations.
2. Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.
3. The Committee discussed the 60-day contract with Wit Davis as Board Counsel and the selection process. The Committee recommendation was for the officers to review candidates for appropriateness and the Committee to review any conflicts of interest.
4. The Committee discussed the resolution referred from the Member's Meeting. The Committee took no action on the resolution, while John Frazer will follow up.

The Committee stood in recess at 11:55 a.m., with no other resolutions being adopted.

The Audit Committee met via teleconference at 3 p.m. EST, May 30, 2019. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins, Herbert A. Lanford, Jr. and Carolyn Meadows. Others in attendance were: John Frazer, NRA Secretary; Craig B. Spray, NRA Treasurer and David A. Warren, Committee Secretary. Wit Davis, outside counsel, were also in attendance. It was noted that the meeting was duly authorized and appropriate notice was given.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the May 10, 2019 meeting were approved.
2. Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.
3. The Committee met with counsel and staff in executive session to discuss contract and policy related matters, as well as related party transactions.

The Committee went into executive session at 3:11 p.m., and rose from executive session at 4:10 p.m., having unanimously adopting each of the following resolutions:

I. Oliver North Ackerman Contract

WHEREAS, on May 6, 2018, the NRA entered into that certain Amendment No. 1 to Services Agreement (the "Amendment") with Ackerman McQueen, Inc. ("Ackerman"), which contemplated that Ackerman would enter into a third-party contract with Lieutenant Colonel Oliver North, and purported to impose financial liabilities on the NRA consistent with those imposed for certain other third-party contractors of Ackerman; and

WHEREAS, on or about May 15, 2018, Lt. Col. North entered into a contract with Ackerman (the "Ackerman Contract") which (to the best of the NRA's knowledge) remains in force at this time, and in which Lt. Col. North has a substantial financial interest; and

WHEREAS, because Lt. Col. North was an officer and director of the NRA at the time, the Audit Committee undertook prior to its September 6, 2018, meeting to analyze whether the Ackerman Contract gave rise to an irreconcilable conflict of interest; and

WHEREAS, the Audit Committee based its analysis on information made available to it by Lt. Col. North and Ackerman, including a purported summary of the material terms of the Ackerman Contract (the "Summary of Terms"); and

WHEREAS, the Summary of Terms appeared consistent with the Amendment (which treated Lt. Col. North as a third-party contractor of Ackerman), and provided further that in exchange for specified compensation to Lt. Col. North, twelve feature-length episodes of "American Heroes" would be produced during each twelve months of a three-year contract; and

WHEREAS, at its September 6, 2018, meeting, the Audit Committee approved and ratified Lt. Col. North's continued participation in the Ackerman Contract during his service as an NRA director and officer, based on consideration of the factors set forth in N.Y. NPC § 715, as well as based on the Summary of Terms and Ackerman's indication that the NRA's counsel would be permitted to review the Ackerman Contract in full; and

WHEREAS, following the Audit Committee's approval, on September 8, 2018, Lt. Col. North became President of the NRA; and

WHEREAS, Ackerman for several subsequent months rejected requests by the NRA to review the Ackerman Contract, but finally authorized an in-person inspection of the contract in February 2019, and delivered a full copy on April 11, 2019; and

WHEREAS, the inspection revealed material terms of the Ackerman Contract that were not previously disclosed to the Audit Committee, including Lt. Col. North's status as a full-time employee (not a third-party contractor) of Ackerman; and

WHEREAS, by April 22, 2019, Ackerman had delivered only three episodes of "American Heroes," none of which were feature-length, and failed to respond to a request from the NRA's General Counsel on that date inquiring "what exactly, [the NRA] is paying for—and what it is getting" with respect to "American Heroes;" and

WHEREAS, the NRA believes that Lt. Col. North subsequently conspired with Ackerman to attempt to coerce the resignation of Wayne LaPierre; and

WHEREAS, the NRA believes that throughout the foregoing chain of events, Ackerman committed multiple, material breaches of its Services Agreement with the NRA, which breaches are the subject of two lawsuits filed by the NRA against Ackerman, currently pending in Alexandria Circuit Court in the State of Virginia and captioned Case No. CL19001757 and Case No. CL19002067, respectively; and

WHEREAS, on May 9, 2019, the NRA directed Ackerman to suspend production of "American Heroes;" and

WHEREAS, by letter dated May 29, 2019, Ackerman purported to provide notice to the NRA of its intent to terminate the Services Agreement between Ackerman and the NRA in 90 days, which would necessarily include all NRA-related services provided by Lt. Col. North; and

WHEREAS, although Lt. Col. North was not nominated for a second term as NRA President, he continues to serve on the NRA Board of Directors and Executive Council; and

WHEREAS, in consideration of the above information, the Audit Committee undertook to reassess Col. North's relationship with Ackerman based on the factors set forth in N.Y. NPC § 715; and

WHEREAS, the Audit Committee determined that Lt. Col. North's relationship with Ackerman creates an irreconcilable conflict of interest with respect to Lt. Col. North's service as a fiduciary of the NRA, which conflict cannot be resolved by recusal or other procedural safeguards;

NOW THEREFORE BE IT:

RESOLVED, that the Audit Committee's September 6 resolution approving Lt. Col. North's continued participation in the Ackerman Contract during his service as an NRA director and officer is hereby rescinded in full.

