

Friends of PS 166, Inc.

CONFLICT OF INTEREST AND DISCLOSURE POLICY

Friends of PS 166, Inc. (“FOPS 166”) is a charitable corporation formed under the laws of the State of New York. The trustees, officers, and Key Employees (as defined below) of FOPS 166 (together, “Covered Persons”) have a duty to serve the purposes to which FOPS 166 is dedicated, to conduct the affairs of FOPS 166 in a manner consistent with such purposes, and not to advance their personal interests.

This Conflict of Interest and Disclosure Policy (this “Policy”) is intended to ensure that Covered Persons act in FOPS 166’s best interest and comply with applicable legal requirements by promoting the identification, disclosure, evaluation, and disposition of any real, potential, or apparent conflicts of interest that might, in fact or in appearance, call into question their duty of undivided loyalty to FOPS 166.

CONFLICT OF INTEREST

Each Covered Arrangement (as defined below) constitutes a perceived, potential, or actual conflict of interest and is subject to the terms of this Policy.

DEFINITIONS

Affiliate

An Affiliate is any entity controlled by, in control of, or under common control with FOPS 166.

Affiliate Covered Person

An Affiliate Covered Person is any trustee, director, officer, or Key Employee of an Affiliate.

Covered Arrangement

Each proposed transaction, investment, arrangement, grant, program, or other activity (including any compensation arrangement) in which:

- A. FOPS 166 would be a participant and one or more Related Parties (as defined below) would have a financial interest; or
- B. there could be an actual or perceived conflict of interest for some other reason, including any transaction, investment, arrangement, grant, program, or other activity in which the interests of a Related Party could be seen as competing with the interests of FOPS 166.

Key Employee

A Key Employee is any person who is in a position to exercise substantial influence over the affairs of an organization within the meaning of Section 4958(f)(1)(A) of the Internal Revenue Code of 1986, as amended, and Sections 53.4958-3(c), (d), and (e) of the Treasury Regulations.

Related Parties

The following are Related Parties:

- A. Covered Persons;
- B. Affiliate Covered Persons;
- C. Family Members, defined as the following relatives of a Covered Person or Affiliate Covered Person: spouse or domestic partner;¹ ancestors; siblings (whether of the whole or half blood); children; grandchildren; great grandchildren; and spouses of siblings, children, grandchildren, and great grandchildren;

¹ The term “domestic partner” is defined pursuant to New York Public Health Law Section 2994-A. The term is not limited to registered domestic partner relationships and may include certain individuals who are named as beneficiaries of the life insurance policy or retirement benefits of a trustee, director, officer or Key Employee as well as certain individuals who are dependent on a trustee, director, officer, or Key Employee or upon whom a trustee, director, officer or Key Employee is dependent for support. Individuals who are in relationships but are unmarried can contact FOPS 166 to obtain the complete definition.

D. Any individual, entity, or organization to which a Covered Person, Affiliate Covered Person, or his or her Family Member owes fiduciary obligations (*e.g.*, as a director, officer, employee, trustee, executor, or guardian);

E. Any entity, trust, or estate in which a Covered Person, Affiliate Covered Person, and/or his or her Family Members own more than 35% of the combined voting power, profits interest, or beneficial interest, whether individually or collectively; and

F. Any partnership, limited liability company, or professional corporation in which a Covered Person, Affiliate Covered Person, or his or her Family Member is a partner, member, or shareholder, respectively, with a direct or indirect ownership interest in excess of 5%.

CONFLICT OF INTEREST INVOLVING A COVERED PERSON OR RELATED PARTY

A. Duty to Disclose. A Covered Person has a duty to disclose in good faith to the Board of Directors of FOPS 166 (the “Board”) the material facts of any Covered Arrangement in which he or she has a direct interest or an indirect interest through the interest of a Related Party of the Covered Person (an “indirect interest”). The disclosure should be made prior to any consideration of the Covered Arrangement by the Board, or promptly after such person has knowledge of the relevant facts if he or she has no actual knowledge prior to the relevant Board action.

