



## CONFLICT OF INTEREST STATEMENT

### GENERAL STATEMENT OF POLICY

In order to assure the highest degree of integrity and ethical behavior, and to assure that the business conducted by EverCare Choice is free from the possible influence of conflicts of interest, all Board Members, Officers, and Key Persons will disclose any existing or potential conflict of interest on an annual basis.

### SCOPE

Board of Directors, Management, Staff

### DEFINITIONS

The following definitions apply to this policy:

- ✦ **Transaction** includes the purchase, sale or lease of assets, goods or services by or to EverCare Choice, the rendering of services in any capacity for remuneration to or from EverCare Choice or any loan to or from EverCare Choice
- ✦ **Vendor** is any person, company or entity that has or seeks to enter into a Transaction with EverCare Choice, including but not limited to a manufacturer, supplier, financial institution, consultant, accountant, lawyer and independent practice association [IPA], insurance company, health maintenance organization and other managed care organization, or is any person, company or entity which provides services that compete with EverCare Choice
- ✦ **Immediate family** is a spouse, parents, children, brothers and sisters, mothers and fathers-in-law, sons and daughters-in-law and brothers and sisters-in-law
- ✦ A person has an **Interest** when he or she, or a member of his or her immediate family, has some relationship with a Vendor that could be viewed as possibly compromising the person's loyalty to EverCare Choice and obligation to make decisions that are only in EverCare Choice's best interest. Such a relationship includes being a member, owner, director, or officer of, having a financial interest in, or a compensation arrangement with a Vendor:
  - from which EverCare Choice purchases or leases equipment, services, or supplies, or that provides services that compete with EverCare Choice;
  - with which EverCare Choice negotiates, or is considering negotiating real estate transactions [such as the leasing of space], and which either benefits from the real estate transaction or competes with EverCare Choice in the leasing or purchase of real estate; or
  - which renders directive, managerial, or consulting services to any organization that does business with, or competes with, EverCare Choice in providing services

The following definitions specify who is covered by this policy:

- ✦ **Board** refers to the Board of Trustees of EverCare Choice
- ✦ Board Members are the members of the Board as defined above
- ✦ Officers are the elected or appointed Officers of EverCare Choice as provided in its Corporate Bylaws
- ✦ Key Persons are the President|CEO, Chief Financial Officer, Chief Executive Officer, Senior Vice President, Vice President, Assistant Vice President or Department Head and other persons designated by the President|CEO, or his/her designee that have roles in the management or administration of EverCare Choice, and are in a position to influence substantive business decisions on behalf of EverCare Choice



## IMPLEMENTATION

To ensure that all Conflicts of Interest, or perceived Conflicts of Interest are declared, avoided, and/or adjudicated, the following practices related to disclosure and management of conflicts of interest must be adhered to at all times:

- ✦ **Identification of potential conflicts** A potential conflict may exist if a Board Member, Officer or Key Person, or his/her Immediate Family, seeks to engage in a Transaction with EverCare Choice or has an Interest in a Vendor that could be viewed as potentially compromising the person's loyalty to EverCare Choice and obligation to make decisions that are only in the EverCare Choice's best interest
- ✦ **Duty to Complete Questionnaire** Each Board Member, Officer or Key Person of EverCare Choice shall complete a Conflict of Interest Disclosure Form upon becoming a Board Member, Officer or Key Person and annually thereafter
- ✦ **Duty to Update Information and Resolution of Potential Conflicts** Each Board Member, Officer or Key Person shall immediately advise EverCare Choice Compliance Officer, or his/her designee of any changes to the information provided in that person's last completed Conflict of Interest Disclosure Form and of any potential Interest in a Vendor that may arise. If the person is not certain whether the matter poses a potential conflict of interest, he/she should discuss the matter with the Chief Executive Officer and Compliance Officer, if necessary, or if the person is an Officer, shall promptly notify the Chair of the Governance Committee Board. If the potential Conflict of Interest affects a Board Member or Officer, it will be reported to the Compliance Officer and Governance Committee and will be resolved in accordance with this policy [see below]. If the potential conflict affects a Key Person who is not an Officer, it will be reported to the Compliance Officer and will be resolved in accordance with this policy [see below].
- ✦ **Management Response** The Compliance Officer shall review all completed questionnaires, all subsequent advice of changes and all disclosures of Interests and potential Conflicts of Interest. The Compliance Officer will discuss the Conflict of Interest or potential Conflict of Interest with the Chief Executive Officer, as appropriate, and with EverCare Choice's counsel, if necessary. The Chief Executive Officer, in consultation with the Compliance Officer and counsel, shall determine if a Conflict of Interest exists.
- ✦ If a **Conflict of Interest** exists, the Chief Executive Officer, if appropriate, shall take such action as is deemed appropriate to eliminate the Conflict of Interest, including such steps as reassignment of responsibilities, establishment of protective arrangements to prevent the person from participating in the Transaction or attempting to influence decisions regarding the Transaction, or modification of the Transaction
- ✦ **Governance Committee** All disclosures of Interests and potential Conflicts of Interest in completed disclosure forms, subsequent advice of changes and any other disclosures of Interests or potential Conflicts of Interest, unless clearly irrelevant or immaterial, shall be compiled and reported by the Compliance Officer to the Governance Committee. In the case of Key Persons that are not Officers, the Compliance Officer shall report to the Governance Committee the actions taken as provided above.
- ✦ **In the case of Board Members and Officers**, the Governance Committee shall determine whether a reported Interest or potential Conflict is in fact a Conflict of Interest, by a majority vote of disinterested members of the committee. In the case when a determination that an actual Conflict exists is made, the full Committee shall determine the action that needs to be taken, in which case the provisions listed above apply
- ✦ **Acceptance of Gifts or Entertainment** No Board Member, Officer, Key Person, or Staff shall accept gifts or entertainment from persons or Vendors that do or are seeking to do business with EverCare Choice that might be considered by an objective observer to have the potential for influencing his/her conduct of business on behalf of EverCare Choice. Gifts of money are never permissible. This policy is not intended to prohibit the exchange of social amenities or business courtesies of a nominal value, consistent with good taste and mature judgment

