

CONFLICT OF INTEREST POLICY

OF

USA DIVING

SECTION 1. PURPOSE

USA Diving, Inc (hereinafter “USAD”) is committed to sustaining an ethical workplace free of conflicts of interest and perceived conflicts of interest. Each Decision Maker (as defined below) has the responsibility to administer the affairs of USAD honestly and prudently, and to exercise their best care, skill, and judgment for the sole benefit of USAD. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with USAD or knowledge gained therefrom for their personal benefit. The interests of the organization must be the first priority in all decisions and actions. USAD requires that any of its Decision Makers recognize and attempt to avoid activities or investments that involve, might appear to involve, or could result in a potential conflict of interest.

A “**Conflict of Interest**” or “**Conflict**” exists when a Decision Maker acts on behalf of USAD in connection with a transaction to which USAD is a party, where the Decision Maker’s actions or relationships present the potential for improper personal gain or advantage, or for an adverse effect on the interests of USAD, or where the Decision Maker’s actions or relationships create the appearance that the Decision Maker will not be able to put USAD’s interests first. A “**conflict of interest**” also exists in the context of athlete or team selection when a Decision Maker participates in a selection decision that involves or impacts an athlete with whom the Decision Maker has a direct or indirect relationship, or when a Decision Maker participates in a benefits or services allocation decision that directly impacts the Decision Maker.

This policy does not attempt to provide an exhaustive list of every possible circumstance that might give rise to a conflict of interest, but provides examples of situations that create conflicts of interest as a guide to the types of transactions (a “**transaction**” is any contract, transaction, agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a grant or loan, or the establishment of any other financial relationship with USAD) and/or relationships that can create conflicts of interest.

SECTION 2. PERSONS CONCERNED

This Conflict of Interest Policy is applicable to all USAD Decision Makers. “**Decision Makers**” include, but are not limited to, members of USAD’s Board of Directors (the Board of USAD), officers, committee members, task force members, hearing panel members, employees, and volunteers.

SECTION 3. AREAS IN WHICH CONFLICTS MAY ARISE

Conflicts of interest may arise in the relations of Decision Makers with any of the following third parties: (1) Persons and firms supplying goods and services to USAD; (2) Persons and firms from whom USAD leases property and equipment; (3) Persons and firms with whom USAD is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities or other property; (4) Competing or affinity organizations; (5) Donors and others supporting USAD; (6) Agencies, organizations, and associations which affect the operations of USAD; or (7) Family members, friends, and other employees. A **“Family Member”** is defined as a spouse, parent, child or a spouse of a child, brother, sister, or spouse of a brother or sister, of a Decision Maker.

A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned above. The list below is not intended to be an all-inclusive list of every instance that may create a conflict of interest, but, rather, is simply a sample of the types of relationships and activities that could create a conflict of interest. If a Decision Maker or other disclosing individual has any question as to whether a relationship or activity may create a conflict of interest, out of an abundance of caution, a disclosure must be made to the Ethics Committee. A potential conflict of interest might exist in the following circumstances:

- 1) Owning stock or holding debt or other proprietary interests in any third party dealing or potentially dealing with **USAD**.

EXAMPLE: When a USAD board member owns an interest in a company seeking to enter into a contract to provide consulting services to USAD.

- 2) Owning a business, maintaining a second job, or providing goods or services under a provider, contractor, or consulting agreement, where by the outside business provides goods or services to USAD, the USOC, or any other NGB.

EXAMPLE: When USAD is contemplating entering into an agreement for the provision of consulting services by a board member of USAD.

- 3) Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party dealing with USAD.

EXAMPLE: When a USAD board member is the CEO of a company negotiating a contract to provide services to USAD.

- 4) Receiving remuneration for services with respect to individual transactions involving USAD.

EXAMPLE: When a USAD board member gets paid a commission if USAD enters into a particular contract with a third party.

- 5) Using USAD's time, personnel, equipment, supplies, or goodwill for anything other than USAD-approved activities, programs, and purposes.

EXAMPLE: When a USAD employee uses a USAD vehicle for a personal road trip.

- 6) Soliciting or receiving personal gifts, loans, gratuities, or discounts from third parties in violation of USAD's Gift & Entertainment Policy. No personal gift of money should ever be accepted.

EXAMPLE: When a company trying to obtain a contract to provide services to USAD provides a \$100 gift certificate to a USAD board member who would be voting on whether USAD should execute the contract in question.

EXAMPLE: Asking for box seats to a sporting event because of your position on USAD's board of directors.

EXAMPLE: Accepting tickets to an NFL game worth \$250 from a business seeking to obtain a contract to provide landscaping services for USAD headquarters.

- 7) Acting (or having a family member act) as an agent, representative, or consultant to a business whose interests may conflict with the interests of **USAD**.

EXAMPLE: when a USAD board member agrees to promote another NGB in negotiations with potential sponsors or licensees.

EXAMPLE: when the spouse of a USAD board member works for or is an investor in a company that competes with USAD or that provides services to a company that competes with USAD.

- 8) Having (or having a family member with) a business relationship with a sponsor, supplier, licensee, or vendor of USAD (for a current list of USAD sponsors, suppliers, and licensees, go to www.USADiving.org).

EXAMPLE: when a family member provides legal services to one of USAD's sponsors.

- 9) Awarding **USAD** business to, or provide favorable treatment to, a business owned or controlled by a volunteer, family member, or personal friend.

EXAMPLE: Awarding a contract to provide landscaping services for USAD headquarters to a family member's landscaping business.

- 10) Drafting selection procedures or participating and/or voting within a discretionary selection committee for USAD, when the individual has a relationship with an athlete who is potentially impacted by the selection procedures (e.g., as coach, trainer, parent, etc.) or when the individual could benefit directly or indirectly from the selection method.

EXAMPLE: Participating in a decision to select an athlete on USAD's team for World Championships or major international competition when the Decision Maker is the athlete's current coach or family member.

EXAMPLE: The athlete representative assisting with drafting, voting on, and/or signing the procedures is also competing for a spot on the team for which the procedures are written.

- 11) Having activities or interests, whether direct or indirect, that interfere with or influence, or have the potential to interfere with or influence, a Decision Maker's responsibilities on behalf of USAD or to undermine the interests of USAD.

EXAMPLE: A USAD board member has a significant client who owns or operates a facility being considered as the host of a USAD event.

EXAMPLE: A Decision Maker serves on a hearing panel or appeal panel involving discipline against a member of the Decision Maker's club / team / family.

EXAMPLE: An athlete is the potential recipient of benefits or services that are being allocated by USAD and participates in the allocation decision.

SECTION 4. INTERPRETATION OF THIS CONFLICT OF INTEREST POLICY

The areas of conflicting interest and relations in those areas which may give rise to a conflict, as listed in Section 3, are not exhaustive. Decision Makers should, in the first instance, attempt to avoid all relationships and activities which may give rise to a potential conflict of interest, whether or not listed expressly in Section 3.

However, the fact that one of the interests described in Section 3 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of USAD. However, it is USAD's policy that the existence of any of the interests described or similar in nature to those described in Section 3 shall be disclosed before any transaction is consummated or any vote taken on an action, contract, relationship, or decision that would give rise to the potential conflict of interest. It shall be the continuing responsibility of each Decision

Maker to scrutinize his/her transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

For Athletes With Questions Regarding This Conflict of Interest Policy:

The Athlete Ombudsman provides cost-free, independent and confidential advice regarding athlete rights; resolving disputes or grievances; and any sport rule, policy, or process, including NGB-athlete agreements, codes of conduct or team selection procedures. The Athlete Ombudsman can also help athletes connect with legal counsel or mental health resources if needed. Athletes may contact the Athlete Ombudsman at:

