

**SIENNA PREMIER AQUATICS, INC.
CONFLICT OF INTEREST POLICY**

**ARTICLE I
PURPOSE OF POLICY**

The purpose of this Conflict of Interest Policy is to protect the tax-exempt status of Sienna Premier Aquatics, Inc. (the “Organization”), when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Organization or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable laws governing conflicts of interest applicable to nonprofit and charitable organizations.

**ARTICLE II
DEFINITIONS**

1. **Interested Person.** Any member of the Board of Directors (the “Board”), principal officer, or member of a committee with Board-delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

2. **Financial Interest.** A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Organization has a transaction or arrangement,
- b. A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2 of this policy, a person who has a financial interest will have a conflict of interest only if the Board or appropriate committee decides that a conflict of interest exists.

**ARTICLE III
PROCEDURES**

1. **Duty to Disclose.** In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity

to disclose all material facts to the directors or members of committees with Board-delegated powers considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he or she shall leave the Board or other committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest.

- a. An interested person may make a presentation at the Board or committee meeting, but after the presentation, he or she shall leave the meeting during the discussion of and the vote on the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Board or committee shall determine whether the Organization can obtain, with reasonable efforts, a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement isn't reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and fair and reasonable. In conformity with the above determination, it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflict of Interest Policy.

- a. If the Board or committee has reasonable cause to believe an interested person has failed to disclose an actual or possible conflict of interest, it shall inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the interested person and further investigating as might be warranted by the circumstances, the Board or committee determines the interested person has, in fact, failed to disclose a direct or indirect financial or other actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**ARTICLE IV
RECORDS OF PROCEEDINGS**

The minutes of the Board and all committees with Board-delegated powers shall contain:

- a. The names of persons who disclosed or otherwise were found to have an actual or possible conflict of interest, the nature of the conflict of interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest, in fact, existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

ARTICLE V COMPENSATION

- a. A voting member of the Board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- c. No voting member of the Board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

ARTICLE VI ANNUAL DISCLOSURE STATEMENT

Each director, principal officer, and member of a committee with Board-delegated powers shall annually sign a statement which affirms such person:

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

ARTICLE VII PERIODIC REVIEWS

To ensure the Organization operates in a manner consistent with charitable purposes, and doesn't engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit, or in an excess benefit transaction.

ARTICLE VIII USE OF OUTSIDE EXPERTS

When conducting the periodic reviews, as provided for in Article VII, the Organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

**SIENNA PREMIER AQUATICS, INC.
CONFLICT OF INTEREST POLICY
ANNUAL STATEMENT**

I acknowledge and affirm that I:

- a. Have received a copy of the Sienna Premier Aquatics, Inc. Conflict of Interest Policy (the “Policy”);
- b. Have read and understand the Policy;
- c. Agree to comply with the Policy; and
- d. Understand that Sienna Premier Aquatics, Inc. is charitable and, in order to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Signature

Printed Name

Position(s) with Sienna Premier Aquatics, Inc.

Date