

ROOSEVELT ISLAND SWIMMING, INC.

CONFLICT OF INTEREST AND RELATED PARTY TRANSACTION POLICY

ARTICLE I

PURPOSE

All directors, officers and staff owe a duty of loyalty to Roosevelt Island Swimming, Inc. (the "Club") and must act in good faith and in the Club's best interests, rather than in their own interests or the interests of another entity or person, and must comply with applicable legal requirements. The purpose of this Conflict of Interest and Related Party Transaction Policy (this "Policy") is to set forth procedures for monitoring, reporting, review and oversight of, and review, approval or ratification of any action taken in connection with, conflicts of interest and related party transactions.

ARTICLE II

APPLICABILITY

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

1. A director of the Club or an "affiliate" (as defined below);
2. An officer of the Club or an affiliate;
3. A "key employee" (as defined below) of the Club or an affiliate;
4. And any other employee, volunteer, independent contractor of, or substantial contributor to, the Club

(each, a "Covered Person" or "you").

This policy also applies to transactions or arrangements with an "Other Related Party" (as defined below).

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 Club.

A "key employee" is a person who is in a position to exercise substantial influence over the Club and, other than directors and officers, may include, without limitation, a person who: (i) founded the Club, (ii) is a substantial contributor, (iii) has authority to control a substantial portion of the Club's capital expenditures, operating budget or employee compensation, (iv) manages a discrete segment or activity of the Club that represents a substantial portion of the activities, assets, income or expenses of the Club (as compared to the Club as a whole); (v) receives compensation primarily based on revenues derived

from the Club's activities; and/or (vi) is highly-compensated by the Club (for example, receiving annual compensation greater than \$150,000). Persons who qualify as "key employees" of the Club will be so notified by the Club.

An "Other Related Party" is a "relative" (as defined below) of a Covered Person or an entity in which a Covered Person or relative of a Covered Person 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%.

A "relative" is a (i) spouse, ancestor, child (whether natural or adopted), grandchild, great-grandchild, sibling (whether whole- or half-blood), (ii) spouse of a child (whether natural or adopted), grandchild, great-grandchild or sibling (whether whole- or half-blood), or (iii) a domestic partner, as defined in section 2997-A of the New York Public Health Law.

ARTICLE III

CONFLICTS OF INTEREST

A conflict of interest arises whenever the interests of the Club 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 his or her duties to the Club.

While it is not possible to describe or anticipate all the circumstances that might involve a conflict of interest, a conflict of interest typically arises whenever a Covered Person or Other Related Party has (directly or indirectly):

1. A direct or indirect interest (financial or otherwise) in a transaction, agreement or any other arrangement in which the Club or any affiliate participates;
2. A compensation arrangement or other interest in a transaction with the Club;
3. 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 Organization; (ii) competes with the Club; or (iii) the Club has, or is negotiating, or contemplating negotiating, any other transaction or arrangement with;
4. The ability to use his or her position, confidential information or the assets of the Club, to his or her (or an affiliated party's) personal advantage or for an improper or illegal purpose;
5. 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);
6. Acquired any property or other rights in which the Club has, or the Covered Person or Other Related Party knows or has reason to believe at the time of acquisition that the Club is likely to have, an interest;

7. An opportunity related to the activities of the Club, unless the Board has made an informed decision that the Club will not pursue that opportunity;
8. Been indebted to the Club, other than for amounts due for ordinary travel and expense advances; or
9. any other circumstance that may, in fact or in appearance, make it difficult for the Covered Person to exercise independent, objective judgment or otherwise perform effectively.

ARTICLE IV

CONFLICT OF INTEREST DISCLOSURE AND QUESTIONNAIRE

You are required to disclose in good faith and in writing to the Board all material facts related to conflicts of interest (including those that implicate an Other Covered Party but no Covered Person) (including the nature of your or the Other Covered Party's interest and information about any proposed transaction or other arrangement). 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 director, officer and key employee of the Club, as well as nominees for election as director (prior to his or her initial election), must submit to the Secretary of the Club at least once per year (and updated as appropriate) a questionnaire substantially in the form of the Appendix to this Policy. The Secretary of the Club shall provide copies of all completed statements to the Board.

ARTICLE V

REVIEW AND APPROVAL

The Board will review all conflicts of interest and determine whether to approve or ratify any such matters. The Board may only approve the underlying matter if it determines that such matter, under the terms and within the circumstances and conditions presented, is fair, reasonable, and in the best interests of the Club. In making its determination, the Board will consider, without limitation:

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

If the potential conflict of interest pertains to compensation for services or the transfer of property or other economic benefit to a Covered Person or Other Related Party, the Board must determine that the value of the economic benefit provided by the Club to the Covered Person or Other Related Party does not exceed

the value of the consideration received in exchange by obtaining and reviewing appropriate comparable data prior to entering the transaction. When considering the comparability of compensation, for example, the types of relevant comparability data which the Board may consider include, but are not limited to: (1) compensation levels paid by similarly situated organizations, both exempt and non-exempt; (2) the availability of similar services within the same geographic area; (3) current compensation surveys compiled by independent firms; and (4) written offers from similar institutions competing for the same person's services. When the transaction involves the transfer of real property as consideration, the relevant factors include, but are not limited to: (i) current independent appraisals of the property; and (ii) offers received in a competitive bidding process.

The approval of any matter that is the subject of this Policy shall require the approval of at least a majority of the members of the Board present and voting at the meeting.

