PA THESPIANS
Conflicts of Interest Policy

Article I
<u>Purpose</u>

The purpose of this Conflicts of Interest Policy (this "Policy") is to protect the interest of PA Thespians) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of PA Thespians or might result in a possible excess benefit transaction. This Policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable organizations.

Article II
<u>Definitions</u>

<u>Section 2.1</u>. <u>Interested Person</u>. Any director, 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. In addition, family members (i.e., spouses, brothers or sisters, spouses of brothers or sisters, ancestors, descendents, and spouses of descendents) of an Interested Person and any entity in which 35% or more of the combined voting power (in the case of a corporation), profits interests (in the case of a partnership), or beneficial interest (in the case of a trust) is owned by an Interested Person also is an Interested Person.

<u>Section 2.2</u>. <u>Financial Interest</u>. 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 PA Thespians has a transaction or arrangement,

b. a compensation arrangement with PA Thespians or any entity or individual with which PA Thespians has a transaction or arrangement, or

c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which PA Thespians is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. A Financial Interest is not necessarily a conflict of interest. A person who has a Financial Interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

Article III
Procedures

Section 3.1. Duty to Disclose. In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of theirFinancial Interest and must be given the opportunity to disclose all material facts to the directors and members of committees with board-delegated powers considering the proposed transaction or arrangement.

Section 3.2. Determining Whether a Conflict of Interest Exists. After disclosure of the Financial Interest and all material facts, and after any discussion, the Interested Person shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon by the remaining board or committee members.

Section 3.3. Violations of the Conflicts of Interest Policy.

a. If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV
Compensation

A voting member of the board who receives compensation, directly or indirectly, from PA Thespians for services is precluded from voting on matters pertaining to that member's compensation. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from PA Thespians for services is precluded from voting on matters pertaining to that member's compensation.

Article V
<u>Periodic Review</u>

PA Thespians will conduct an annual review of any perceived/potential conflicts of interest (financial or personal) between board members and potential PA Thespians business. Following any discussion with the Interested Person, they shall leave the board 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. If the Governing Board deems that a potential conflict exists, said person(s) will be excused from the discussion and voting actions relating to said potential conflict of interest.

This Conflicts of Interest Policy was adopted by the PA Governing Board of Directors effective as of the 11th day of January, 2022.