PHONE: (719) 866-5000

EMAIL: ombudsman@usathlete.org

WEBSITE: www.usathlete.org

SECTION 5. DISCLOSURE POLICY AND PROCEDURE

In addition to the mandatory disclosures required from each Decision Maker under Section 10 and Section 11 of this policy, any individual with a good faith belief that a Decision Maker has a conflict of interest may notify USAD of such perceived conflict pursuant to the procedures set forth below. Such notice may be provided anonymously by e-mailing ethics@usadiving.org. Furthermore, should any Decision Maker become aware of any undisclosed conflict of interest, or any conflict of interest not fully disclosed, such person should make full disclosure of their knowledge of the conflict of interest involved to USAD's Ethics Committee.

Disclosure should be made to the Ethics Committee, which shall bring the matter to the attention of any other relevant party as necessary.

After disclosure of the conflict or potential conflict of interest and all material facts, and after any discussion with the interested person, the Ethics Committee shall decide if a conflict of interest exists pursuant to the procedures set forth in Section 6 and Section 7 below, as applicable, and if there are mitigating measures that could be implemented to permit USAD to move forward with the transaction or activity.

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following, at a minimum, are observed:

- 1) The conflicting interest is fully disclosed;
- 2) The person with the conflict of interest is excluded from the discussion and approval of such transaction;
- 3) A competitive bid or comparable valuation exists; and

- 4) The Ethics Committee has determined that the transaction is in the best interest of the organization pursuant to Section 6 below.

SECTION 6. PROCEDURES FOR ADDRESSING POSSIBLE CONFLICTS OF INTEREST WITH RESPECT TO TRANSACTIONS OR BUSINESS OF USAD

In the event a possible conflict of interest exists with respect to a proposed transaction, promptly and before any decision is made regarding the proposed transaction, the proposed transaction shall be addressed as follows:

- 1) The interested person may make a presentation to the Ethics Committee, which may be convened telephonically, regarding the transaction or arrangement involving the possible conflict of interest.
- 2) The Ethics Committee shall review alternatives to the proposed transaction or arrangement as presented to the Ethics Committee by the board, staff, or relevant committee.
- 3) After exercising due diligence, the Ethics Committee shall determine whether USAD 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.
- 4) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Ethics Committee shall determine by a majority vote whether the transaction or arrangement is in USAD's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the Ethics Committee shall inform the board or committee whether there is a conflict of interest precluding USAD from entering into the transaction or arrangement, or if there are mitigating measures that may be implemented to alleviate concerns regarding the potential conflict of interest.

SECTION 7. PROCEDURES FOR ADDRESSING POSSIBLE CONFLICTS OF INTEREST IN DRAFTING SELECTION PROCEDURES AND ATHLETE / TEAM DISCRETIONARY SELECTION

The following more particularized disclosure requirements and procedures apply in the context of drafting selection procedures and athlete/team discretionary selection decisions in order to ensure that no individual participating in the process has a conflict of interest that will impact his/her ability to make a fair and unbiased decision in the athlete or team selection process.

Any individual involved in the drafting of procedures, including the athlete representative, or on a discretionary selection committee who has a possible conflict of interest must either recuse themselves from the entire process or disclose it to the Ethics Committee for review. The following process will be followed:

- 1) The Ethics Committee will first determine if a conflict exists.
- 2) If a conflict exists, the Ethics Committee will then determine to what extent, if any, the individual can participate in the process. The Ethics Committee may determine that the individual can still participate in the drafting of the procedures or be included in the discussions for discretionary selection of a team, but not take part in any sign-off, vote, or decision. For example, a national team coach or high-performance director may provide information to the selection committee so long as such information is provided in a fair and unbiased manner and the committee member who disclosed the conflict of interest does not vote toward the final decision.
- 3) There may also be instances where even if the Ethics Committee determines that a conflict exists, the individual can still participate in the entire process. For example, in a sport where a national team coach has worked with all athletes equally in the past, and no bias can be shown towards any one particular individual, then it may be permissible for that national team coach to participate in the process.
- 4) While a conflicted committee member may provide objective data to assist the unconflicted Decision Makers, in no instances will a conflicted committee member attempt to unduly influence other members of the committee in the selection process.

