

CONFLICT OF INTEREST AND RELATED PARTY TRANSACTION POLICY

Category: Compliance	Date Effective: 10.13.19
Responsible Department: Compliance & Legal	Date of Last Review/Update: 08.04.22
Applicability: Applies to all EHS, Inc. and affiliate employees (hereinafter referred to as “Evergreen Health”)	Approved By: EHS, Inc. Board of Trustees
	Approval Date: 08.04.22

SECTION 1: POLICY SUMMARY

The intent of the Conflict of Interest and Related Party Transaction Policy (“the Policy”) is to ensure that all Board members, officers, key persons, and employees of Evergreen Health and its affiliates, Pride Center of Western New York, Inc., Community Access Services, of WNY, Inc., and the Evergreen Foundation of Western New York, Inc. (collectively, “Evergreen Health” or “the Corporation”) are acting in the best interest of Evergreen Health and in compliance with all applicable federal and state laws.

SECTION 2: DEFINITIONS

- A. **“Director”** means a member of Evergreen Health’s Board of Trustees.
- B. **“Key Person”** means any person, other than a Director who:
- (i) Has responsibilities, or exercises powers or influence over Evergreen Health, as a whole, similar to the responsibilities, powers, or influence of directors and officers;
 - (ii) Holds a position of authority or control at Evergreen Health or a segment of the organization that represents a substantial portion of the activities, assets, income, or expenses of the organization; or
 - (iii) Alone or with others, controls or determines a substantial portion of Evergreen Health’s capital expenditures or operating budget.

A Key Person can be someone who is not employed by the Corporation. For example, a Key Person may be a founder or substantial donor who exercises apparent authority over Evergreen Health even though they have no title or official role.

- C. **“Employee”** means exempt, non-exempt, and contracted employees of Evergreen Health, who do not meet the definition of a Key Person above.
- D. **“Related party”** means (i) any Director, Officer, or Key Person of Evergreen Health; (ii) any relative of any individual described in clause (i) of this subparagraph; or (iii) any entity in which any individual described in clauses (i) and (ii) of this subparagraph has a 35% or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of 5%.

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- E. **"Related party transaction"** means any transaction, agreement, or any other arrangement in which a Related Party has a financial interest and in which Evergreen Health is a participant. See Section 6 for exclusions to the definition of Related Party Transaction.
- F. **"Relative"** means a person's (a) spouse, partner or similar relationship; (b) children, grandchildren, and great grandchildren (including those who were adopted); (c) parents, grandparents, great-grandparents, and legal guardians; (d) siblings by full- or half-blood; (e) cousins; (f) nieces and nephews; (g) aunts and uncles; and (h) the spouse, domestic partner, or similar relationship of the preceding categories.

SECTION 3: DEFINITION AND EXAMPLES OF A "CONFLICT OF INTEREST"

A Conflict of Interest arises when a personal interest of a Director, Key Person, or Employee conflicts or appears to conflict with their ability to exercise objectivity or impairs the person's ability to perform the duties owed to Evergreen Health. Generally, an individual is considered to have a Conflict of Interest when:

- The person or a relative receives a financial or other benefit as a result of the person's position at Evergreen Health;
- The person has the opportunity to influence Evergreen Health's business, administrative, or other material decisions in a manner that leads to personal gain or advantage for the person or a relative; or
- The person has an existing financial or other significant interest which impairs, or appears to impair, the person's independence in the discharge of their responsibilities to Evergreen Health.

Some common specific examples of a Conflict of Interest include:

- Having an ownership interest or management role in a business that does business with or seeks to do business with Evergreen Health;
- Having an ownership interest or management role in a business that competes with Evergreen Health;
- Having a position in another business for which the person may disclose, use, or share confidential or trade secret information for the other business' gain;
- Participating in the selection, award, or administration of a contract supported by a Federal award when the person has a financial or other interest in the other party or potential party to the contract;

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- Soliciting or accepting gifts, favors, or anything of monetary value from a contractor or subcontractor.

If a Director, Key Person, or Employee is unsure whether a transaction should be disclosed, they should contact the Corporate Compliance Officer for guidance.

SECTION 4: DISCLOSING A CONFLICT OR RELATED PARTY TRANSACTION

A. Initial and Annual Disclosures

Directors and Key Persons must complete Evergreen Health’s “Conflict of Interest and Related Party Transaction Disclosure” Form prior to their hire, promotion, appointment, or engagement and annually thereafter.

Employees (other than Key Persons) must attest annually in writing that they have reviewed Evergreen Health’s Conflict of Interest and Related Party Transaction Policy.

B. Ongoing Duty to Disclose

In addition to completing the initial and annual disclosure statements, Directors, Key Persons, and Employees must notify the Corporate Compliance Officer when an actual or apparent conflict arises. The disclosure must be made as soon as practical, but no later than 30 days from the day on which the person became aware of the conflict. Disclosures can be made by using Evergreen Health’s “Conflict of Interest and Related Party Disclosure” form.

Failure to disclose a conflict or complete an initial or annual disclosure form may result in corrective action up to and including removal from the Board or termination of employment.

SECTION 5: ACCEPTANCE OF GIFTS, GRATUITIES, AND ENTERTAINMENT

Directors, Key Persons, and Employees must comply with Evergreen Health’s Gifts Policy.

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SECTION 6: TRANSACTIONS & INTERESTS EXCLUDED FROM THIS POLICY

A. De Minimis Transactions or Interests

This Policy does not cover: (i) when an individual discloses an actual or apparent conflict and the value of the transaction (e.g., goods, services, or contract award under consideration) is less than \$3,000. The Corporate Compliance Officer shall determine on a case-by-case basis if any other transactions or interests qualify for the *de minimis* exception.

B. Provision of Evergreen Health Benefits or Services

It is not a Conflict of Interest for a Director, Key Person, or Employee or their relatives to receive benefits or services from Evergreen Health as a patient, provided acceptance as a patient or receipt of a benefit is in accordance with established program policies to members of the general population that Evergreen Health serves and there is no unjust favoritism toward the Director, Key Person, or Employee.

SECTION 7: EVALUATING AND MANAGING CONFLICTS AND RELATED PARTY TRANSACTIONSS

A. Conflicts and Related Party Transactions Involving Directors and Key Persons

The Corporate Compliance Officer shall present the conflict or Related Party Transaction to the Board’s Executive Committee, which shall, by majority vote, make a recommendation to the Board that the transaction be approved without conditions, approved with conditions, or disapproved. The Director or Key Person who has the conflict or is involved in the Related Party Transaction shall not be present during the Committee’s discussion (except to present factual information and/or answer questions), shall not vote on the matter, shall not be counted in determining if a quorum exists for the meeting, and shall not use their personal influence in the matter or otherwise improperly influence the Committee. The Committee shall ensure that the minutes of any meeting at which the matter was discussed or voted upon reflect the disclosure was made; the committee’s recommendation; that the Director or Key Person was not counted toward determining a quorum; that the Director or Key Person was not present during the discussion or vote on the matter, and that the Director or Key Person did not vote on the matter.

The Executive Committee shall present the Conflict of Interest or Related Party Transaction to the entire Board, which shall, by majority vote, approve without conditions, approve with conditions, or disapprove the transaction. The Director who has the conflict or is involved in the Related Party

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Transaction shall not be present during the Board’s discussion (except to present factual information and/or answer questions), shall not vote on the matter, shall not be counted in determining if a quorum exists for the meeting, and shall not use their personal influence in the matter or otherwise improperly influence the Board. The Board shall ensure that the minutes of any meeting at which the matter was discussed or voted upon reflect the disclosure was made; the Board’s recommendation; that the Director or Key Person was not counted toward determining quorum; that the Director or Key Person was not present during the discussion or vote on the matter, and that the Director or Key Person did not vote on the matter.

B. Conflicts by Employees

All disclosures of apparent or actual conflicts of interest will be reviewed by the Corporate Compliance Officer who, in conjunction with the individual’s supervisor, the Center Vice President, the Executive Director, or a person designated by the Center Vice President or Executive Director will decide whether a conflict exists. If a conflict does exist, the Corporate Compliance Officer will work in conjunction with the above individuals to evaluate measures to mitigate the conflict up to and including denying the transaction. The Corporate Compliance Officer shall maintain a record of all conflicts reviewed and the outcome of each review.

SECTION 8: REPORTING CONFLICTS AND RELATED PARTY TRANSACTIONS TO THIRD PARTIES

The Corporate Compliance Officer will report any disclosed grant-related conflict to the appropriate federal or state-funded grant sponsor in accordance with federal and state regulations within sixty (60) calendar days of any identified conflict.

SECTION 9: VIOLATIONS OF THIS POLICY

If any individual has a good faith belief that a Director, Key Person, or Employee has failed to disclose an actual or apparent conflict, that person shall inform the Corporate Compliance Officer or report their concern through the anonymous Compliance Helpline 716-541-0663. If, after an investigation, it is determined that the Director, Key Person, or Employee has failed to disclosure an actual or apparent conflict, the Corporate Compliance Officer shall recommend the appropriate corrective action, up to and including termination.

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SECTION 10: MANAGEMENT OF THIS POLICY

The Corporate Compliance Officer will administer this Policy by sending out the Conflicts of Interest and Related Party Transaction Policy and all applicable forms to the appropriate Directors, Key Persons and Employees. They shall be sent either directly or through Evergreen University. A copy of the policy and disclosure form will also be permanently available on Evergreen Health’s Healthicity platform.

All disclosures will be handled confidentially and only disclosed to the extent necessary to determine whether a Conflict of Interest or Related Party Transaction exists and implement remediation measures.

The Corporate Compliance Department will maintain all records regarding this Policy in accordance with Evergreen Health’s Record Retention Policy.

If there is a conflict between this Policy and federal and state law; Evergreen Health’s Articles of Incorporation, or Evergreen Health’s Bylaws, the law, Articles of Incorporation, or Bylaws shall control.