II. Ted Nugent – Advertising

WHEREAS, Ted Nugent is a member of the Board of Directors of the National Rifle Association of America (NRA), a position for which he receives no compensation;

WHEREAS, Ted Nugent is well known as an avid hunter and is the host and producer of "Spirit of the Wild," a hunting-related television program produced by SpiritWild Productions, Inc.;

WHEREAS, Ted Nugent's wife, Shemane Nugent, is the president and director of SpiritWild Productions;

WHEREAS, the audience of "Spirit of the Wild" is a desirable audience for NRA marketing efforts, and the NRA has in the past entered into a series of agreements to advertise on the program, including payments of \$40,000 for 2017, and \$80,000 for 2018, which were approved and ratified by the Audit Committee at its April 28, 2019 meeting; and

WHEREAS, the NRA now wishes to resume advertising on "Spirit of the Wild" in the amount of \$45,000 for the period from July 1 to December 31, 2019; now therefore be it

RESOLVED, that the NRA Audit Committee finds that resuming sponsorship of "Spirit of the Wild" is fair, reasonable, and in the best interest of the NRA, and priced competitively relative to alternatives, and that the sponsorship is approved accordingly.

The Committee stood in recess at 4:10 p.m., with no other resolutions being adopted.

The Audit Committee met in person at 9 a.m. EST, August 7, 2019. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins, Herbert A. Lanford, Jr. and Carolyn Meadows. Others in attendance were: Craig B. Spray, NRA Treasurer and David A. Warren, Committee Secretary, while John Frazer, NRA Secretary attended via teleconference. Others in attendance were Joe Allbaugh, Scott Bach, Bill Bachenberg, Dave Butz, Allan Cors, Edie Fleeman, Joel Friedman, Sandra Froman, Marion Hammer, Susan Howard, David Keene, Tom King, Carrie Lightfoot, Bill Miller, Jay Printz, Todd Rathner, Kayne Robinson, Don Saba, Ronald L. Schmeits, John Sigler, Thomas R. Tedrick - NRA Managing Director of Finance, William A. Brewer III - Brewer Attorneys, Sarah Rogers - Brewer Attorneys, Wit Davis - outside counsel and Al Weber - RSM Partner. It was noted that the meeting was duly authorized and appropriate notice was given.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the May 30, 2019 meeting were approved.
2. The 2018 Form 990 was provided to the Committee and Rick Tedrick discussed the key points of interest, along with the support from the RSM tax partner.
3. The Committee discussed follow-up activities related to Oliver North.
4. The Committee received an update on the Associated Television, Inc. follow-up activities.
5. Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.
6. The Committee met with counsel and staff in executive session to discuss contract and policy related matters, as well as related party transactions.

The Committee went into executive session at 9:04 a.m., and rose from executive session at 2:53 p.m., having unanimously adopting each of the following resolutions:

I. Marion Hammer Indemnification

WHEREAS, Marion Hammer has served as an NRA consultant and Second Amendment lobbyist for many years; and

WHEREAS, Ms. Hammer's dedication, expertise, and experience in the area of Second Amendment liberties, and her tireless efforts in Florida, have greatly advanced the NRA's mission; and

WHEREAS, Ms. Hammer has recently begun incurring legal fees in response to allegations that she failed to file certain reports and make disclosures during particular years in relation to her lobbying activities; and

WHEREAS, Ms. Hammer has sought indemnification from the NRA; and

WHEREAS the NRA's counsel have advised that indemnification is not legally required, but may be provided by the NRA at its option; and

WHEREAS, upon consideration of Ms. Hammer's fruitful record of service, the NRA's desire to continue engaging her in the future, and the difficulty of replacing Ms. Hammer should she cease her advocacy in the State of Florida, the Audit Committee assesses that indemnification would be fair, reasonable, and in the best interests of the NRA, so long as it is subject to specific conditions set forth herein; now, therefore, be it

RESOLVED that the NRA may indemnify Ms. Hammer's reasonable legal fees and expenses in connection with ongoing inquiries in the State of Florida that directly concern her lobbying activities; and be it further

RESOLVED that such indemnification will be conditioned upon Ms. Hammer's execution of an undertaking, in a form prescribed by the NRA, whereby, in consideration of the NRA's agreement to indemnify such fees and expenses, Ms. Hammer agrees to return any advanced funds to the NRA if, upon final adjudication of any relevant matter, Ms. Hammer is determined to have acted in bad faith or in violation of the law; and be it further

RESOLVED that to ensure the indemnified fees and costs are reasonable, the remittance of any funds shall be conditioned upon Ms. Hammer's submission to the NRA of copies of relevant legal bills and applicable supporting documentation.

The Committee stood in recess at 2:53 p.m., with no other resolutions being adopted.

The Audit Committee met via teleconference at 3:30 p.m. EST, August 26, 2019. Committee members in attendance were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins, Herbert A. Lanford, Jr. and Carolyn Meadows. Others in attendance were: Craig B. Spray, NRA Treasurer, David A. Warren, Committee Secretary, John Frazer, NRA Secretary and Wit Davis - outside counsel. It was noted that the meeting was duly authorized and appropriate notice was given.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.
2. The Committee met with counsel and staff in executive session to discuss policy and committee operational matters.

The Committee went into executive session at 3:34 p.m., and rose from executive session at 4:08 p.m., having no resolutions being adopted.

The Committee stood in recess at 4:08 p.m., with no further actions.

