

## SECTION 13 - APPENDIX A

### Policy 2.1.1 DIRECTOR'S CONFLICT OF INTEREST

#### I. OBJECTIVE

To define conflicts of interest and to establish rules governing a Director's conduct when conflicts of interest exist or are claimed to exist.

#### II. POLICY

A. A conflict of interest exists when a Director or a member of his immediate family has a personal financial interest in an entity to whom a contract or other thing of value may be awarded or given on the basis of a decision by the Board or when the matter or proceeding involves any person who is, or has been, an employer, employee, client, patient or other business associate of the Board member within one (1) year immediately preceding the date of the matter or proceeding and the matter or proceeding is directly related to the Board member's representation of that employer, employee, client, patient or other business associate of the Board member. A conflict of interest also exists when the issue to be decided by a vote of the Board may have a direct non-monetary impact, adverse or beneficial, on the Director or a member of his immediate family, of a nature and extent significantly different from the impact on other persons.

B. A Director having a conflict of interest shall disclose to the other Directors the nature of the conflict. He shall not engage in discussions or debate about the issue as to which a conflict of interest exists, nor shall he vote on any issue as to which a conflict exists.

C. If a Director asserts that another Director has a conflict of interest, he may request that the Director refrain from participating in discussions, debate or vote on the issue as to which a conflict is claimed to exist. If the Director in question denies that a conflict of interest exists, the question of whether or not that Director may participate in discussions, debate or vote on the particular issue, a majority vote by the Board shall decide.

D. If a Director is deemed to have a conflict as described in B or C above, the Director will leave the room and not participate in the discussion and/or vote on that issue unless asked to remain by unanimous consent of the Board.

E. For the purpose of this policy, a Director's "immediate family" means a person who by blood or in law, including half, foster, step or adoptive kin is either a spouse, child, grandchild, parent, grandparent,

brother or sister of the person in question or who on a fixed, long-term or non-temporary basis, shares living quarters with the director.

F. Annually, the Board shall sign a Conflict of Interest Disclosure Statement which shall be reviewed by all Board members at the annual CEO/Attorney/Board Review and maintained by the Local General Counsel.

### III. RESPONSIBILITY

Each Director and the Association Attorney are responsible for compliance with this policy.

ADOPTED: December 19, 1988

AMENDED: June 28, 2010