

<b>Policy Title:</b> Conflict of Interest			
<b>Department Responsible:</b> THN Compliance & Integrity	<b>Policy Number:</b> CPE-003	<b>THN's Effective Date:</b> January 1, 2022	<b>Next Review/Revision Date:</b> September 30, 2023
<b>Title of Person Responsible:</b> THN Director of Compliance	<b>THN Approval Council:</b> THN Board of Managers	<b>Date Approved:</b> August 29, 2022	<b>Date Approved by THN Board of Managers:</b> August 29, 2022

- I. **Purpose.** The purpose of CPE-003 is to protect the interests of Triad HealthCare Network (THN), a Direct Contracting Entity (DCE), when it is contemplating entering into a transaction or arrangement that might benefit the private interests of employees, members of the Board of Managers (when acting on behalf of the Company), DC Participants and Preferred Providers/Suppliers, and other THN Related Individuals acting on behalf of the THN DCE Workforce and, (2) provide procedures to ensure that THN's practices are consistent with its stated policies.

## II. Policy.

- A. The Workforce shall conduct their personal and professional relationships, including interactions with third party vendors, in such a way as to assure themselves, THN, and the community that decisions made are in the best interest of THN without the slightest implication of wrongdoing. The exercise of judgment is required to determine if a potential conflict of interest situation exists.
- B. A conflict of interest exists when a member of the Workforce can profit directly or indirectly through the application of their authority or knowledge. Also, a conflict of interest exists if a friend or relative benefits or THN is adversely affected in any way by the action. Examples include, but are not limited to:
  - i. Accepting gifts, donations, or entertainment from another company in return for business; Holding a financial interest in a company, by either you or a member of your immediate family with whom THN does business and influencing the direction of more business to the outside company; and
  - ii. Directing THN to an organization where a friend or relative works.
- C. THN is committed to ensuring that all conflicts of interest are reported, reviewed, and handled as appropriate, and that failure to report a conflict of interest, as required, results in appropriate disciplinary action.

## III. Procedures.

- A. For purposes of this Conflict of Interest Policy, the following definitions and rules of construction shall apply:
1. "Interested Person" shall mean a Manager, officer, or committee member who has a direct or indirect Financial Interest.
  2. "Financial Interest" exists if an Interested Person has, directly or indirectly, through business, investment, or family: (i) an ownership or investment interest in any entity with which THN has entered into a transaction or arrangement; (ii) a compensation arrangement with THN or with any entity or individual with which THN has entered into a transaction or arrangement; or (iii) a potential ownership or investment interest in or compensation arrangement with, any entity or individual with which THN is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration and gifts or favors, which are substantial in nature.
- B. When acting as a member of THN, each Interested Person has a fiduciary duty to THN, including the duty of loyalty, and shall act consistent with that fiduciary duty.
- C. THN shall cause all Interested Persons to disclose any financial interests and all material facts relating thereto.
- D. THN's Compliance Officer (CO) shall work with THN's General Counsel to determine whether the financial interest of an Interested Person constitutes or results in a conflict of interest. No Interested Person shall attend a meeting at which such person's financial interest is discussed, nor shall any Interested Person be entitled to vote on any action relating to such person's financial interest.
- E. In the event that THN determines that a conflict of interest exists, it shall take such actions as it deems necessary to resolve the conflict of interest, including:
1. Prohibiting the Interested Person from attending any meeting at which is discussed the transaction or arrangement that results in the conflict of interest;
  2. Prohibiting the Interested Person from voting on any matter relating to the conflict of interest;
  3. Appointing, if appropriate, a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement;
  4. Determining, by a simple majority vote of the disinterested individuals present at a meeting, whether the transaction or arrangement is in THN's best interest and for its own benefit; is fair and reasonable to THN; and, after exercising due diligence, whether THN can enter into a more advantageous transaction or arrangement with reasonable efforts under the circumstances; and

5. Taking appropriate disciplinary action with respect to an Interested Person who violates THN's Conflict of Interest Policy in order to protect THN's best interests.
- F. The minutes of meetings of the Board of Managers shall include:
  1. The names of all persons who have disclosed financial interests, the nature of the financial interest disclosed, and the determination of whether a conflict of interest existed; and
  2. The names of the persons who were present at the meeting for discussions and votes relating to the transaction or arrangement, the content of these discussions (including any alternatives to the proposed transaction or arrangement), and a record of the vote.
- G. THN shall distribute this Conflict of Interest Policy to all Interested Persons as defined herein. THN shall obtain annually a signed statement from each such person certifying that the person:
  1. Received a copy of the Conflict of Interest;
  2. Has read and understands the policy;
  3. Agrees to comply with the policy; and
  4. Understands that the policy applies to all committees and subcommittees.
- H. If the Compliance Committee, or a subcommittee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Compliance Committee or a subcommittee determines that the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action, which may include removing such member from the Compliance Committee or other committee, as appropriate.
- I. The Compliance Committee, as a "committee of the whole," shall act as a "conflicts committee" to carry out the requirements of this Conflict of Interest Policy, and to adopt and apply such other procedures as it deems necessary therefor.

#### IV. **Responsibilities.**

- A. The Workforce will:
  1. Seek guidance from the Compliance & Privacy Department when any questions arise about conflict of interest.
  2. In connection with any actual or possible conflict of interest, an Interested Person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the manager, directors and/or members of committees to which the board of managers has delegated powers concerning the proposed transaction or arrangement.

3. Avoid any transaction where a conflict of interest is apparent.
  4. Avoid taking advantage of their position with THN to advance personal interests; and
  5. Complete the annual conflict of interest disclosure statement.
- B. The Compliance Officer with members of the Board of Managers will:
1. Review the conflict or potential conflict of interest.
  2. Meet with the Board of Managers, as needed, to review the conflict or potential conflict of interest and take the necessary action to remove any direct or indirect influence on decision making that is in violation of this policy.
  3. If needed, coordinate with an independent third party appointed by the Board of Managers to review alternatives to the conflict or potential conflict of interest. The report by the independent third party will be reviewed with the Board of Managers; and manage the annual conflict of interest disclosure process.
- C. Board of Managers will:
1. After the disclosure of a financial or other interest and all material facts, and after any discussion with the Interested Person, the Interested Person shall leave the governing board or committee while the determination of a conflict of interest is discussed and voted upon. The governing board shall decide if a conflict of interest exists.
  2. Determine, by a majority vote of the disinterested Board of Managers, whether the transaction or arrangement is in THN's best interest, for THN's own benefit, and whether the transaction or arrangement is fair and reasonable. In conformity with the above determination, the Board of Managers shall make its decision as to whether to enter the transaction or arrangement.
  3. If the Board of Managers has reasonable cause to believe a member has failed to disclose an actual or potential conflict of interest, it shall inform that member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of Managers determines that the member has failed to disclose an actual or potential conflict of interest, it shall take the appropriate disciplinary and corrective actions, up to and including termination of employment and participation with the THN.

Date	Reviewed	Revised	Notes
January 1, 2022			Originally Published
August 2022	X		No changes