The Audit Committee met in person at 9:00 a.m. EST, September 12, 2019. Committee members in attendance were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins, Herbert A. Lanford, Jr. and Carolyn Meadows. Also in attendance were: Craig B. Spray, NRA Treasurer, David A. Warren, Committee Secretary, John Frazer, NRA Secretary, Thomas R. Tedrick, NRA Managing Director of Finance, Robert Owens, Fiscal Officer ILA and Wit Davis - outside counsel. Noted Board members in attendance were: Bill Miller, Kristy Titus, Walt Walter,

Sandy Froman, Carrie Lightfoot, Scott Bach, Robert Mansell, Ronald L. Schmeits, Tom King, Todd Rathner, Melanie Pepper, Linda Walker, Maria Heil, Anthony Colandro, Jay Printz, Mark Vaughan, Joe M. Allbaugh, and Mark Robinson. It was noted that the meeting was duly authorized and appropriate notice was given.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the August 7, 2019 and August 26th, 2019 meetings were approved.
2. Chairman Cotton discussed the resolution that was raised at the members meeting, which was referred to the Audit and Ethics Committee. The Ethics Committee has decided that any further action should be left to the Audit Committee, which will consider the matter further in January.
3. The Committee met with counsel and staff in executive session to discuss contract and policy related matters.
4. Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.

The Committee went into executive session at 9:05 a.m., and rose from executive session at 10:03 a.m., no resolutions adopted.

The Committee stood in recess at 10:03 a.m., with no further actions.

Respectfully submitted,



Charles L. Cotton, Chairman

**NATIONAL RIFLE ASSOCIATION OF AMERICA
REPORT OF THE AUDIT COMMITTEE**

Tysons Corner, Virginia

January 11, 2020

TO: NRA BOARD OF DIRECTORS

The Audit Committee met in person at 9:00 a.m. EST, November 20, 2019. Committee members in attendance were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins, Herbert A. Lanford, Jr. and Carolyn Meadows. Also in attendance were: Craig B. Spray, NRA Treasurer, David A. Warren, Committee Secretary, John Frazer, NRA Secretary, Thomas R. Tedrick, NRA Managing Director of Finance, Robert Owens, Fiscal Officer ILA, Sonya Rowling, NRA Director of Finance Reporting & Accounting, Christina Majors, NRAF Managing Director of Finance and Jean Hwang, NRAF Manager of Financial Operations. Noted outside counsel in attendance were Wit Davis – Board Counsel (via teleconference), along with William A. Brewer and Sarah Rogers – Brewer Attorneys. It was noted that the meeting was duly authorized and appropriate notice was given.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the September 12, 2019 meeting was approved.
2. The Committee was presented with background materials by the staff of two competing audit/tax firms; Aronson LLC and Rogers & Company, with the intent to replace RSM as the exiting firm. The Committee was able to inquire with questions to each firm, the NRA staff and to hold mutual dialogue regarding a proposed selection recommendation. As a result of these efforts the Committee approved a motion to engage the firm of Aronson LLC for the 2019, 2020 & 2021 audit/tax services. There was a further approved Committee motion to seek to engage Rogers & Company with consulting services around the 2019 990 preparation.
3. The Committee met with counsel and staff in executive session to discuss contract and policy related matters.
4. Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There was one instances of whistleblowing reported to the Committee since the prior Committee meeting, where this incident was investigated and it was determined to be unfounded.

The Committee went into executive session at 1:50 p.m., and rose from executive session at 4:30 p.m., with the following resolutions being adopted.

I. Barrett Firearms

WHEREAS, Ronnie G. Barrett, an NRA director, is the Founder and CEO of Barrett Firearms Manufacturing, Inc., which is well known for, and whose products include, high quality rifles that are often in scarce supply on the consumer market; and

WHEREAS, at various times since 2012, Barrett Firearms Manufacturing, Inc. offered The NRA Foundation the opportunity to buy these rifles at prices favorable to the Foundation; and

WHEREAS, these rifles were then offered at Friends of NRA events for the benefit of The NRA Foundation, and have proven popular sales items raising substantial funds in support of the Foundation's charitable and educational mission; and

WHEREAS, Barrett Firearms Manufacturing, Inc. now wishes to be included in The NRA Foundation's Vendor Direct Program, through which these rifles would be made available to individual Friends of NRA committees for use at Friends of NRA events for the benefit of The NRA Foundation, at favorable prices that only Barrett Firearms Manufacturing's strongest partners are able to receive; and

WHEREAS, any purchases made under the Vendor Direct Program are at the sole discretion of those individual Friends of NRA committees; now therefore be it

RESOLVED, that the Committee finds that due to the highly favorable pricing terms, these transactions are fair, reasonable, and in the best interest of The NRA Foundation, that the past transactions are approved and ratified, and that similar future transactions, on substantially the same terms, are also authorized.

II. Remington Outdoor Company

WHEREAS, from 2011 to 2018, George K. Kollitides served as a Trustee of The NRA Foundation; and

WHEREAS, from 2012 to 2015, George K. Kollitides served as Chairman and CEO of Remington Outdoor Company, which manufactures firearms such as Remington, Bushmaster, and Marlin; and

WHEREAS, at various times before, during, and after Mr. Kollitides' service as a Trustee of The NRA Foundation and Chairman and CEO of Remington Outdoor Company, Remington offered The NRA Foundation the opportunity to buy firearms at prices favorable to the Foundation, under Remington's Conservation Program where purchasers receive a discount of 33% off of MSRP; and

WHEREAS, The NRA Foundation at various times purchased such firearms, received this discount, and offered the firearms at Friends of NRA events for the benefit of The NRA Foundation; now therefore be it

RESOLVED, that the Committee finds that due to the highly favorable pricing terms, these past transactions were fair, reasonable, and in the best interest of The NRA Foundation and that these past transactions are approved and ratified.

III. Sturm, Ruger & Co., Inc.

WHEREAS, Sandra S. Froman, an NRA director, has served on the board of directors of firearms manufacturer Sturm, Ruger & Co., Inc. since December, 2015; and

WHEREAS, at various times prior to and since Sandra S. Froman joining the board of Sturm, Ruger & Co., Inc., Ruger offered The NRA Foundation the opportunity to buy firearms at the same prices and under the same terms as offered to Ruger's distributors; and

WHEREAS, The NRA Foundation at various times purchased such firearms at distributor pricing and offered the firearms at Friends of NRA events for the benefit of The NRA Foundation; now therefore be it

RESOLVED, that the Committee finds that due to the highly favorable pricing terms, these transactions are fair, reasonable, and in the best interest of The NRA Foundation, that the past transactions are approved and ratified, and that similar future transactions, on substantially the same terms, are also authorized, provided that Sandra S. Froman not engage in any deliberations concerning such transactions and that she abstain from any vote or other decisions involving such transactions.

The Committee stood in recess at 4:30 p.m., with no further actions.

The Audit Committee met in person at 12:00 p.m. EST, January 9, 2020. Committee members in attendance were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins, Herbert A. Lanford, Jr. and Carolyn Meadows. Also in attendance were: Craig B. Spray, NRA Treasurer, Willes Lee, NRA Second Vice President, David A. Warren, Committee Secretary, John Frazer, NRA Secretary, Thomas R. Tedrick, NRA Managing Director of Finance, Robert Owens, Fiscal Officer ILA, Sonya Rowling, NRA Director of Finance Reporting & Accounting, Christina Majors, NRAF Managing Director of Finance and Jean Hwang, NRAF Manager of Financial Operations. Noted outside counsel in attendance were Wit Davis – Board Counsel (via teleconference), along with William A. Brewer and Sarah Rogers – Brewer Attorneys. It was noted that the meeting was duly authorized and appropriate notice was given.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the November 20, 2019 meeting was approved.

2. The Committee was presented by Greg Plotts, Partner and Will Donahue, Sr. Manager of Audit, of Aronson LLC (engaged audit/tax firm). The scope of this presentation was to present what was new for the 2019 audit engagement, significant audit areas of focus, upcoming changes, present the Aronson audit engagement team and to propose the audit engagement timeline.
3. The Committee met with counsel and staff in executive session to discuss contract and policy related matters.
4. Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.

The Committee went into executive session at 12:24 p.m., and rose from executive session at 1:47 p.m., with the following resolutions being adopted.

I. Ted Nugent—Advertising

WHEREAS, Ted Nugent is a member of the Board of Directors of the National Rifle Association of America (NRA), a position for which he receives no compensation;

WHEREAS, Ted Nugent is well known as an avid hunter and is the host and producer of "Spirit of the Wild," a hunting-related television program produced by SpiritWild Productions, Inc.;

WHEREAS, Ted Nugent's wife, Shemane Nugent, is the president and director of SpiritWild Productions;

WHEREAS, the audience of "Spirit of the Wild" is a desirable audience for NRA marketing efforts, and the NRA has in the past entered into a series of agreements to advertise on the program, including payments of \$40,000 for two quarters of advertising in 2017, \$80,000 for four quarters of advertising in 2018, and \$45,000 for two quarters of advertising in 2019; and

WHEREAS, the NRA has entered into an additional contract for two quarters of advertising in the first half of 2020, at a cost of \$45,000; now therefore be it

RESOLVED, that the NRA Audit Committee has reviewed the agreement and has reviewed financial analysis for advertising via "Spirit of the Wild" in 2020 on the Outdoor Channel, specifically the cost per 1,000 views, or "CPM" as is custom and usage in the advertising industry. Measured against the CPM that third parties pay the NRA to advertise via American Rifleman TV on the Outdoor Channel, the CPM for "Spirit of the Wild" in 2020 is appropriately priced. Therefore, the NRA Audit Committee finds the transaction to be fair, reasonable, and in the best interest of the NRA, and approves and ratifies it accordingly; and be it further

RESOLVED, that approval for future transactions regarding NRA advertising on the program is hereby granted, provided that future similar transactions are on substantially the same financial (i.e., CPM) and commercial terms as the present one. Any material changes to financial or commercial terms would compel this Committee to re-evaluate its approval.

II. Leroy Sisco – Military Warriors Support Foundation

WHEREAS, Lieutenant General Leroy Sisco (U.S. Army, Ret.), is an unpaid NRA director, and is also the founder and paid chief executive officer of the Military Warriors Support Foundation (MWSF), a section 501(c)(3) charity that provides support for combat wounded veterans in the form of housing, homeownership and transportation assistance, recreational activities, and leadership development programs; and

WHEREAS, between 2013 and 2018, the National Rifle Association donated a total of \$300,000 to the MWSF, and The NRA Foundation donated \$60,000, as a means of showing their support for veterans, consistent with the NRA's historic mission of supporting America's military and with NRA entities' past record of contributing to veterans' charities; and

WHEREAS, these donations were announced at various events—including the Saturday evening concerts at NRA Annual Meetings—at which the MWSF presented homes to wounded veterans, gaining favorable publicity for the NRA and its affiliates; and

WHEREAS, although Gen. Sisco does not hold an ownership interest in MWSF sufficient to classify MWSF as a "related party," and does not have a financial interest in the foregoing donations which would classify them as "related party transactions," pursuant to N.Y. NPCL § 102, the NRA out of an abundance of caution sought review and ratification of the donations by the Audit Committee; now, therefore, be it

RESOLVED, that such donations were fair, reasonable, and in the best interest of the NRA at the time they were made, and are hereby approved and ratified; and be it further

RESOLVED, that any proposed future donations to the MWSF shall be approved by the Audit Committee before any payment is made by the NRA.