B. Recusal. A Covered Person with a direct interest or an indirect interest in a Covered Arrangement shall refrain from participating in or attempting to influence any decisions or votes regarding the Covered Arrangement, and shall retire from the meeting during any deliberations and votes on the Covered Arrangement. At the request of the Board Committee, the person may present background information or answer questions regarding the Covered Arrangement prior to the deliberations or vote on the Covered Arrangement.

C. Approval. Any Covered Arrangement must be approved by a majority vote of the Board Committee, not including the interested individual. In approving the Covered Arrangement, the Board must make a determination that the Covered

Arrangement is fair, reasonable, and in FOPS 166's best interest. In making this determination, the Board must obtain and rely on comparable market data, to the extent available. If a Covered Person or Related Party has a "substantial financial interest" in the Covered Arrangement, the Board must consider alternative transactions to the extent available.

D. Record-Keeping. The minutes of the meeting of the Board shall reflect that the Covered Arrangement was disclosed, the resolution of the Covered Arrangement and determinations made, and that the interested person did not vote and was not present during deliberations and vote. This documentation must include an account of the consideration of any comparable market data, to the extent available. If alternative transactions were required to be considered due to the presence of a substantial financial interest, the minutes must document such consideration as well.

DISCLOSURE STATEMENT AND FILINGS

Prior to the initial election, appointment, or hiring of any Covered Person, and annually thereafter, the Covered Person must complete, sign, and submit to the Secretary of FOPS 166 an Annual Disclosure Statement substantially in the form appended to this Policy. Each Covered Person must update his or her Annual Disclosure Statement as necessary to reflect changes during the course of the year at issue.

The Secretary of FOPS 166 will provide a copy of all completed Annual Disclosure Statements to the Chair of the Audit Committee. Completed Annual Disclosure Statements will be available for inspection by members of the Board.

NOTICE AND ACKNOWLEDGEMENT OF POLICY

The Secretary of FOPS 166 shall furnish a copy of this Policy and the attached Annual Disclosure Statement to each Covered Person who is presently serving FOPS 166, and to any new Covered Person at such time as that individual undertakes the duties of his or her office or position, as applicable. Each Covered Person must acknowledge, not less than annually, that he or she has read and is in compliance with this Policy.

APPENDIX

Annual Disclosure Statement

I have been provided with a copy of the Conflict of Interest and Disclosure Policy (the “Policy”) of Friends of PS 166 (“FOPS 166”). I hereby acknowledge that I have read and am in compliance with the Policy, and I hereby agree to abide by the Policy.¹

Please provide the information requested below for the fiscal year of FOPS 166 beginning _____, 20__ and ending _____, 20__. If there is nothing to disclose in response to a particular section, please write “N/A” in that section. Attach additional pages if necessary to provide a complete response. Terms not defined herein have the definitions found in the Policy.

Below I have identified, to the best of my knowledge, any entity of which I am an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or employee and with which FOPS 166 has a relationship:

Below I have identified, to the best of my knowledge, any transaction, agreement or other arrangement in which FOPS 166 is a participant (or is known to be in discussion to be a participant) and in which I or a Related Party might have a conflicting interest (including transactions, agreements or other arrangements that are under consideration or discussion).²

¹ Capitalized terms used in this Annual Disclosure Statement shall have the meaning ascribed to them in the Policy.

² A *conflicting interest* exists:

- if you or any Related Party has a financial interest in the transaction, agreement or other arrangement (*e.g.*, as the counterparty to the transaction or as a person entitled to a commission or a finder’s fee); or
- if you or any Related Party has an interest in the transaction, agreement or other arrangement that could be seen as competing with the interests of FOPS 166 (*e.g.*, because the other party is a client of your firm).

I hereby affirm that, to the best of my knowledge, this Annual Disclosure Statement is correct and complete. I also hereby acknowledge my obligation to notify FOPS 166 promptly if at any time any of the facts stated above change.

Name:

Date: