

Public Health Foundation Enterprises (dba Heluna Health)
Conflict of Interest Policy
(last revised on 2/24/2016)

Article I

Purpose

The purpose of this Conflict of Interest Policy (Policy) is to protect the interests of Public Health Foundation Enterprises (dba Heluna Health) when entering or contemplating entering into a transaction or arrangement, or undertaking any act, that might benefit (or be perceived to benefit) the private interest of an officer of Heluna Health or a member of the Board of Directors (BOD), or might result in a possible excess benefit transaction. In addition, this Policy ensures that its BOD, officers, employees, agents and representatives maintain the highest personal and professional ethical standards and avoid situations that create an actual or perceived conflict of interest, whether financial or otherwise, between their involvement with Heluna Health and their personal affairs. This Policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to non-profit and tax-exempt corporations.

Article II

Definitions

1. Interested Person.

Any member of the BOD, any officer, or any person with delegated powers or who otherwise is in a position to exercise substantial influence over the affairs of Heluna Health, or who has a direct or indirect Financial Interest or Other Interest, as defined below, is an “Interested Person.”

2. Financial Interest

A person has a “Financial Interest” if the person may profit, directly or indirectly, from any action or decision by Heluna Health in which he or she participates, or about which he or she has knowledge. This includes, but is not limited to, situations in which a person, directly or indirectly, through business, investment or family:

a. has an ownership or investment interest (other than a passive interest involving less than 5% of equity or effective control) in, or compensation arrangement with, any entity (i) from which Heluna Health obtains goods or services, or (ii) which is a competitor of Heluna Health.

b. is in competition with Heluna Health in the purchase or sale of property or any property right or interest.

c. represents Heluna Health in any transaction or activity in which he or she has a material financial interest.

d. has a potential ownership or investment interest (other than a passive interest involving less than 5% of equity or effective control) in, or compensation arrangement with, any entity or individual with which Heluna Health is negotiating a transaction.

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

3. Other Interest

A person has an “Other Interest” if the person has, directly or indirectly, through business, investment or family, a professional or personal association or current relationship that is not a Financial Interest with any entity or individual with which Heluna Health has or is negotiating a transaction or arrangement.

4. Conflict of Interest

A “Conflict of Interest” could arise where there is a divergence between an Interested Person’s concerns and the best interest of Heluna Health. The existence of a Financial Interest or Other Interest is not necessarily a Conflict of Interest.

5. Transaction or Arrangement

A transaction or arrangement is any agreement or relationship involving the sale or purchase of goods, services or rights of any kind, the providing or receipt of a loan or grant or the establishment of any other kind of relationship. The making of a gift to Heluna Health is not a transaction or arrangement.

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 any Financial Interest or Other Interest known to her/him and be given the opportunity to disclose all material facts to the Governance Committee of the BOD, or the Chair of the Governance Committee, or the BOD Chair.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the Financial Interest or Other Interest and all material facts, and after any discussion with the Interested Person, the Governance Committee shall

make a recommendation to the BOD. The BOD may request more information, including hearing from the Interested Person, prior to voting upon the matter.

3. Procedures for Addressing a Conflict of Interest

If it has been determined that a Conflict of Interest exists, the Governance Committee of the BOD will then evaluate the particular transaction or arrangement and make a recommendation to the BOD.

- a. An Interested Person may make a presentation at any meeting considering the transaction or arrangement, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, any transaction or arrangement that results in a Conflict of Interest.
- b. The Chair of the committee may, if appropriate, appoint a disinterested person or sub-committee to examine alternatives to the proposed transaction or arrangement, including consideration of whether Heluna Health 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.
- c. If a more advantageous transaction or arrangement is not reasonably practicable under circumstances that would not give rise to a Conflict of Interest, the BOD or Governance Committee or other person or groups of persons with delegated powers considering the proposed transaction or arrangement shall determine by a majority vote of the disinterested persons present whether the transaction or arrangement is in Heluna Health's best interest, for its own benefit, and whether it is fair and reasonable, in which case it may determine to enter into the transaction or arrangement notwithstanding the existence of a Conflict of Interest.
- d. Under no circumstances shall an Interested Person engage in a transaction or arrangement that results in a Conflict of Interest without the prior written approval of the BOD.

