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# **CONFLICT OF INTEREST POLICY OF WASHINGTON MEN'S CAMERATA, INC.**

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## **ARTICLE I PURPOSE**

Washington Men's Camerata, Inc. (the "Organization") is committed to lawful and ethical behavior in all of its activities and requires its employees to conduct themselves in a manner that complies with all applicable laws and regulations and to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. It is important for the directors, officers, and key employees to be aware that even the appearance of conflict can be troublesome even though there is in fact no conflict whatsoever. As among the directors, officers, and key employees and the Organization, there exists a fiduciary duty which carries with it a broad and unbending duty of loyalty.

The purpose of this Conflict of Interest Policy (hereinafter "Policy") is to protect the Organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of any director, officer, or key employee – whether or not compensated – or might result in a possible excess benefit transaction. This Policy is designed to ensure that the Organization's directors, officers, and key employees act in the Organization's best interests and comply with legal requirements. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

## **ARTICLE II PERSONS CONCERNED**

This Policy is applicable to all directors, officers, and key employees, regardless of whether they are compensated for their services.

- "Director" means any member of the governing board of an organization, whether designated as director, trustee, manager, governor, or by any other title.
- "Key employee" means any person who is in a position to exercise substantial influence over the affairs of the Organization.

- “Interested person” means any director, officer, or key employee with governing board delegated powers, who has a direct or indirect interest, as described below.
- “Relative” of an individual means his or her (i) spouse, ancestors, brothers and sisters (whole or half-blood), children (natural or adopted), grandchildren, great-grandchildren, and spouses of brothers, sisters, children, grandchildren, and great-grandchildren, or (ii) domestic partner.

### **ARTICLE III INTERESTS CONCERNED**

Conflicts of interest may arise in any transaction or arrangement in which a director, officer, or key employee has a direct or indirect interest.

#### **A. Nature of Conflicting Interest**

A conflicting interest may be defined as an interest, direct or indirect, through business, investment, or family, which might affect, or might reasonably be thought by others to affect, a person’s judgment or conduct as a director, officer, or key employee. Such an interest might arise, by way of example, through:

- Owning stock or other proprietary interests (except stocks marketed on a public stock exchange and held as part of a broadly diversified mutual fund or exchange-traded fund with respect to which the interested party has no discretion to trade the Individual stock giving rise to the asserted or potential conflict of interest)
- Holding debt or debt securities.
- Holding office, serving on the governing board, participating in management, or being otherwise employed (or formerly employed).
- Receiving remuneration for services with respect to individual transactions or arrangements.
- Receiving personal gifts, favors, or unsecured loans.
- Obtaining an interest in real estate, securities or other property which the Organization is considering buying or leasing.

#### **B. Indirect Interests**

As noted above, a conflicting interest may be indirect. A director, officer, or key employee will be considered to have an indirect interest in a firm or transaction or arrangement if any of the following has an interest:

- A relative of a director, officer, or key employee.
- An estate or trust of which the director, officer, or key employee or relative is a beneficiary, personal representative, trustee or in which the director, officer, or key employee is otherwise interested.
- A company of which a relative of the director, officer, or key employee is an officer, director, or employee, or in which he or she has a stock or other proprietary interest.

## **ARTICLE IV PROCEDURES**

### **A. Duty to Disclose**

In connection with any actual or possible conflict of interest, a person with a conflicting interest, whether direct or indirect, must disclose the existence of the interest and all material facts to the board of directors or other committee considering the proposed transaction or arrangement.

### **B. Determining Whether a Conflict of Interest Exists**

After disclosure of the conflicting interest and all material facts, and after any discussion between the interested person and the governing board or committee, the concerned person shall leave the governing board or committee meeting, if present, 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.

### **C. Procedures for Addressing and Documenting Conflicts of Interest and Related Party Transactions**

The Organization shall not enter into any related party transaction unless the transaction is determined by the board of directors to be fair, reasonable and in the best interests of the Organization at the time of such determination. A related party transaction is any transaction, agreement or other arrangement in which a related party has a financial interest and in which the Organization or any affiliate is a participant. A related party includes any director, officer or key employee of the Organization, any relative of such person, or any entity in which any such person or relative of such person has a 35% or greater ownership interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.

Once the Organization has determined that a conflict of interest exists, or, in the case of a related party transaction in which the related party has a substantial financial interest, the following procedures are to be followed:

- a. An interested person may make a presentation at the governing board or committee meeting disclosing to the board, in good faith, all material facts concerning his or her interest, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest. Further, an interested person is prohibited from making any attempt to influence improperly the deliberation or voting or the matter giving rise to the conflict.
- b. The chairperson of the governing 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 governing board or committee shall determine whether the Organization can obtain, with reasonable effort, a more advantageous alternative 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 is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors or committee members present at the meeting whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the governing board or committee shall make its decision as to whether to enter into the transaction or arrangement. The decision regarding the proposed transaction giving rise to a conflict of interest shall be contemporaneously documented in writing as set forth in Article V.

#### **D. Violations of the Conflict of Interest Policy**

- a. If the governing board or committee has reasonable cause to believe a director, officer, or key employee has failed to disclose actual or possible conflicts of interest, it shall inform him or her of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the director, officer, or key employee's response and after making further investigation as warranted by the circumstances, the governing board or committee determines that he or she has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

**ARTICLE V  
RECORDS OF PROCEEDINGS**

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

- A. The names of the persons who disclosed or otherwise were found to have an interest in an actual or possible conflict of interest, the nature of the interest, any action taken to determine whether a conflict of interest was present, and the governing 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.
- C. The resolution of the conflict and the content of the discussion relating to the resolution. Specifically, the record should include a description of the potential conflict and the basis for the resolution, including consideration of alternative transactions.

**ARTICLE VI  
COMPENSATION**

**A. Compensation Arrangements**

The dates and terms of all approved compensation arrangements shall be documented in writing, and shall be approved in advance of any payment. Compensation shall be determined with consideration given to information about compensation paid by similarly situated taxable or tax-exempt organizations that provide similar services, current compensation surveys compiled by independent firms, or actual written offers from similarly situated organizations. Information on which those setting compensation relied and its source shall also be recorded in writing.

**B. Compensation and Voting**

A voting member of the governing board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to or affecting that member's compensation or attending any meeting in which his or her compensation is discussed or considered, but such person may provide background information or answer questions prior to any such deliberation or vote. 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 or affecting that member's compensation. -6- SC1:4280821.1

**ARTICLE VII  
ANNUAL STATEMENTS FOR DIRECTORS**

Each director shall, before initial election or appointment and annually thereafter, sign a statement (in the form attached hereto) and give such statement to the Secretary of the Organization, which affirms that such person:

- A. Has received a copy of this Policy,
- B. Has read and understands the Policy,
- C. Has agreed to comply with the Policy,
- D. Understands that the Organization is charitable 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 (and will endeavor to further such purposes), and
- E. Understands that he or she must disclose any conflict of interest; specifically, the director must identify, to the best of his or her knowledge any entity of which he or she is an officer, director, trustee, member, owner, or employee and with which the Organization has a relationship, and any transaction in which the Organization is a participant.
- F. The Secretary of the Organization shall provide a copy of all completed statements to the committee charged with the responsibility of enforcing the policy or the chairperson of the board of directors.

**ARTICLE VIII  
PERIODIC REVIEWS**

To ensure the Organization operates in a manner consistent with its charitable purposes and does not 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 individuals or entities conform to this Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in private inurement, impermissible private benefit or in an excess benefit transaction. -7- SC1:4280821.1

**ARTICLE IX  
USE OF OUTSIDE ADVISORS**

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

Adopted by the Board on October 22, 2020

A handwritten signature in black ink, appearing to read "Ray LaMotta", is written over a solid horizontal line.

Raymond LaMotta, Secretary

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# WASHINGTON MEN'S CAMERATA, INC.

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## CONFLICT OF INTEREST DISCLOSURE STATEMENT

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

(1) I have read and understand the Conflict of Interest Policy of Washington men's Camerata, Inc. (the "Organization") and agree to comply with its terms and conditions.

(2) Except as noted in (3) below, I do not have any direct or indirect relationship with any third party which gives rise to a conflict of interest or the appearance of a conflict of interest resulting from my service to the Organization.

(3) State "None" or identify any exception:

\_\_\_\_\_  
\_\_\_\_\_

(4) I certify that, to the best of my knowledge and belief, all of the information on this Conflict of Interest Disclosure Statement is true, correct, complete, and made in good faith. If circumstances change from the above during the course of my service to the Organization, I will notify the board of directors promptly.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)