

CONFLICTS OF INTEREST POLICY

Resolution of the Board of Directors

of

The Political Report, Inc

Article I

Purpose

The purpose of the conflicts of interest policy (the “Policy”) is to protect the interests of The Political Report, Inc. (the “Corporation”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation. This Policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

Article II

Definitions

1. Interested Person

Any director, principal officer, or member of a committee with board delegated powers, member, employee having responsibilities similar to a director or principal officer, substantial donor to the Corporation, or any person in a position to exercise substantial influence over the affairs of the Corporation, regardless of whether such person is compensated by the Corporation, and any Family Member of such person who has a direct or indirect Financial Interest, as defined below, is an interested person.

2. Family Member

A person’s brothers and sisters (including half siblings and step-siblings), children, grandchildren, great grandchildren (including step-children, step-grandchildren, and step-great grandchildren), ancestors (parents, grandparents, etc., including step-parents and step-grandparents) and spouses (of the person and any person in the foregoing categories). Family Members shall include siblings, descendants, and ancestors by adoption.

3. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment or family:

An Ownership or Investment Interest in any entity with which the Corporation has a transaction or arrangement;

A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement; or

A potential Ownership or Investment Interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

A Financial Interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a Financial Interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

4. Ownership Interest

An Ownership or Investment Interest means direct or indirect control over an entity (e.g., a corporation, partnership, or trust or estate, whether or not organized and operated for profit) through voting power, a profits interest or a beneficial interest.

Article III

Procedures

1. Prohibitions

No Interested Person may enter into a transaction or arrangement with the Corporation unless the facts of the particular Financial Interest have been fully disclosed and the transaction or arrangement has been expressly authorized by the disinterested members of the board.

2. Duty to Disclose

In connection with any actual or possible conflicts of interest, an Interested Person must disclose the existence of his or her Financial Interest and must be given the opportunity to disclose all material facts to the directors and members of committees with board delegated powers considering the proposed transaction or arrangement.

3. Determining Whether a Conflict of Interest Exists

After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person, he/she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

4. Procedures for Addressing the Conflict of Interest

- a. An Interested Person may make a presentation at the board or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.

- b. The chairperson of the board or committee 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 or committee shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts 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 attainable under circumstances that would not give rise to a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.
- e. In all events, the Corporation will attempt to comply with the requirements for invoking the rebuttable presumption under section 53.4958-6 of the Treasury regulations.

5. Violations of the Conflicts of Interest Policy

- a. If the board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest it shall take appropriate disciplinary and corrective action.

6. Receipt of Gifts

No Interested Person may accept gifts or other favors under circumstances that might lead to the inference that the gift or favor was intended to influence the Interested Person's decision-making while serving the Corporation. Any gifts that are not insubstantial and are offered by a person or entity with which the Corporation has entered into or is considering a transaction or arrangement must be declined, and the offer reported to the designated conflict of interest officer.

Article IV

Records of Proceedings

The minutes of the board 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 board's or committee's decision as to whether a conflict of interest in fact existed; and
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 therewith.

If the Corporation enters into a transaction or arrangement with an Interested Person, such transaction or arrangement will be reported in the Corporation's Form 990 as required.

Article V

Compensation

1. Any voting member of the board of directors who receives compensation, directly or indirectly, from the Corporation for services is precluded from discussing and 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 the Corporation for services is precluded from voting on matters pertaining to that member's compensation.
3. No voting member of the board of directors or any committee of the board of directors charged with compensation matters and who receives compensation, directly or indirectly, from the Corporation is prohibited from providing information to the board of directors or any such committee regarding compensation.

Article VI

Annual Statements

Each director, principal officer and member of a committee with board delegated powers, member, employee having responsibilities similar to a director or principal officer, substantial donor to the Corporation, or any person in a position to exercise substantial influence over the affairs of the Corporation shall affirm that such person:

- a. Has received a copy of this Policy;
- b. Has read and understands this Policy;

- c. Has agreed to comply with this Policy; and
- d. Understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Article VII

Periodic Reviews

To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining;
- b. Whether acquisitions result in inurement or impermissible private benefit;
- c. Whether all transactions are properly recorded, reflect reasonable payments for goods and services, further the Corporation's charitable purposes and do not result in inurement or impermissible private benefit; and
- d. Whether agreements entered into by the Corporation furthers the Corporation's charitable purposes and do not result in inurement or impermissible private benefit.

Article VIII

Use of Outside Experts

In conducting the periodic reviews provided for in Article VII, the Corporation may, but need not, use outside advisors. If outside experts are used their use shall not relieve the board of its responsibility for ensuring that periodic reviews are conducted.

Article IX

Adoption of Policy

This Policy has been adopted on the 29th day of August 2021 by the unanimous written consent of the board of directors and a copy of this Policy will be distributed to each director and officer of the Corporation.