



## **IVI Foundation, Inc.**

### **Conflict of Interest Policy**

#### **Article I** **Purpose**

The purpose of this Conflict of Interest Policy is to protect the interests of IVI Foundation, Inc. (the “Corporation”), a Section 501(c)(3) tax-exempt Delaware nonprofit nonstock corporation, when it is contemplating entering into a transaction or arrangement that might benefit the private interests of a Director, Officer or key employee of the Corporation or might result in a possible excess benefit transaction under Section 4958 of the Internal Revenue Code of 1986, as amended (the “Code”). This Policy is intended to ensure compliance with and supplement, but not replace, any local, state or federal laws governing conflicts of interest that are applicable to the Corporation.

#### **Article II** **Definitions**

##### **1. Interested Person**

Any of the Corporation’s Directors, Officers or Key Employees (as defined below) who has a direct or indirect Financial Interest, as defined below, is an “Interested Person.”

##### **2. Financial Interest**

A person has a “Financial Interest” if the person has, directly or indirectly, through business, investment, or family:

- a. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement,
- b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

A Financial Interest is not necessarily a conflict of interest. Under Article III, Section 2, of this Policy, a person who has a Financial Interest is deemed to have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists. A conflict of interest may arise whenever the interests of the Corporation come into conflict with a Financial Interest of an Interested Person, or otherwise whenever an Interested Person's personal or Financial Interest could be reasonably viewed as affecting his or her objectivity or independence in fulfilling his or her duties to the Corporation.

### **3. Key Employee**

A "Key Employee" shall mean any person who is in a position to exercise substantial influence over the affairs of the Corporation within the meaning of §4958(f)(1)(A) of the Code and 26 C.F.R. §53.4958-3(c)-(e), or any succeeding provisions thereto.

## **Article III** **Procedures**

### **1. Duty to Disclose**

In connection with any actual or possible conflict of interest, an Interested Person shall disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts to the Corporation's governing board or to a duly authorized committee of the governing board considering the proposed transaction or arrangement.

### **2. Determining Whether a Conflict of Interest Exists**

After disclosure of the Financial Interest and all material facts, and after any discussion with the Interested Person, the Interested Person shall leave the meeting of the governing board or committee while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall determine if a conflict of interest exists.

### **3. Procedures for Addressing a Conflict of Interest**

- a. An Interested Person may make a presentation at the governing board or committee meeting, but after the presentation, the Interested Person shall leave the meeting during the discussion of and the vote on the transaction or arrangement involving the possible conflict of interest.
- b. The chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the governing board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a party that would not give rise to a conflict of interest.

- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination, the governing board or committee shall make its decision as to whether to enter into the transaction or arrangement.

#### **4. Violations of the Conflicts of Interest Policy**

- a. If the governing board or committee has reasonable cause to believe that an Interested Person has failed to disclose an actual or potential conflict of interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person 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 governing board or committee determines the Interested Person has failed to disclose an actual or possible conflict of interest, appropriate disciplinary and corrective action shall be taken.

#### **Article IV** **Records of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

1. The names of the persons who disclosed or otherwise were found to have a Financial Interest in connection with an actual or possible conflict of interest, the nature of the Financial Interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee's 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**

- a. A voting member of the governing board who receives compensation, directly or indirectly, from the Corporation for services (other than for service on such board) shall be precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services shall be precluded from voting on matters pertaining to that member's compensation.

- c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.
- d. Physicians who receive compensation from the Corporation, whether directly or indirectly as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation matters. No physician, either individually or collectively, is prohibited from providing information to any committee regarding physician compensation.

**Article VI**  
**Annual Statements**

Each Director, Officer and member of a committee having powers delegated by the governing board shall, prior to their initial election and annually thereafter, sign and submit to the Secretary of the Corporation a statement which affirms that such person:

- a) Has received a copy of this Policy,
- b) Has read and understands this Policy,
- c) Has agreed to comply with this Policy, and
- d) Understands the Corporation is organized and operated for charitable purposes and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

In addition, such statement shall identify, to the best of the individual's knowledge, any entity of which such individual is an Officer, director, Director, member, owner (either as a sole proprietor or a partner), or employee and with which the Corporation has a relationship and any transaction in which the Corporation is a participant, or is contemplating being a participant, and in which the individual has, or may have, a conflicting interest. The Board President and IVI Executive Director will review annual submitted statements in accordance with above outlined procedures.

**Article VII**  
**Periodic Reviews**

To ensure that the Corporation operates in a manner consistent with its tax-exempt charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted and meetings of Board and committees shall begin with member statements of new or relevant potential conflicts, to be documented in meeting minutes. 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 partnerships, joint ventures, and arrangements with any management companies conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

**Article VIII**  
**Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring that periodic reviews are conducted.

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**IVI Foundation, Inc.**

**CONFLICT OF INTEREST POLICY**

**DISCLOSURE FORM**

The undersigned, as a Director, Officer or Key Employee of IVI Foundation, Inc. (the "Corporation"), hereby acknowledges that:

1. he or she has received a copy of the Corporation's Conflict of Interest Policy (the "Policy");
2. he or she has read and understands the Policy;
3. he or she has agreed to comply with the Policy;
4. he or she understands that the Corporation was organized and is operated for charitable purposes and, in order to maintain its federal tax-exempt status, must engage primarily in activities which accomplish one or more of its tax-exempt purposes; and
5. the following relationships and interests may present a potential or actual conflict of interest:

*(Disclosures should address current affiliations, as well as past affiliations for at least the prior two years, and should include all of the following: the undersigned's employer, all corporations (nonprofit and for-profit) of which the undersigned is a Trustee, Director or Officer, and the names of such of the undersigned's family members or business affiliates or any other relationships the undersigned has which may present a potential conflict)*

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_