Persons with an interest in any matter under review by the Board are not permitted to be present at or participate in any deliberations or voting by the Board 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 determination prior to the commencement of deliberations or voting related thereto.

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

ARTICLE VI

RECORDS

The minutes of the Board 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 interested Covered Person, the nature of the conflict, and details of the deliberations of the disinterested directors (such as documents reviewed, any alternatives or comparable transactions 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 Club's audited financial statements and its annual federal tax filing on Form 990.

ARTICLE VII

COMPLIANCE

If the Board 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 and if it determines that a Covered Person has failed to comply with this Policy, it shall take appropriate action which may include removal of the Covered Person from office or termination of employment.

ARTICLE VIII

POLICY ADOPTION AND OVERSIGHT

The Board 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 (as defined immediately below) are permitted to participate in any deliberations or vote on matters relating to this Policy. An "independent director" is defined to mean a member of the Board who:

- I. Is not and has not been within the last three years, an employee of the Club or an affiliate of the Club, and does not have a relative who is, or has been within the last three years, a key employee of the Club or an affiliate of the Club;
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 Club or an affiliate of the Club (not including reasonable compensation or reimbursement for services as a director); and
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 Club or an affiliate of the Club, 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).

This Conflict of Interest and Related Party Transaction Policy was adopted by the Board on December 9, 2016.

ROOSEVELT ISLAND SWIMMING, INC.

**QUESTIONNAIRE CONCERNING CONFLICTS OF INTEREST
AND AFFIRMATION RE: ORGANIZATION POLICIES**

Part A: To be Completed by Directors, Director Nominees, Officers and Key Employees

- Please identify, to the best of your knowledge, any and all entities of which you are an officer, director, trustee, member owner (either as a sole proprietor or a partner), or employee and with which Roosevelt Island Swimming, Inc. (the "Club") has a relationship:

- Please identify, to the best of your knowledge, any and all transactions in which the Club is a participant and in which you have or might have a financial or personal interest:

- Have you or any "relative" (as defined in the Conflict of Interest and Related Party Transaction Policy) had or engaged in, or do you know of any other "Covered Person" (as defined in the Conflict of Interest and Related Party Transaction Policy) that has or engaged in, any of the following? (other than matters already fully disclosed, evaluated and resolved):

	Yes	No
1. a direct or indirect interest (financial or otherwise) in a transaction, agreement or any other arrangement and in which the Club or any affiliate participates?		
2. a compensation arrangement or other interest in a transaction with the Club?		
3. a compensation arrangement or other interest in or affiliation with any entity or individual that: (a) sells goods or services to, or purchases goods or services from, the Club; (b) competes with the Club; or (c) the Club has, or is negotiating, or contemplating negotiating, any other transaction or arrangement with?		
4. used your/their position, or confidential information or the assets of the Club to your/their (or an affiliated party's) personal advantage or for an improper or illegal purpose?		

5.	solicited or accepted any gift, entertainment, or other favor where such gift might create the appearance of influence on you/them (other than gifts of nominal value, which are clearly tokens of respect and friendship unrelated to any particular transaction)?		
6.	acquired any property or other rights in which the Club has, or you/they know or have reason to believe at the time of acquisition that the Club is likely to have, an interest?		
7.	an opportunity related to the activities of the Club that is available to the Club or to you/them, unless the Board has made an informed decision that the Club will not pursue that opportunity?		
8.	indebtedness to the Club, other than for amounts due for ordinary travel and expense advances?		
9.	any other circumstances that may, in fact or in appearance, make it difficult for you/them to exercise independent, objective judgment or otherwise perform effectively?		

If yes, to any of the above please describe the relevant facts (attach a separate sheet if necessary):

Part B: To be Completed by Directors Only

	Yes	No
1. Have you been an employee of the Club or an "affiliate" (as defined in the Conflict of Interest and Related Party Transaction Policy) of the Club within the last three years?		

2.	Do you have a "relative" (as defined in the Conflict of Interest and Related Party Transaction Policy) who has been a "key employee" (as defined in the Conflict of Interest and Related Party Transaction Policy) of the Club or an affiliate of the Club within the last three years?		
3.	Have you received and/or do you have a relative who has received more than \$10,000 in direct compensation from the Club or an affiliate of the Club in any of the last three fiscal years (not including reasonable compensation or reimbursement for services as a director)?		
4.	Do you have a financial interest in and/or are you an employee of, any entity that has made payments to or received payments from, the Club or an affiliate of the Club in excess of the lesser of: (a) \$25,000 or (b) 2% of such entity's consolidated gross revenue over the last three years (which payments do not include charitable contributions)? If so, what is or was the nature of your financial interest or relationship?		
5.	Do you have a relative who has a financial interest in and/or who is an officer of, any entity that has made payments to or received payments from, the Club or an affiliate of the Club in excess of the lesser of: (a) \$25,000 or (b) 2% of such entity's consolidated gross revenue over the last three years (which payments do not include charitable contributions)? If so, what is or was the nature of your relative's financial interest or relationship?		

If yes, to any of the above please describe the relevant facts (attach a separate sheet if necessary):

The answers to the foregoing questions are stated to the best of my knowledge and belief.

I also acknowledge that I have received a copy of, read and understood the Conflict of Interest and Related Party Transaction Policy of the Club and agree that I have adhered and will continue to adhere to such policy.

Additionally, I understand that in order to maintain its federal tax exemption the Club must engage primarily in activities that accomplish one or more of its tax exempt purposes.

Date: _____

Signature: _____

Printed
Name: _____