Additionally, any person (including any potentially impacted athlete or coach of a potentially impacted athlete) with a good faith belief that an individual involved in the team or athlete selection process has a conflict of interest may report the alleged conflict of interest to USAD's Ethics Committee. Reports may be made anonymously by e-mailing ethics@usadiving.org. Before the selection process may proceed further, the Ethics Committee will:

- 1) obtain a statement from the supposedly interested person regarding the nature of his/her interest in the selection process;
- 2) obtain a statement from the reporting party regarding the perceived nature of the conflict of interest, if the report was not made anonymously;
- 3) exclude from further deliberations both the individual involved in the selection process and the reporting party;
- 4) determine whether the individual with the alleged conflict of interest in fact has a conflict of interest; and
- 5) if a conflict of interest is determined to exist, either mandate the individual's recusal from the process or determine to what extent, if any, that individual can participate in the process.

If an individual is recused and a vacancy on the committee exists, either in the drafting process or on the discretionary selection committee, USAD shall use its best reasonable efforts to fill that vacancy. If a vacancy results in the athlete representative position, another athlete representative who meets the qualifications for that committee shall be appointed and approved by a representative group of athletes.

SECTION 8. VIOLATIONS OF THE CONFLICTS OF INTEREST POLICY

- 1) If the Ethics Committee has reasonable cause to believe a Decision Maker has failed to disclose actual or possible conflicts of interest, it shall promptly inform the Decision Maker of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- 2) If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Ethics Committee determines the Decision Maker has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.
- 3) While any such failure to disclose an actual or possible conflict of interest is under investigation, the Decision Maker shall be precluded from engaging in further decisions of USAD that bear any relation whatsoever to the matter that is the subject of the actual or possible conflict of interest.

SECTION 9. RECORDS OF PROCEEDINGS:

The minutes of the Ethics Committee meetings shall contain:

- 1) The names of the persons who disclosed or otherwise were found to have a connection with 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 Ethics Committee's decision as to whether a conflict of interest in fact existed; and
- 2) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, or selection process, the content of the discussion (including, but not limited to, an analysis of the fairness and reasonableness of the transaction or arrangement in question, or the fairness of having the individual participate in the selection process), including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

SECTION 10. ANNUAL STATEMENTS

Each Decision Maker shall annually sign and submit to the Ethics Committee and USAD's [CEO/General Counsel/Designee] a statement, using the form attached hereto, which affirms such person:

- 1) Has received a copy of the conflicts of interest policy;
- 2) Has read and understands the policy;
- 3) Has agreed to comply with the policy, and
- 4) Understands that USAD is a charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes. Each annual disclosure shall be reviewed and addressed by the Ethics Committee.

Any actual, perceived, or potential conflict of interest should be disclosed in the annual statement.

Any new USAD employee shall submit a conflict of interest disclosure statement within 14 days of his or her hiring by USAD. Any other new Decision Maker shall submit a conflict of interest disclosure statement by the earlier of 14 days after his or her appointment or his or her first board, committee, or task force meeting. In no event shall a Decision Maker participate in any decisions to commit USAD to a proposed transaction or in athlete or team selection procedures prior to submission of his or her conflict of interest disclosure statement.

USAD shall maintain copies of all Annual Statements submitted under this Section 10.

SECTION 11. PERIODIC STATEMENTS / UPDATES

Each director, officer, committee member, task force member, hearing panel member, and employee shall submit to the Ethics Committee a signed statement as necessary describing any new potential conflicts of interest as and when such potential conflicts of interest arises. USAD shall maintain copies of all Periodic Statements or updates submitted under this Section 11.

