

TNT CONFLICT OF INTEREST POLICY

BOARD OF GOVERNORS, OFFICERS, ENDOWMENT COMMITTEE MEMBERS, COMMITTEE CHAIRS,
AND MANAGERIAL EMPLOYEES OF TEXAS NONPROFIT THEATRES, INC.

Texas Nonprofit Theatres, Inc. (Organization) as a non-profit corporation relies on its Officers, Board of Governors, Endowment Committee, Committee Members, and Employees to carry out its purposes as stated in its Articles of Incorporation and Bylaws. These individuals have a responsibility to discharge their duties in good faith, with diligence and care, and for the sole benefit of the Organization. Internal Revenue Code limits the private benefits that these individuals can receive from 501(c)(3) organizations.

Duty of Loyalty

The Board of Governors (including Endowment Committee), officers, committee members, and employees of the Organization owe the Organization a duty of loyalty. In general the duty requires that they exercise their powers and discharge their responsibilities in the interest of the Organization and not in their own interest or in the interest of any other person or entity. This duty requires that they:

- a. Not participate in a transaction which they know to be an Organization opportunity (a transaction in which the Organization might want to participate if it knew of it) without first disclosing the opportunity to the Organization in a sufficient detail to permit it to be evaluated;
- b. Maintain confidentiality and not disclose confidential information about the Organization's plans and activities unless the information is already known by the public or is in public record;
- c. Candidly disclose any conflicts of interest with the Organization and abstain from participating in the consideration of, or action upon, any transaction involving such transactions and generally facilitate informed and disinterested review by the Board of Governors, Endowment Committee, and the Organization's management of any such transactions.

The best interest of the Organization must prevail over the Board of Governors', members', or employees' personal interests and an Organization position may not be used for individual personal advantage.

Conflict of Interest

A conflict of interest is any direct or indirect participation in an arrangement, investment, service, agreement or any other activity in which the Organization is a party that results in personal gain or benefit to a director, officer, committee member, or employee. The individual may be directly involved with the transaction or may have an employment, investment or family relationship with an individual or entity with which the Organization is dealing. The transactions need not involve monetary or other tangible benefits.

Conflicts of Interest include but are not limited to the following:

- a. Any position or financial interest held by a director, officer, committee member or employee, or any member of his or her immediate family, in an entity that competes or does business with the Organization;
- b. The receipt of any substantial gift or favor by a director, officer, committee member, or employee, or any member of his or her immediate family from an entity or individual who does business, or seeks to do business, with the Organization under circumstances suggesting that the purpose of the gift or favor is to influence the individual in the award or continuation of that business and;

- c. The disclosure of confidential Organization information for the benefit of the director, officer, committee member, or employee, to any other person or entity. Dealing with Conflict of Interest

The duty of loyalty requires that individuals be conscious of potential for conflicts of interest and act with candor and care in dealing with these situations and:

- a. Be sensitive to and recognize potential conflicts of interest;
- b. Disclose potential conflicts of interest to the Board of Governors or the Executive Director of the Organization before discussing or taking action with respect to any transaction or matter involving the conflict and;
- c. Not participate in the investigations, discussions, or considerations of the matter involving the conflict.

The individual with conflict of interest may not vote or participate in decision making process involving the conflict.

Annual Disclosure Statement

Each director, officer, committee chair, and managerial employee (as designated by the Board) of the Organization should complete and furnish to the President of the Board of Governors annually a disclosure statement listing known existing and potential conflicts of interest. This procedure is intended to facilitate the identification and resolution of potential conflicts of interest. Committee members should be made aware of the conflict of interest policy.

The questionnaire should be completed in good faith to the best of the individual's knowledge and awareness, recognizing that circumstances may change over time. The fact that a disclosure statement has been completed does not relieve each director, officer, committee member and managerial employee of the responsibility to disclose specific conflicts of interest before action is taken on any matter involving the conflict.

This policy is adopted for the guidance of the Governors, officers, committee members and employees of the Organization and is to be enforced solely by the Board of Governors of the Organization.

TEXAS NONPROFIT THEATRES, INC.

ANNUAL CONFLICT OF INTEREST DISCLOSURE STATEMENT

I am disclosing the following as required by the TNT Conflict at Interest Policy.

Direct Transactions.

Neither I nor any member of my immediate family have engaged over the past 12 months, or expect to engage in the future, in any business transaction with TNT, except as follows:

Relationships.

Neither I nor any member of my immediate family is employed by (as employee, independent contractor, consultant or otherwise), or serves as a director or officer of, or has a material financial interest in (as owner, partner, shareholder or otherwise), any corporation or entity that has done business over the past 12 months, or expects to do business in the future, with TNT, except as follows:

Gifts or Favors.

Neither I nor any member of my immediate family has over the past 12 months received or been promised any gift or favor of substantial value by any business entity that does business or seeks to do business with TNT, except as follows:

Other Circumstances.

The following other circumstances involve me or a member of my immediate family that might be regarded as constituting a conflict of interest:

I have read and agree to comply with the TNT conflict of interest policy.

This information is given in good faith to the best of my knowledge and recollection at the present time.

Date _____

Signature _____

Print name _____