

**THE WANG CENTER FOR THE PERFORMING ARTS, INC.
d/b/a BOCH CENTER**

CONFLICT OF INTEREST POLICY

I. PURPOSE

The purpose of this Conflict of Interest Policy is to formalize the policies of pertaining to Conflicts of Interest in order to ensure that:

- A.** All Conflicts of Interest are promptly and fully disclosed;
- B.** Transactions involving Conflicts of Interest are fair and reasonable; and
- C.** The charitable mission of the Center (and any charitable organization owned or controlled, directly or indirectly, by the Center) is not compromised by any private inurement or suggestion of improper influence or inappropriate personal benefit.

Capitalized terms used in this Policy are explained in the definitions in Article VII if they are not explained in the text.

II. RESPONSIBILITY FOR IMPLEMENTATION

The Board of Directors (the “Board” or “Directors”) shall be responsible for adopting and enforcing procedures implementing this Policy, promulgating amendments, additions or replacements to this Policy, and otherwise addressing Conflicts of Interest. In addition to the procedures outlined in this Policy for addressing Conflicts of Interest, the Board may take such other actions as it determines necessary or appropriate from time to time to further the purposes of this Policy.

III. DEFINITION OF CONFLICTS OF INTEREST

A “*Conflict of Interest*” is a financial interest of an Insider that reasonably could affect or be affected by the actions of the Center or a Center Affiliate. A Conflict of Interest may arise directly or indirectly, through business, investment or family.

Examples: A Conflict of Interest includes, *but is not limited to*, the following situations:

- An Insider receives or might receive direct or indirect compensation or payment (*e.g.*, the Insider is hired as an employee or consultant of the Center) or substantial gifts, favors, or other benefits from the Center or a Center Affiliate.
- An Insider serves as an officer, director, trustee, manager, general partner or employee of, or has a direct or indirect financial interest (excluding an ownership

interest of less than five percent of a publicly traded company) in or receives benefits of economic value from any entity with which the Center transacts business (e.g., a provider of goods or services to the Center or a Center Affiliate or a financial institution, investment broker, or insurance agent or carrier with which the Center or a Center Affiliate transacts business).

- An Insider has or might acquire investments that may affect or be affected by the investment decisions of the Center or a Center Affiliate.

IV. DISCLOSURE OF CONFLICTS OF INTEREST

A. *Annual Statements by Directors, Overseers and Principal Officers.* Each Director, member of the Board of Overseers (“Overseer”), Principal Officer and member of a committee appointed by the Board of Directors of the Center annually shall sign a statement regarding Conflicts of Interest in the form attached to this Policy as Exhibit A or in other form satisfactory to the Board. Such statements shall, without limitation:

- 1.** Affirm that the person has received a copy of this Conflict of Interest Policy, has read and understands the Policy and agrees to comply with it; and
- 2.** Disclose to the Board:
 - a.** The name of each entity, for-profit and non-profit, (other than the Center or any charitable organization owned or controlled, directly or indirectly, by the Center) which the person serves as an officer, director, trustee, manager, general partner or employee and the person’s position at each such entity;
 - b.** Whether the person (or any family member, other individual or entity deemed an “Insider” under the definition in Article VII by virtue of a relationship with the person) has, at such time, a Conflict of Interest; and
 - c.** All material facts relating to any such Conflict of Interest.

B. *Ongoing Duty to Disclose.* In addition, each Director, Overseer, Principal Officer and other Insider promptly shall disclose to the Board, in writing, any Conflict of Interest involving himself or herself (or any family member, other individual or entity deemed an “Insider” under the definition in Article VII by virtue of a relationship with the person) from time to time, as well as all material facts relating to any such Conflict of Interest.

C. *Periodic Disclosure by Other Insiders.* The Board, in its discretion, also may require periodic written disclosure from Insiders other than current Directors, Overseers or Principal Officers of any Conflicts of Interest they (or any family member, other individual or entity deemed

an “Insider” under the definition in Article VII by virtue of a relationship with the person) may have and all material facts relating to any such Conflicts of Interest.

D. Disclosure by Contracting Parties. The Board in its discretion also may require the Center or a Center Affiliate to cause some or all parties with whom it contracts to disclose whether they are Insiders.

