

CONFLICT OF INTEREST AND COMPENSATION POLICY AND DISCLOSURE STATEMENT

ARTICLE I - PURPOSE AND SCOPE

Section 1. The purpose of this Conflict of Interest and Compensation Policy (the “policy”) is to protect Loveland Choral Society’s (hereinafter referred to as “the Choir”) interests when it is considering taking an action or entering into a transaction that might benefit the private interests of a director, officer or key person, result in the payment of excessive compensation to a director, officer or key person; or otherwise violate state and federal laws governing conflicts of interest applicable to nonprofit, charitable organizations.

Section 2. As a nonprofit, charitable organization, the Choir is accountable to both government agencies and members of the public for responsible and proper use of its resources. Directors, officers, and other key persons have a duty to act in the Choir’s best interests and may not use their positions for their own financial or personal benefit.

Section 3. Conflicts of interest must be taken very seriously since they can damage the Choir’s reputation and expose both the Choir and affiliated individuals to legal liability if not handled appropriately. Even the appearance of a conflict of interest should be avoided, as it could undermine public support for the Choir.

Section 4. This policy applies to all directors, officers, and key persons (i.e. the Artistic Director).

ARTICLE II - IDENTIFYING CONFLICTS OF INTEREST

Section 1. A potential conflict of interest arises when a director, officer or key person, or that person’s relative or business (a) stands to gain a financial benefit from an action the Choir takes or a transaction into which the Choir enters; or (b) has another interest that impairs, or could be seen to impair, the independence or objectivity of the director, officer or key person in discharging their duties to the Choir.

Section 2. Potential conflicts of interest include, but are not limited to, situations in which a director, officer or key person or that person’s relative or business:

- a. has an ownership or investment interest in any third party that the Choir deals with or is considering dealing with;
- b. serves on the board of directors of, participates in the management of, or is otherwise employed by or volunteers with any third party that the Choir deals with or is considering dealing with;

- c. receives or may receive compensation or other benefits in connection with a transaction into which the Choir enters;
- d. receives or may receive personal gifts or loans from third parties dealing with the Choir;
- e. serves on the board of directors of another nonprofit organization that is competing with the Choir for a grant or contract;
- f. has a close personal or business relationship with a participant in a transaction being considered by the Choir;
- g. would like to pursue a transaction being considered by the Choir for their personal benefit.

Section 3. In situations where there is uncertainty, an individual should err on the side of caution and disclose the potential conflict as set forth in Article III of this policy.

Section 4. A potential conflict is not necessarily a conflict of interest. A person has a conflict of interest only if the Board of Directors (hereinafter referred to as "the Board") decides, pursuant to Article IV of this policy, that a conflict of interest exists.

ARTICLE III - DISCLOSING POTENTIAL CONFLICTS OF INTEREST

Section 1. All persons must disclose, to the best of their knowledge, all potential conflicts of interest as soon as they become aware of them and always before any actions involving the potential conflict are taken. A signed, written statement disclosing all the material facts must be submitted to the Board.

Section 2. All Board members shall review and sign the Conflict of Interest Disclosure Statement attached to this policy promptly after their appointment to the Board. A signed copy shall be retained by the Board.

ARTICLE IV - DETERMINING WHETHER A CONFLICT OF INTEREST EXISTS

Section 1. After there has been disclosure of a potential conflict and after gathering any relevant information from the appropriate director, officer or key person, the Board shall determine whether there is a conflict of interest. The director, officer or key person shall not be present for deliberation or vote on the matter and must not attempt to improperly influence the determination of whether a conflict of interest exists.

Section 2. In determining whether a conflict of interest exists, the Board shall consider whether the potential conflict of interest would cause a transaction entered into

by the Choir to raise questions of bias, inappropriate use of the Choir's assets, or any other impropriety.

Section 3. A conflict always exists in the case of a related party transaction – a transaction, agreement or other arrangement in which a related party has a financial interest and in which the Choir is a participant.

ARTICLE V - PROCEDURES FOR ADDRESSING A CONFLICT OF INTEREST

Section 1. When a matter involving a conflict of interest comes before the Board, the Board may seek information from the director, officer or key person relevant to the conflict prior to beginning deliberation and reaching a decision on the matter. However, a conflicted person shall not be present during the discussion or vote on the matter and must not attempt to improperly influence the deliberation or vote.

Section 2. Additional Procedures for Addressing Related Party Transactions:

- a. The Choir may not enter into a related party transaction unless, after good faith disclosure of the material facts by the director, officer or key person, the Board or a committee authorized by the Board determines that the transaction is fair, reasonable, and in the Choir's best interest at the time of such determination.
- b. If the related party has a substantial financial interest, the Board or authorized committee shall:
 - i. prior to entering into the transaction, consider alternative transactions to the extent available;
 - ii. approve the transaction by a vote of not less than a majority of the directors present at the meeting; and
 - iii. contemporaneously document in writing the basis for its approval, including its consideration of any alternative transactions.

ARTICLE VI - MINUTES AND DOCUMENTATION

Section 1. The minutes of any Board meeting at which a matter involving a conflict of interest or potential conflict of interest was discussed or voted upon shall include:

- a. the name of the interested party and the nature of the interest;
- b. the decision as to whether the interest presented a conflict of interest;
- c. any alternatives to a proposed contract or transaction considered by the Board; and

- d. if the transaction was approved, the basis for the approval.

ARTICLE VII - PROHIBITED ACTS

Section 1. The Choir shall not make a loan to any director or officer.

ARTICLE VIII - PROCEDURES FOR DETERMINING COMPENSATION

Section 1. The Choir shall comply with all applicable Federal and State laws regarding compensation of its Board and other members.

Section 2. No person shall be present for or participate in Board or committee discussion or vote pertaining to:

- a. their own compensation;
- b. the compensation of their relative;
- c. the compensation of any person who is in a position to direct or control them in an employment relationship;
- d. the compensation of any person who is in a position to directly affect their financial interests; or
- e. any other compensation decision from which the person stands to benefit.

Section 3. In the case of compensation of members of the Board or key persons, the following additional procedures apply:

- a. The Board or a committee authorized by the Board shall approve compensation before it is paid.
- b. The Board or authorized committee shall base approval of compensation on appropriate data, such as compensation paid by comparable organizations, availability of similar services in the geographic area of the Choir, etc.
- c. The Board or authorized committee shall contemporaneously document:
 - i. the terms of compensation and date of determination;
 - ii. the members of the Board or committee who were present and those who voted for it;
 - iii. any comparability data relied on and how it was obtained;
 - iv. if the compensation is higher or lower than the range of comparable data, the basis for the determination, and;

- v. any actions with respect to consideration of the compensation by anyone on the Board or committee who had a conflict of interest with respect to the matter.

Policy approved by the Board of Directors on 2/21/26.

**LOVELAND CHORAL SOCIETY
Conflict of Interest Disclosure Statement**

By signing below, I affirm that:

1. I have received and read a copy of the Conflict of Interest and Compensation Policy;
2. I agree to comply with the policy;
3. I have no actual or potential conflicts as defined by the policy or if I have, I have previously disclosed them as required by the policy or am disclosing them below.

Disclose here, to the best of your knowledge:

1. any entity in which you participate (as a director, officer, employee, owner, or member) with which the Loveland Choral Society has a relationship;
2. any transaction in which the Choir is a participant as to which you might have a conflicting interest; and
3. any other situation which may pose a conflict of interest.

Print Name: _____

Signature: _____

Date: _____