

HALE CENTRE THEATRE

CONFLICT OF INTEREST POLICY

The following Hale Centre Theatre Conflict of Interest Policy (this "Policy") is hereby adopted by the Executive Committee of the Board of Trustees of Hale Centre Theatre ("HCT"), by approval and under the express authority given to that committee by the Board of Trustees of HCT as of January 1, 2008.

Article I Purpose

HCT is tax exempt under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. The purpose of this Policy is to protect the interests of HCT when it considers entering into a transaction or arrangement that may benefit the private interest of a trustee of HCT or may result in an excess benefit transaction. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to charitable organizations.

Article II Definitions

1. Interested Person. Any trustee, officer or employee of HCT who has a direct or indirect financial interest, as defined below, is an interested person.
2. Financial Interest. A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:
 - (a) An ownership or investment interest in any entity with which HCT has a transaction or arrangement;
 - (b) A compensation arrangement with HCT or with any entity or individual with which HCT has a transaction or arrangement; or
 - (c) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which HCT is negotiating a transaction or arrangement.
3. Compensation. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.
4. Board of Trustees. The Board of Trustees is comprised of 38 individuals, one of which is the Chairman. The trustees constituting the Board of Trustees, and the Chairman, are selected, appointed and serve in accordance with the procedures set forth in the Hale Centre Theatre, Inc. Bylaws adopted March 29, 1990 as amended July 9, 2004.

Article III
Procedures

1. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Board of Trustees considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists. A financial interest is not necessarily a conflict of interest. Under Article III, Section 2 hereof, a person who has a financial interest may have a conflict of interest only if the Executive Committee of the Board of Trustees (the "Executive Committee") determines that a conflict of interest exists. After disclosure of the financial interest and all material facts to the Executive Committee, and after any discussion with the interested person, he shall leave the Executive Committee meeting while the determination of a conflict of interest is discussed and voted upon. The Executive Committee shall decide if a conflict of interests exists as set forth under Article III, Section 3 below. If it is determined that a possible conflict of interest exists, the matter will be disclosed to the Board of Trustees and a vote shall be taken by that body to determine if a conflict of interest exists. If the interested person is a member of the Board of Trustees, he shall not participate in that decision.

3. Procedures for Addressing the Conflict of Interest.

(a) An interested person may make a presentation at the Board of Trustees meeting, but after the presentation, he shall leave the meeting during the discussion of and the vote on the transaction or arrangement involving the possible conflict of interest.

(b) The Chairman of the Board of Trustees shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(c) After exercising due diligence, the Board of Trustees shall determine whether HCT can obtain with reasonable efforts a more advantageous 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 Board of Trustees shall determine by a majority vote of the disinterested Board of Trustees members whether the transaction or arrangement is in HCT's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflict of Interest Policy.

(a) If the Board of Trustees has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford him or her an opportunity to explain the alleged failure to disclose.

(b) If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the Board of Trustees determines the interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Article IV
Records of Proceedings

The minutes of the Board of Trustees and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the decision of the Board of Trustees as to whether a conflict of interest in fact existed.
2. 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.

Article V
Compensation

1. A member of the Board of Trustees who receives compensation, directly or indirectly, from HCT for services is precluded from voting on matters pertaining to that member's compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from HCT for services is precluded from voting on matters pertaining to that member's compensation.
3. No member of the Board of Trustees or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from HCT, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Article VI
Annual Statements

Each trustee shall annually sign a statement that affirms such person:

1. Has received a copy of this Policy;
2. Has read and understands this Policy;

3. Has agreed to comply with this Policy; and
4. Understands HCT is charitable and, to maintain its federal tax exemption, it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

Article VII
Periodic Reviews

To ensure HCT operates in a manner consistent with 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:


1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the results of arm's length bargaining; and
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to HCT's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Article VIII
Use of Outside Experts

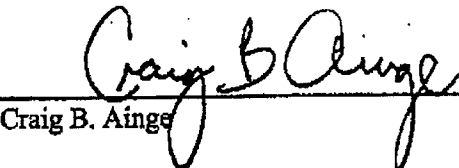
When conducting the periodic reviews as provided for in Article VII, HCT may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Trustees of their responsibility for ensuring periodic reviews are conducted.

IN WITNESS WHEREOF, the trustee of HCT hereby execute this Conflict of Interest Policy as of the date first set forth above.

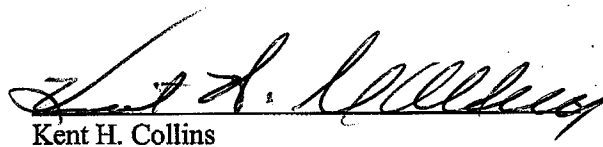
EXECUTIVE COMMITTEE OF THE
BOARD OF TRUSTEES

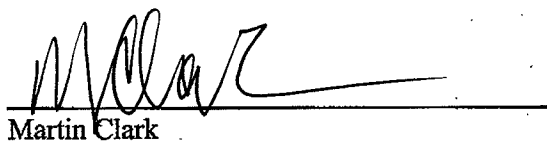


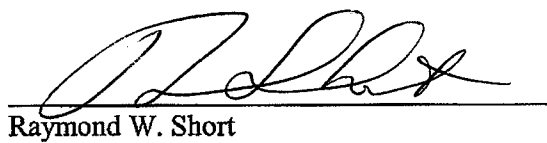
Ronald Smart

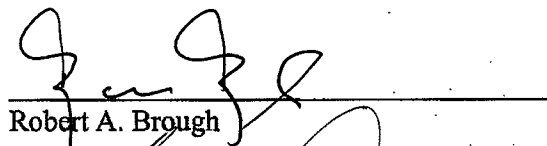


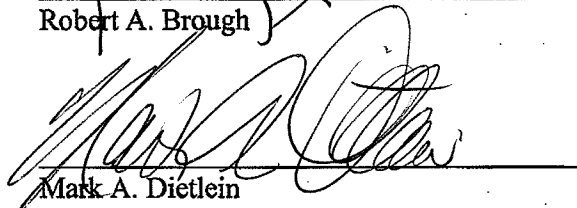
Craig B. Ainge


Kent H. Collins


Martin Clark


Raymond W. Short


Robert A. Brough


Mark A. Dietlein