III. Peacemaker National Training Center – NRA Schools

WHEREAS, the Director of the NRA's Competitive Shooting Division, Cole McCulloch, is the owner of Peacemaker National Training Center ("PNTC"), a shooting facility in West Virginia; and

WHEREAS, the NRA has, in the past, presented and marketed various multi-disciplinary firearms training schools, and intends to resume doing so during 2020; and

WHEREAS, the NRA considers PNTC to be a desirable site for such schools based on PNTC's involvement in the previous program; and

WHEREAS, the terms under consideration for the NRA's proposed contract with PNTC are as follows: (i) PNTC will furnish facilities and shooting instruction under the guidance and direction of NRA Staff; (ii) all PNTC proposed curricula will be subject to approval by the NRA; (iii) the NRA will be responsible for financial management of the schools, including determining optimal pricing; (iv) the parties currently anticipate that courses will be priced between \$299 and \$349 per student; (v) the NRA will retain \$125 per student; and (vi) PNTC shall maintain, at its own expense, insurance insuring PNTC and the NRA against liabilities arising from PNTC's operation of the schools and shall indemnify and hold harmless the NRA from liabilities relating to PNTC's operation of the schools; and

WHEREAS, the NRA anticipates contracting with other shooting facilities for the operation of shooting schools on substantially similar terms;

WHEREAS, in consideration for the fees and benefits received under the contract, the NRA intends to market and promote the schools on a non-exclusive basis and permit the use of its intellectual property in connection therewith;

WHEREAS, Mr. McCulloch will be involved in the NRA's oversight of PNTC's curricula, but beyond the initial proposal of this program, has recused himself, and will continue to recuse himself, from decision-making bearing on the NRA's financial relationship with PNTC; and

WHEREAS, although the NRA does not anticipate that Mr. McCulloch will constitute a "key person" within the meaning of its Conflict of Interest and Related Party Transaction Policy for purposes of any transactions during the upcoming year, it nonetheless seeks approval of the proposed transaction for the avoidance of doubt; now, therefore, be it

RESOLVED that the Audit Committee has reviewed the proposed transaction, and considered that PNTC's classes held at the Peacemaker facility will be useful to members and gun owners and produce revenue for the NRA, and based on its review has determined that promoting the schools at PNTC pursuant to the above-referenced terms is fair, reasonable, and in the best interests of the NRA.

IV. Woody Phillips Consulting Contract

WHEREAS, Wilson H. Phillips served as Chief Financial Officer and Treasurer of the NRA until his retirement in 2018; and

WHEREAS, in the course of his service, Mr. Phillips developed valuable relationships and expertise, as well as knowledge useful to the NRA in connection with its prosecution and defense of pending and anticipated litigation matters; and

WHEREAS, since retiring, Mr. Phillips has accordingly continued to serve the NRA, including by dedicating substantial time to meet with the NRA's counsel, inform the NRA about

facts, and assist the NRA in locating documents which further the NRA's objectives in connection with its legal matters; and

WHEREAS, prior to Mr. Phillips' retirement, a consulting contract was drafted which allowed the NRA to avail itself of Mr. Phillips' expertise and services; however, the contract departed from NRA guidelines with respect to such consulting arrangements and was never approved by the Treasurer, the Executive Vice President, or the Audit Committee; and

WHEREAS, the Audit Committee previously advised that it would consider approving a consulting contract with Mr. Phillips, provided that (i) the contract adhered to the NRA's best-practices guidelines for consulting arrangements with departed executives; and (ii) the contract satisfied signature requirements and, if applicable, business-case-analysis requirements appropriate to the NRA's anticipated level of expenditures and

WHEREAS, at its January 9, 2020 meeting, the Audit Committee reviewed a proposed revised contract and concluded that the terms of the contract are broadly acceptable and appear to be fair, reasonable, and in the best interest of the NRA; now, therefore, be it

RESOLVED that subject to the satisfaction of signature requirements and, if applicable, business-case-analysis requirements set forth in the NRA Policy Manual, the proposed Consulting Agreement with Wilson H. Phillips presented to the Audit Committee at its January 9, 2020, meeting is hereby approved.

V. Whistleblower Policy

WHEREAS, the NRA strives to meet or exceed best practices with respect to compliance and governance matters; and

WHEREAS, in furtherance of this effort, the Audit Committee believes it appropriate to further update and expand upon certain existing NRA policies; and

WHEREAS, on January 7, 2006, the NRA Board of Directors adopted a Statement of Corporate Ethics which sets forth the NRA's commitment to impartial, sound business practices and such policy (as set forth in the NRA Employee Handbook) also makes clear that the NRA is committed to the protection of whistleblowers who raise questions or concerns regarding such practices; and

WHEREAS, the Audit Committee recommends that the Statement of Corporate Ethics be expanded to set forth further express detail regarding whistleblowing protocols and protections; now, therefore, be it

RESOLVED that the Audit Committee recommends that the Board of Directors adopt the proposed revised Statement of Corporate Ethics set forth in Exhibit A hereto.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Chas. L. Cotton", with a long horizontal flourish extending to the right.

Charles L. Cotton, Chairman

**NATIONAL RIFLE ASSOCIATION OF AMERICA
REPORT OF THE AUDIT COMMITTEE**

Tuscan, Arizona

October 24, 2020

TO: NRA BOARD OF DIRECTORS

The Audit Committee met at the NRA Headquarters, Fairfax, Virginia and via teleconference at 8 a.m. eastern, March 11, 2020. Committee members present in-person were: Herbert A. Lanford, Jr. and those present via teleconference were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins and Carolyn Meadows. Others in attendance were: John Frazer, NRA Secretary; Craig B. Spray, NRA Treasurer; David Warren, Committee Secretary; Rick Tedrick, NRA Managing Director of Finance; Sonya Rowling, Director of Accounting Operations and Financial Reporting; Robert Owens, ILA Chief Fiscal Officer; Angela St. Onge, NRA Controller, James Purtell, IS Interim Managing Director, Christina Major, Foundation Managing Director of Finance and Jean Hwang, Manager of Financial Operations, Foundation Finance. Greg Plotts, Aronson, LLC Partner; Will Donahue, Aronson, LLC, Audit Senior Manager and Wit Davis, outside counsel were also in attendance.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the January 9, 2020 meeting were approved.
2. Greg Plotts and Will Donahue reviewed the overall audit process, key procedures and areas of focus, consolidated financial statement highlights and accounting updates in the industry. There were no significant deficiencies or material weaknesses identified.
3. Will Donahue reviewed required communications to the Audit Committee as outlined in the letter addressed to the Committee.
4. Rick Tedrick reviewed the consolidated financial statements of the NRA and Affiliates, while also discussing variances of note from the prior year (2018) within these statements. The Committee made the following motion, which was passed unanimously:

"Moved, the Committee unanimously approves the NRA consolidated financial statements as presented."

5. Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.
6. The Committee met in executive session with counsel, Aronson management, staff and independently.

The committee went into executive session at 9:15 a.m., and rose from executive session at 9:52 a.m., with no resolutions being adopted.

There was no further business, so the Committee adjourned at 9:43 a.m.

The Audit Committee met via teleconference and WebEx session at 10 a.m. eastern, August 21, 2020. Committee members in attendance were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Herbert A. Lanford, Jr., Curtis Jenkins and Carolyn Meadows. Others in attendance were: John Frazer, NRA Secretary; Craig B. Spray, NRA Treasurer; David Warren, Committee Secretary; and Willes Lee, NRA Second Vice President. William A. Brewer III, Brewer Attorneys & Counselors; Sarah Rogers, Brewer Attorneys & Counselors and Wit Davis, outside counsel were also in attendance.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the March 11, 2020 meeting were approved.
2. Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were three instances of whistleblowing reported to the Committee to make them aware of the instances and that they were being addressed by legal counsel. Next steps, are to further the appropriate investigation by legal counsel and bring them to the Committee as they are completed.
3. The Committee discussed the details surrounding Kimberly Rhode, potential celebrity endorsement, and the Committee determined that these activities did not meet the criteria of a related party activity.
4. The Committee met in executive session with counsel and staff.

The committee went into executive session at 10:19 a.m., and rose from executive session at 12:40 p.m., with no resolutions being adopted.

There was no further business, so the Committee adjourned at 12:40 p.m.

The Audit Committee met via teleconference and WebEx session at 10 a.m. eastern, October 9, 2020. Committee members in attendance were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Herbert A. Lanford, Jr., Curtis Jenkins and Carolyn Meadows. Others in attendance were: John Frazer, NRA Secretary; Craig B. Spray, NRA Treasurer; David Warren, Committee Secretary; Willes Lee, NRA Second Vice President; Thomas R. Tedrick, NRA Managing Director of Finance, Robert Owens, Fiscal Officer ILA, Sonya Rowling, NRA Director of Finance Reporting & Accounting; Arif Rahman, NRA Manager of Tax & Accounting; Angie St. Onge, NRA Controller. Staff from Aronson, LLC in attendance were; Greg Plotts, Partner; Will Donahue, Sr. Mgr. Of Audit; Kathryn Cuddapah, Director, Tax

Services and Kathryn Petrillo, EBP Partner. William A. Brewer III, Brewer Attorneys & Counselors; Sarah Rogers, Brewer Attorneys & Counselors and Wit Davis, outside counsel were also in attendance.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the August 21, 2020 meeting were approved.
2. The Committee received and discussed the details surrounding the 2019 Form 990 and the 2019 Employee benefit plan audit. Rick Tedrick discussed the key points of interest from the Form 990, along with the support from the Aronson, LLC staff; Greg Plotts, Partner; Kathryn Cuddapah, Director, Tax Services and Kathryn Petrillo, EBP Partner.
3. The Committee was presented by Greg Plotts, Partner and Will Donahue, Sr. Manager of Audit, of Aronson LLC. The scope of this presentation was to present what was new for the 2020 audit engagement, significant audit areas of focus and upcoming changes.
4. Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were two prior instances of whistleblowing discussed with the Committee to update them on the progress of each investigation by counsel.
5. The Committee met in executive session with counsel, Aronson management, staff and independently.

The committee went into executive session at 10:36 a.m., and rose from executive session at 11:41 a.m., with no resolutions being adopted.

There was no further business, so the Committee adjourned at 11:45 a.m.