- ✦ **Protection of Confidential Information** Confidential information acquired by Board Members, Officers and Key Persons about the business of EverCare Choice must be held in confidence and may not be used as a basis for personal gain by these persons, their immediate families, or others. Information relating to transactions pending with EverCare Choice is not to be released to any person unless it has been published or otherwise made generally available to the public. Similarly, if EverCare Choice is considering buying, leasing, or selling any property, item, or interest, Board Members, Officers and Key Persons must not attempt to buy, lease, or sell for their own benefit [or for the benefit of their immediate family] the item under consideration, until EverCare Choice's decision on the matter has been executed. Other than in connection with the discharge of their official responsibilities, all Board Members, Officers and Key Persons must refrain from disclosing information about any EverCare Choice consideration or decision, or any other information which might be prejudicial to the interests of EverCare Choice
- ✦ **Violation of Conflict of Interest Policy [Key Persons]** Upon reasonable belief that a Key Person who is not an Officer failed to comply with the policies and directives set forth in this Policy, the Compliance Officer in consultation with the Chief Executive Officer, shall inform the affected person of the basis of the belief and provide an opportunity to explain the apparent noncompliance. After considering the affected person's response and after making further appropriate investigations, if any, the Chief Executive Officer, in consultation with the Compliance Officer and the Chairman of the Governance Committee, shall determine if the affected person has, in fact, failed to comply with such policies and directives, and if so, appropriate corrective action shall be taken

The following special provisions apply to Board Members and Officers:

- ✦ **Duty to Disclose** Each Board Member or Officer presenting a proposed Transaction, a proposed Interest in a Vendor or other potential conflict of interest, shall disclose promptly the details of such matter to the Compliance Officer for consideration by the Governance Committee, if the matter has not previously been reported on the Annual Disclosure Form. The Chief Executive Officer shall report this matter to every Board member, whereupon an automatic referral to the Board Governance Committee shall be made for further action
- ✦ **Participation in Board Discussion** Following such disclosure, the affected Board Member or Officer may be provided an opportunity to address the Committee but otherwise shall not participate in the deliberations or attempt to personally influence the Committee's deliberation in the matter
- ✦ **Committee and Board Action** Following any such disclosure, and after such due diligence and consideration of other alternatives, if any, as the Governance Committee shall deem appropriate, the Committee shall provide its recommendations to the Board. Upon receiving the Committee's recommendations, the Board may, in its discretion, authorize or approve the proposed Transaction, personal interest in a Vendor or other matter as determined to be fair and reasonable to EverCare Choice and in EverCare Choice's best interest. Such action shall be by a vote sufficient for such purpose without the vote of the affected person and such person shall not be counted in determining the presence of a quorum at the meeting
- ✦ **Compensation Committees** No employee, member of the Professional Staff or any other person receiving compensation directly or indirectly from EverCare Choice shall serve as a voting member of a Board committee responsible for executive compensation matters
- ✦ **Violation of Conflict of Interest Policy [Board Member|Officer]** Upon reasonable belief that a Board Member or an Officer failed to comply with the policies and directives set forth in this Policy, the matter shall be reviewed by the Governance Committee. Upon completion of its review, the Committee shall report its findings and recommendations to the Board. After due deliberation, the Board shall determine the action to be taken, based on the best interests of EverCare Choice. The affected person shall be provided an opportunity to address the Committee, and by majority vote of the Board, may address the Board, but may not otherwise be present or participate in the deliberations of the Committee or the Board and shall not be counted for determining if a quorum is present



## GOVERNANCE

This policy and the directives which it sets forth shall be administered for EverCare Choice by, or under the direction of, the Governance Committee of the Board of Directors