4. Disclosure under the Conflict of Interest Policy

- a. If the BOD or Governance Committee or other person or groups of persons with delegated powers considering a proposed transaction or arrangement has reasonable cause to believe an Interested Person has failed to disclose actual or possible Conflict 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 BOD determines that such person has failed to disclose an actual or possible Conflict of Interest, it shall take such disciplinary or corrective action as it deems appropriate in the circumstances.

Article IV

Records of Proceedings

The minutes of the BOD, and/or any committee or other person or groups of persons with delegated powers considering a proposed transaction or arrangement shall contain:

1. the names of the persons who disclosed or were otherwise found to have a Financial Interest or Other Interest in connection with an actual or possible Conflict of Interest, the nature of the Financial Interest or Other Interest, any action taken to determine whether a Conflict of Interest was present, and decision 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 voting member of the BOD who receives compensation directly or indirectly from Heluna Health for services shall not vote on matters pertaining to that member's compensation nor participate in the Board's deliberations with respect to his or her compensation. Reimbursement for out-of-pocket expenses reasonably related to BOD and BOD committee meeting participation is not considered compensation.
2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Heluna Health for services shall not vote on matters pertaining to that member's compensation.
3. No voting member of the BOD who receives compensation directly or indirectly from Heluna Health for services, nor any voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from Heluna Health for services, shall be prohibited from providing information to the BOD or any committee about compensation.

Article VI

Disclosure and Implementation

Each member of the BOD, the Chief Executive Officer, the Chief Financial Officer, the Director of Contract Management, the Director of Human Resources and any other employee designated by the BOD or CEO shall annually sign a statement in substantially the form attached hereto as Appendix A, which provides an opportunity for potential conflict disclosure and affirms that such person:

- a. has received a copy of the Conflict of Interest Policy,
- b. has read and understands the Policy,
- c. has agreed to comply with the Policy, and
- d. understands that Heluna Health is a tax-exempt entity and in order to maintain its tax exemptions must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

The BOD Governance Committee shall be responsible for distributing and maintaining the disclosure statements. Such statements shall be signed within 30 days of the effective date of this Policy or any amendment to the Policy, and shall thereafter be completed by October 1st of each calendar year.

Article VII

Periodic Reviews

To ensure that Heluna Health operates in a manner consistent with its purpose 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:

- a. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's-length bargaining.
- b. Whether any partnerships or joint venture arrangements conform to written policies, are properly recorded, reflect reasonable investments or payments for goods and services, further Heluna Health's purposes and do not result in inurement, impermissible private benefit or an excess benefit transaction.

In conducting the periodic reviews, Heluna Health may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the BOD of its responsibility for ensuring that periodic reviews are conducted.

Article VIII

Use of Confidential Information

An Interested Person may not use his or her position with respect to Heluna Health, or confidential information obtained by him or her relating to Heluna Health, in order to achieve a financial or other benefit for himself or herself or for a third person, including another not-for-profit organization.

Article IX

Service on Multiple Boards

In the event that an Interested Person or member of his or her family is on the governing board of another organization (for-profit or not-for-profit), the Interested Person shall refrain from participating in any vote in either organization on matters that could involve

conflicting interests of Heluna Health and the other organization.

Article X

Amendment

This Policy may be amended only by a majority vote of the BOD as a regular or special meeting of the BOD. Such amendment shall note the effective date, and each individual listed in Article VI as well as all other identified Interested Persons shall be provided with a copy of the policy as amended.

Article XI

Effective Date

This Policy is intended to memorialize, incorporate and supplement existing policy and procedures. This written Policy was adopted by the BOD of PHFE on February 7, 2014.