

PENNSYLVANIA NEWSPAPER ASSOCIATION CONFLICT OF INTEREST POLICY

1. Purpose. The Pennsylvania Newspaper Association (PNA) is a nonprofit, 501(c) (6) trade association. The Pennsylvania Newspaper Association Foundation is a nonprofit 501(c) (3) public foundation. The PNA's wholly-owned subsidiary, Mid-Atlantic Newspaper Services Inc (MANSI), is a for profit C corporation. It is the policy of each of the entities (collectively, the PNA Entities) that their officers, directors, and employees should avoid conflicts of interest, including the appearance of conflicts. The board of directors of each of the PNA Entities has adopted this policy.

The directors, officers and senior management employees of each of the PNA Entities have a fiduciary duty to their respective organization. They are expected to administer the affairs of these organizations honestly, prudently, at all times exercising their best care, skill and judgment for the sole benefit of each organization. None of these individuals shall use their positions or their knowledge derived from their positions for personal benefit or for any purpose adverse to the interests of the PNA Entities.

2. Persons Covered. This policy is directed to all directors, officers and employees of PNA, PNA Foundation and MANSI.

3. Conflicts of Interest. Conflicts of interest may arise in the relations of directors, officers and employees with third parties, including:

- a. Persons or firms supplying goods and services;
- b. Persons or firms leasing property and equipment;
- c. Persons or firms with whom the PNA Entities are dealing or will deal with in connection with the gift, purchase or sale of real estate, securities or other property;
- d. Competing or affinity organizations;
- e. Donors, sponsors, advertisers or others supporting the PNA Entities;
- f. Family members, friends and other employees.

4. Conflicting Interest. A material conflicting interest is an interest, direct or indirect, with any persons or firms listed in Section 3 of this policy or with any other person or firm presenting a similar conflict. Such an interest may arise through:

- a. Owning stock or holding debt or other proprietary interest in any third party dealing with a PNA Entity;
- b. Holding office, service on the board, participating in management or being otherwise employed or formerly employed in or by any third party dealing with a PNA Entity;
- c. Receiving remuneration for services with respect to individual transactions involving a PNA Entity;
- d. Using the time, personnel, equipment, supplies or good will of a PNA Entity for purposes other than PNA Entities' approved activities, programs and purposes.
- e. Receiving more than nominal personal gifts or any loans from third parties dealing with PNA Entities.

5. Interpretation. The possibilities for a conflict of interest specifically listed in Sections 3 and 4 of this policy are not exhaustive. Other conflicts could conceivably arise and it is assumed that the directors, officers and employees of the PNA Entities will recognize such

conflicts. Conflicts must always be examined for materiality and adversity to the PNA Entities. All directors, officers and employees have a duty to disclose conflicts of interest when the conflicts become apparent to the individual. It is the policy of the PNA Entities that the existence of any conflict of interest shall be disclosed before any transaction is consummated. It is the continuing responsibility of the directors, officers and employees to scrutinize their transactions and outside business and personal interests and relationships for potential conflicts and immediately to make such disclosures.

6. Disclosure Procedure.

a. *Staff.* Disclosure of a conflict of interest of a staff member should be made to the president of the affected PNA Entity. The president will determine whether a conflict of interest exists and if it is material. If the president has a conflict, disclosure should be made to the chairman of the board of the affected entity.

b. *Directors.* Disclosure of a conflict of interest of a director should be made to the chairman of the board of directors of the affected entity. If the chairman has a conflict, disclosure should be made to the incoming chairman. The chairman will determine whether a conflict on interest exists and if it is material.

c. *Board Process.* If the president or the chairman determines that a conflict of interest exists and that it is material as set forth in subsections a and b above, the conflict will be brought to the Executive Committee of the PNA in the case of PNA or MANSI, and to the chairman of the PNA Foundation Board of Trustees in the case of PNA Foundation. The affected board of directors must then determine that a competitive bid has been obtained or that a comparable valuation has been performed. If so, the board may vote to approve of the transaction only if it is in the best interest of the affected entity or is not adverse to its interests. Any approved conflict of interest must be disclosed to the accounting firm engaged to perform the annual audit of the financial statement of the affected entity. The person involved in the conflict of interest shall be excluded from all discussions and votes on such transaction.

7. Failure to Disclose. If a director, officer or employee has reasonable cause to believe that another director, officer or employee has failed to disclose a conflict, he shall inform that person of the basis of such belief and afford such person an opportunity to explain the failure to disclose. If such person chooses not to disclose the conflict of his own choosing, directors must inform the chairman of the board of the affected entity and employees must inform the president.

8. Annual Statements. All directors of the PNA Entities shall annually sign a statement that affirms that they have (a) received a copy of this policy, (b) read and understand the policy and (c) agreed to comply with the policy. This policy shall be reviewed annually for the information and guidance of directors, officers and employees and new directors, officers and employees shall be advised of the policy. The PNA Entities will conduct periodic reviews of their activities, including any transactions with interested parties, to ensure that their activities in the aggregate promote and further their respective purposes.