V. BOARD PROCEDURES FOR ADDRESSING CONFLICTS OF INTEREST

A. Evaluating Actions That Could Involve Conflicts of Interest. The following procedures shall apply to all actions that could involve Conflicts of Interest:

- 1. Recusal.** Members of the Board who have a Conflict of Interest with respect to the matter being considered shall recuse themselves from the meeting or meetings at which the matter is discussed and voted upon. Such individuals may, however, meet with “disinterested” members of the Board (*i.e.*, those who do not have a Conflict of Interest with respect to the matter) to answer questions about the matter.
- 2. Investigation.** The Board shall review each such action and determine whether:
 - a.** The consideration will constitute fair market value, or the compensation will qualify as reasonable and would ordinarily be paid for like services by like enterprises (taxable or tax-exempt) under like circumstances; and
Examples: In making this determination, the Board might consider data such as:
 - compensation levels paid by similarly situated organizations, both taxable and tax-exempt for similar services or
 - independent appraisals of the value of property to be transferred.
 - b.** An Insider’s participation in the transaction reasonably might impair his or her independence of judgment in other matters concerning the Center or a Center Affiliate.
- 3. Approval.** The Board shall approve an action that could involve a Conflict of Interest only after a majority of disinterested members of the Board determines that the action is fair and reasonable. If an approved transaction could impair the independence of judgment of Insiders participating in the transaction in other matters concerning the Center or a Center Affiliate, the Board may require the

Insiders in question to refrain from participation in proceedings related to such matters and/or may take other steps it deems necessary or appropriate.

4. *Records of Proceedings*

a. *Content of Minutes.* There shall be minutes of every meeting of the Board which addresses an action that could involve a Conflict of Interest. The minutes shall include the following:

i. *Date of Meeting.* The date of the meeting.

ii. *Description of Action or Terms of Transaction.* A description of the action or, in the case of a transaction involving a Conflict of Interest, the terms of such transaction.

iii. *Names and Participation of Individuals with Conflicts.* The names of the Directors, Oversees or Principal Officers who themselves had a Conflict of Interest and the nature of participation by such individuals in discussions and votes on the matter.

iv. *Names of Persons Present.* The names of the persons who were present for discussions and votes relating to the matter.

v. *Data Relied Upon.* Data as to fair market value of property or reasonableness of compensation and/or any other factual information relied upon by the Board in reaching a decision on the matter and a description of how such data or information was obtained.

vi. *Basis for Determination of Fair Market Value or Reasonable Compensation Outside Range of Comparables.* If the Board determines that fair market value or reasonable compensation for a transaction involving a Conflict of Interest is higher or lower than the range of any comparable data obtained as to fair market value or reasonable compensation, the basis for such determination.

vii. *Record of Votes.* A record of any votes taken on the matter.

b. *Preparation, Review and Approval of Minutes.* The minutes described in the preceding section shall be:

i. Drafted and circulated before the next meeting of the Board; and

ii. Reviewed and approved by the Board at such next meeting.

B. *Review of Conflicts of Interest When No Action is Pending.* If, when an Insider discloses a Conflict of Interest, no action that could involve such Conflict of Interest is then pending, the Board shall, following recusal of any members of the Board who have a Conflict of Interest with respect to the matter in question, review the nature of the Conflict of Interest and take any actions the Board deems necessary or appropriate to ensure that the charitable mission of the Center (and any charitable organization owned or controlled, directly or indirectly, by the Center) is not compromised by any suggestion of improper influence or inappropriate personal benefit.

VI. VIOLATIONS OF POLICY

If the Board has reasonable cause to believe that an Insider has failed to disclose a Conflict of Interest and all material facts related to that Conflict of Interest, it shall inform the Insider and afford him or her an opportunity to explain the alleged failure to disclose. If, after hearing the explanation of the Insider and making such further investigation as may be warranted under the circumstances, the Board determines that he or she has in fact failed, without good cause, to make the required disclosure, it shall take appropriate further action.

Violation of this Conflict of Interest Policy also may expose Insiders to financial sanctions under Section 4958 of the Internal Revenue Code.

VII. GENERAL DEFINITIONS

A. *“Center Affiliate”* means any for-profit or not-for-profit organization:

- 1.** Which the Center directly or indirectly owns or controls;
- 2.** Which directly or indirectly owns or controls the Center;
- 3.** A principal purpose of which is to benefit or further the purposes of the Center (i.e., a so-called “supporting organization” under Internal Revenue Code Section 509(a)(3)); or
- 4.** Which is under common control with the Center.

For this purpose, “owns” means directly or indirectly holding 50 percent or more of voting membership rights or voting stock, and “controls” means that 50 percent or more of an organization’s directors or other members of its governing body are representatives of or are directly or indirectly controlled by another organization.

Examples: Examples of Center Affiliates include:

- Wang Center Productions, Inc.;
- Wang Theatre, Inc.; and
- Tremont Theatre, Inc.

B. “*Family Members*” of an Insider mean his or her:

1. Spouse;
2. Brothers or sisters (by whole or half blood or adoption) and their spouses;
3. Parents, grandparents or other ancestors (including by adoption); and
4. Children, grandchildren or great-grandchildren (including by adoption), and their spouses.

C. “*Insider*” means a person or entity who is in a position to exercise substantial influence over the affairs of the Center (or of any charitable organization owned or controlled, directly or indirectly, by the Center) or who was in such a position at any time during the previous five years.

Examples: Insiders include, *but are not limited to*:

- Current and former Directors and Officers or former Trustees;
- Current and former Principal Officers;
- Members of any committees of the Center;
- Family Members of Insiders;
- Insider-Owned Entities;
- Substantial Contributors;
- Individuals or entities whose compensation is based on revenues produced by activities that they control;
- Individuals or entities who have the authority to control a significant portion of capital expenditures, operating budget or employee compensation;
- Individuals who possess managerial authority or serve as key advisors to someone with managerial authority.
- Individuals or entities owning more than thirty-five percent (35%) of the total combined voting power, profits interest or beneficial interest in a corporation, partnership or trust, respectively, that is an Insider. (For an explanation of “combined voting power,” see definition of “Insider-Owned Entity” below.)
- Independent contractors (such as attorneys, accountants or investment managers or advisors) **but only if** they are acting in their capacity as such with respect to a transaction from which they might benefit economically (other than by receiving fees for professional services rendered).

D. An ***“Insider-Owned Entity”*** means one of the following entities, whether for-profit or not-for-profit:

- 1.** A corporation in which an Insider and/or his or her Family Members own more than thirty-five percent (35%) of the total combined voting power (for this purpose, the term “combined voting power” includes voting power represented by direct or indirect holdings of voting stock, but does not include voting rights held only as a director or trustee);
- 2.** A partnership in which such persons own more than thirty-five percent (35%) of the profits interest; or
- 3.** A trust or estate in which such persons own more than thirty-five percent (35%) of the beneficial interest.

E. A ***“Principal Officer”*** means a:

- 1.** President and Chief Executive Officer;
- 2.** Chief Operating Officer;
- 3.** Chief Financial Officer;
- 4.** President;
- 5.** Vice President(s);
- 6.** Treasurer and Assistant Treasurer(s);
- 7.** Clerk and Assistant Clerk(s); and
- 8.** Any other person having powers and responsibilities comparable to those of the persons currently holding these titles (for example, the authority to sign drafts or direct the signing of drafts or authorize electronic transfer of funds from bank accounts).

F. A ***“Substantial Contributor”*** (as such term is used in the examples of the definition of an “Insider” above), means an individual or entity who contributes a total of more than \$5,000 in one year *and* whose total yearly contribution exceeds two percent (2%) of the total contributions and bequests received that year.

Exhibit A

**Annual Conflict of Interest Disclosure
Statement**

**THE WANG CENTER FOR THE PERFORMING ARTS,
INC. d/b/a BOCH CENTER**

**Annual Conflict of Interest Disclosure
Statement**

NOTE: Capitalized terms not defined on this form are defined in the Policy.

A. I am [] a member of the Board of Directors, [] a member of the Board of Overseers, [] a member of a committee appointed by the Board of Directors and/or [] a Principal Officer of The Wang Center for the Performing Arts, Inc. d/b/a Boch Center (the "Center"). [Check all that apply]

B. I have received a copy of the Center's Conflict of Interest Policy. I have read and understand the Policy and I agree to comply with the Policy.

C. I list here the name of each entity, for-profit and non-profit (other than the Center, Tremont Theatre, Inc., Wang Center Productions, Inc., or Wang Theatre, Inc.) which I serve as an officer, director, trustee, manager, general partner or employee, and my position at each such entity: [Use additional sheets if necessary.]

<u>Entity</u>	<u>Position</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

D. I certify that neither I, nor any family member, other individual or entity deemed an “Insider” under the definition in Article VII of the Policy by virtue of a relationship with me, has a financial interest that reasonably could affect or be affected by the actions of the Center or a Center Affiliate (a “Conflict of Interest”), except as described in Section E below.

E. I list here any exceptions to the above statements (including all material facts relating to any Conflicts of Interest of which I am aware). [Use additional sheets if necessary.]

F. I agree that, should a Conflict of Interest arise between me (or any family member, other individual or entity deemed an “Insider” under the definition in Article VII of the Policy by virtue of a relationship with me) and the Center or a Center Affiliate, I immediately shall disclose such Conflict(s) and all material facts relating to such Conflict(s) in writing to the Board of Directors.

Signature

Print Name

Date