USA DIVING CONFLICT OF INTEREST DISCLOSURE STATEMENT

I, _____, am a member of **USA Diving, Inc.** and service in the following role(s):

Board of Directors

Committee Member

Please specify which committee(s) _____

Task Force Member

Please specify which task force(s) _____

Hearing Panel Member

Please specify which hearing panel(s) _____

Employee

Volunteer

Selection Committee

Athlete Representative

Other _____

I attest to the following:

I have received the USA Diving Conflict of Interest Policy (the “Policy”).

I have read and understand the Policy.

I agree to comply with the Policy.

I understand **that USA Diving** is a charitable organization and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Note: This disclosure statement also requires you to provide information with respect to certain other parties that are related to you. These persons are called “affiliated persons” and include, but are not limited to:

a) Your spouse, domestic partner, child, mother, father, brother, sister, grandparent, cousin or other blood relative;

b) Any corporation or organization of which you are a board member, an officer, a partner, participate in management or are employed by, or are, directly or indirectly, a debt holder or beneficial owner of any class of equity securities; and

c) Any trust or other estate in which you have a substantial beneficial interest or as to which you serve as a trustee or in a similar capacity.

1. Have you or any of your affiliated persons provided services (other than board/committee/task force/hearing panel/employee/volunteer service) or property to USA Diving in the past year?

YES

NO

If yes, please describe the nature of the services or property, and, if an affiliated person is/was involved, the identity of the affiliated person and your relationship to that person:

2. Have you or any of your affiliated persons purchased services or property from USA Diving in the past year?

YES

NO

If yes, please describe the purchased services or property, and, if an affiliated person is/was involved, the identity of the affiliated person and your relationship to that person:

3. Please indicate whether you or any of your affiliated persons had any direct or indirect interest in any business transaction(s) in the past year to which USA Diving was or is a party.

YES

NO

If yes, please describe the transaction, and, if an affiliated person is/was involved, the identity of the affiliated person and your relationship to that person:

4. Were you or any of your affiliated persons indebted to pay money to USA Diving at any time in the past year (other than travel advances or the like)?

YES

NO

If yes, please describe the indebtedness, and, if an affiliated person is/was involved, the identity of the affiliated person and your relationship to that person:

5. In the past year, did you or any of your affiliated persons receive, or become entitled to receive, directly or indirectly, any personal benefits from USA Diving or as a result of your relationship with USA Diving, that in the aggregate could be valued in excess of \$1,000, that were not or will not be compensation directly related to your duties to USA Diving?

YES

NO

If yes, please describe the benefit(s), and, if an affiliated person is/was involved, the identity of the affiliated person and your relationship to that person:

6. Are you or any of your affiliated persons a party to or do you or your affiliated persons have an interest in any pending legal proceedings involving USA Diving?

YES

NO

If yes, please describe the proceeding(s), and, if an affiliated person is/was involved, the identity of the affiliated person and your relationship to that person:

7. If you are on an athlete selection committee, is there an affiliated person who is an athlete competing for a spot on the team, are you an athlete competing for a spot on the team, do you coach an athlete who is competing for a spot on the team, or do you have an immediate family member, employee, or colleague who is otherwise participating in the competition for which the selection committee has been convened?

YES

NO

If yes, please describe the identity of the affiliated person, athlete, or person involved in or impacted by the selection proceedings in question, and your relationship to that person:

8. Are you aware of any other events, transactions, arrangements or other situations that have occurred or may occur in the future that you believe should be examined by USA Diving's board in accordance with the terms and intent of USA Diving's Conflict of Interest Policy?

YES

NO

If yes, please describe the situation(s), and, if an affiliated person is/was involved, the identity of the affiliated person and your relationship to that person:

I HERBY CONFIRM that my responses to the above questions are complete and correct to the best of my information and belief. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this policy, I will notify the board or committee Chairperson or General Counsel (as applicable) immediately.

Signature

Date