

SAN DIEGO THEATRES, INC.
CORPORATE POLICY

Subject: BOARD MEMBER EXPECTATIONS AND RESPONSIBILITIES
Policy #: 13
Date: September 25, 2025
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PURPOSE

The purpose of this policy is to summarize the duties and responsibilities applicable to each Director of the Board of Directors of the San Diego Theatres, Inc. (individually, each “*Director*”). The San Diego Theatres, Inc. is a California nonprofit public benefit corporation (the “*SDT*”).

POLICY

The Board of Directors of SDT (the “*Board*”) is charged with the duty of care and a duty of loyalty. Additionally, the Board is responsible for maintaining SDT as an exempt charitable organization according to Internal Revenue Code Section 501(c) (see SDT’s Code of Ethics and Conduct and Conflict of Interest Policy for more information).

As a Director of a nonprofit public benefit corporation, the Board owes each of the following to both SDT and the general public.

A. FIDUCIARY DUTY OF CARE

1. Each Director shall perform the duties of a Director, including duties as a member of any committee of the Board upon which the Director may serve, in good faith, in a manner such Director believes to be in the best interests of SDT and with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.
2. In performing the duties of a Director, Directors shall be entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by:
 - a. One or more officers or employees of SDT whom the Director believes to be reliable and competent in the matters presented;
 - b. Counsel, independent accountants or other persons as to matters which the Director believes to be within such person’s professional or expert competence; or
 - c. A committee of the Board upon which the Director does not serve, as to matters within its designated authority, which committee the Director

believes to merit confidence, so long as, in any such case, the Director acts in good faith, after reasonable inquiry when the need therefor is indicated by the circumstances and without knowledge that would cause such reliance to be unwarranted.

B. FIDUCIARY DUTY OF LOYALTY

1. Each Director has an obligation to make business judgments that the Director reasonably believes to be in the best interests of SDT.
2. To satisfy the duty of loyalty, Directors must act in good faith and in a manner the Director reasonably believes to be in the best interests of SDT.
3. Directors must disclose and present to SDT any opportunity or transaction of which the Director becomes aware that would be of benefit or interest to SDT.
4. Directors may not engage in any transaction in which SDT is a party and in which the Director has a material financial interest.
5. Directors may not take any such opportunity or enter into any such transaction until such opportunity or transaction has been fully and fairly disclosed to SDT and SDT has decided, without the vote or influence of the interested Director, not to engage in the transaction or opportunity.
6. Directors must adhere to SDT's Conflict of Interest Policy.
7. Directors are expected to attend Board and Committee meetings.
8. Directors are encouraged to attend events and activities at SDT venues and to support opportunities for community and staff engagement.