Respectfully submitted,



Charles L. Cotton
Chairman

3

**NATIONAL RIFLE ASSOCIATION OF AMERICA
REPORT OF THE AUDIT COMMITTEE**

Dallas, Texas

May 2, 2021

TO: NRA BOARD OF DIRECTORS

The Audit Committee met at the Dallas Sheraton, Dallas, Texas, April 30, 2021. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins and Carolyn Meadows (via teleconference). Other staff in attendance were: John Frazer, NRA Secretary; Sonya Rowling, Acting Chief Financial Officer, David Warren, Committee Secretary, Jason Ouimet, Executive Director of NRA-ILA and Robert Owens, ILA Fiscal Officer (via teleconference). Other Board members in attendance were, Willes Lee, 2nd Vice President, Ronald L. Schmeits, Larry E. Craig, Maria Heil, Linda Walker, Carrie Lightfoot, Joel Friedman and Patricia Clark. William A. Brewer III, Brewer Attorneys & Counselors; Sarah Rogers (via teleconference), Brewer Attorneys & Counselors and Wit Davis, outside counsel were also in attendance.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the October 22, 2020 meeting were approved.
2. Sonya Rowling provided a status update on the 2020 audit engagement and anticipated completion timing.
3. Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.

The committee went into executive session at 9:12 a.m. and rose from executive session at 9:59 a.m., with noting the following motion.

Mr. Coy raised a motion, which was supported by the Committee, to look into the matters that Mr. Phillips, previous NRA Treasurer and Chief Financial Officer; applied his 5th amendment rights towards during a recently disclosed deposition.

There was no further business, so the Committee adjourned at 10:01 a.m.

Respectfully submitted,



Charles L. Cotton, Chairman

**NATIONAL RIFLE ASSOCIATION OF AMERICA
REPORT OF THE AUDIT COMMITTEE**

Tysons, Virginia

June 26, 2021

TO: NRA BOARD OF DIRECTORS

The Audit Committee met at the Hyatt Regency Tysons Corner Center, Tysons, Virginia, June 23, 2021. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins and Carolyn Meadows (via teleconference). Other staff in attendance were: John Frazer, NRA Secretary; Sonya Rowling, Treasurer and Chief Financial Officer, David Warren, Committee Secretary, Tyler Schropp, Executive Director of Advancement and Robert Owens, ILA Fiscal Officer. Other Board members in attendance were, Willes Lee, Second Vice President, Tom King, Maria Heil, Linda Walker and Carrie Lightfoot. William A. Brewer III, Brewer Attorneys & Counselors (via teleconference); Sarah Rogers (via teleconference), Brewer Attorneys & Counselors and Wit Davis, outside counsel were also in attendance. It was noted that the meeting was duly authorized and appropriate notice was given.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the April 30, 2021 meeting were approved.
2. Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.

The committee went into executive session at 9:03 a.m. and rose from executive session at 10:12 a.m., noting the following consideration.

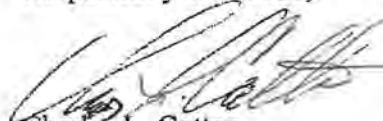
The committee discussed the matter of the ordinary attendance and participation of staff and Board members in industry events and any potential conflict of interest surrounding those activities. In response, it was formally referenced that these ordinary activities were within the scope of the current Conflict of Interest and Related Party Transaction policy. (Section V, No 4)

The Committee stood in recess at 10:13 a.m., subject to the call of the Chairman.

The Chairman called a meeting from recess at 11:45 a.m., Thursday, June 24, 2021 with the same roll call when going into recess. The committee went into executive session at 11:47 a.m. and rose from executive session at 11:58 a.m., with no recommended actions from the Committee.

The meeting was adjourned at 11:59 a.m.

Respectfully submitted,


Charles L. Cotton
Chairman

**NATIONAL RIFLE ASSOCIATION OF AMERICA
REPORT OF THE AUDIT COMMITTEE**

Charlotte, North Carolina

October 1, 2021

TO: NRA BOARD OF DIRECTORS

The Audit Committee met at the Sheraton & Le Meridien Charlotte Hotel Complex, Charlotte, North Carolina, October 1, 2021. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins and Carolyn Meadows (via teleconference). Other staff in attendance were: John Frazer, NRA Secretary; Sonya Rowling, Treasurer and Chief Financial Officer, David Warren, Committee Secretary, Jason Ouimet, Executive Director of NRA-ILA and Michael Erstling, NRA Director of Finance Administration Treasurer's Office. Other Board members in attendance were, Willes Lee, 2nd Vice President, Maria Heil, Linda Walker, Carrie Lightfoot, among others. Wit Davis, outside counsel was also in attendance. It was noted that the meeting was duly authorized and appropriate notice was given.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the August 10th, 2021 and September 16th, 2021 meetings were approved.
2. Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.

The committee went into executive session at 9:11 a.m. and rose from executive session at 9:48 a.m.

The meeting was adjourned at 9:48 a.m.

The Audit Committee met via secure teleconference at 2 p.m. eastern, September 16, 2021. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins and Carolyn Meadows. Others in attendance were: Willes Lee, NRA 2nd Vice President, John Frazer, NRA Secretary; Sonya Rowling, NRA Treasurer/CFO; David Warren, Committee Secretary and Rick Tedrick, NRA Managing Director of Finance. Greg Plotts, Aronson, LLC Partner; Will Donahue, Aronson, LLC, Audit Senior Manager and Wit Davis, outside counsel were also in attendance. It was noted that the meeting was duly authorized and appropriate notice was given.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. Greg Plotts and Will Donahue presented an update to the 2020 consolidated financial statement highlights.

2. Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.

The committee went into executive session at 2:03 p.m., and rose from executive session at 2:15 p.m., moving, that the Committee unanimously adoption the updated NRA consolidated financial statements as presented.

There was no further business, so the Committee adjourned at 2:16 p.m.

The Audit Committee met via secure teleconference/WebEx at 10 a.m. eastern, August 10, 2021. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins and Carolyn Meadows. Others in attendance were: Willes Lee, NRA 2nd Vice President, John Frazer, NRA Secretary; Sonya Rowling, NRA Treasurer/CFO; David Warren, Committee Secretary; Rick Tedrick, NRA Managing Director of Finance; Robert Owens, ILA Chief Fiscal Officer; Angela St. Onge, NRA Controller, and Sunee Stacks, Foundation Director of Finance. Greg Plotts, Aronson, LLC Partner; Will Donahue, Aronson, LLC, Audit Senior Manager, Sara Roger, Partner Brewer Attorneys and Wit Davis, outside counsel were also in attendance. It was noted that the meeting was duly authorized and appropriate notice was given.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

3. The minutes from the June 23, 2021 and June 24, 2021 meetings were approved.
4. Greg Plotts and Will Donahue reviewed the overall audit process, key procedures and areas of focus, consolidated financial statement highlights and accounting updates in the industry. There were no significant deficiencies or material weaknesses identified.
5. Will Donahue reviewed required communications to the Audit Committee as outlined in the letter addressed to the Committee.
6. Rick Tedrick reviewed the consolidated financial statements of the NRA and Affiliates, while also discussing variances of note from the prior year (2019) within these statements. The Committee made the following motion, which was passed unanimously:

"Moved, the Committee unanimously approves the NRA consolidated financial statements as presented."

7. Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.

8. The Committee met in executive session with counsel, Aronson management and staff independently.

The committee went into executive session at 10:09 a.m., and rose from executive session at 11:20 a.m., with no resolutions being adopted.

There was no further business, so the Committee adjourned at 11:20 a.m.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Charles L. Cotton", written in a cursive style.

Charles L. Cotton, Chairman

**NATIONAL RIFLE ASSOCIATION OF AMERICA
REPORT OF THE AUDIT COMMITTEE**

Tysons Corner, Virginia

January 15, 2022

TO: NRA BOARD OF DIRECTORS

The Audit Committee met at the NRA Headquarters, Fairfax, Virginia, December 2, 2021. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Curtis Jenkins, Carolyn Meadows (via teleconference) and Herbert Lanford (via teleconference). Other staff in attendance were: John Frazer, NRA Secretary; Sonya Rowling, Treasurer and Chief Financial Officer and David Warren, Committee Secretary. Other Board members in attendance were, Willes Lee, 2nd Vice President. Wit Davis, William Brewer and Susan Dillon (Brewer) outside counsel, and Greg Plotts, Partner, Aronson, LLC were also in attendance. It was noted that the meeting was duly authorized and appropriate notice was given.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the October 1st, 2021 meeting was approved.
2. Greg Plotts, Aronson, LLC, provided a brief status update on the 2021 interim and forward-looking audit work.
3. Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.

The committee went into executive session at 12:54 p.m. and rose from executive session at 3:27 p.m.

There was no further business, so the Committee adjourned at 3:27 p.m.

The Audit Committee met at the Hyatt Regency Tysons Corner Center, Tysons, Virginia, January 13, 2022. Committee members present were: Charles L. Cotton, Chairman, David G. Coy, Vice Chairman, Herbert Lanford, Curtis Jenkins (via teleconference) and Carolyn Meadows (via teleconference). Other staff in attendance were: John Frazer, NRA Secretary; Sonya Rowling, Treasurer and Chief Financial Officer and David Warren, Committee Secretary. Willes Lee, 2nd Vice President and other Board members in attendance. Wit Davis, William Brewer, Susan Dillon (Brewer), Travis Carter (Brewer) outside counsel, and Greg Plotts, Partner, Will Donahue, Sr.

Manager of Audit, Aronson, LLC were also in attendance. It was noted that the meeting was duly authorized and appropriate notice was given.

The Committee discussed many areas of interest and while not rising to the level of Board action, the following items were addressed:

1. The minutes from the December 2nd, 2021 meeting and a correction to the August 10, 2021 meeting were approved.
2. The Committee was presented by Greg Plotts, Partner and Will Donahue, Sr. Manager of Audit, of Aronson LLC (engaged audit/tax firm). The scope of this presentation was to present what was new for the 2021 audit engagement, significant audit areas of focus, upcoming changes, present the Aronson audit engagement team and to propose the audit engagement timeline.
3. The Committee met with counsel and staff in executive session to discuss related party matters.
4. Receiving, investigating and resolving all instances of whistleblowing as they arise is part of the Audit Committee's business at each meeting. There were no instances of whistleblowing reported to the Chairman of the Audit Committee, General Counsel, Human Resources Director, or the Secretary of the Audit Committee.

The Committee went into executive session at 12:07 p.m. and rose from executive session at 1:33 p.m.

The Committee stood in recess at 1:33 p.m., subject to the call of the Chairman.

The Committee was called by the Chairman at 8:18 a.m. on January 15, 2022.

The Committee went into executive session at 8:19 a.m. and rose from executive session at 8:21 a.m.

There was no further business, so the Committee adjourned at 8:19 a.m.

Respectfully submitted,



Charles L. Cotton, Chairman