

Our Lady of Lourdes Health Care Services, Inc. and Affiliates
Administrative & General Policy

POLICY NUMBER: LHS AS0045ADM

NURSING CODE: _____

PAGE NUMBER: 1 of 24

TITLE: CONFLICT OF INTEREST

ACCOUNTABILITY:

President and Chief Executive Officer

OBJECTIVES:

RELATION TO MISSION:

Our Lady of Lourdes, a Catholic Health System – a member of Catholic Health East - dedicated to its Franciscan Tradition of serving all, will demonstrate the value of **Integrity** by setting forth a policy prohibiting conflict of interest and providing a mechanism for reporting potential conflict of interest situations.

RELATION TO OPERATION:

The purpose of the conflict of interest policy is to protect Our Lady of Lourdes Health Care Services, Inc. and Affiliates' (OLLHCS, Inc.'s) (for this policy that would include all other Catholic Health East for-profit and not-for-profit entities) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a trustee, officer, member of a committee with Board delegated powers, key employee, as defined herein, or other individual who serves OLLHCS, Inc. in a fiduciary capacity or might result in a possible excess benefit transaction.

POLICY:

OLLHCS, Inc., through its Board of Trustees, believes it is essential that all individuals serving in a fiduciary capacity to OLLHCS, Inc. understand the responsibilities the individual has in regards to potential conflicts of interest and understand the procedures utilized by OLLHCS, Inc. in addressing potential conflicts of interest. This policy provides information to the officers, directors, key employees and others who stand in a fiduciary capacity to OLLHCS, Inc.

NOTE: ANY PRINTED COPY OF THIS POLICY IS ONLY AS CURRENT AS OF THE DATE IT WAS PRINTED; IT MAY NOT REFLECT SUBSEQUENT REVISIONS. REFER TO THE ON-LINE VERSION FOR THE MOST CURRENT POLICY. USE OF THIS DOCUMENT IS LIMITED TO LOURDES HEALTH SYSTEM STAFF ONLY. IT IS NOT TO BE COPIED OR DISTRIBUTED OUTSIDE THE INSTITUTION WITHOUT ADMINISTRATIVE PERMISSION.

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regarding requirements for disclosure and the subsequent corporate action required regarding such transactions. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable corporations. To the extent that this Policy conflicts with the provisions of applicable New Jersey law governing conflicts of interests, the applicable provisions of New Jersey law shall govern and control.

1. Definitions.

a) Interested Person

Any Board of Trustees member, officer, member of a committee with Board delegated powers, key employee, as defined herein, or other individual who serves OLLHCS, Inc. in a fiduciary capacity, who has a direct or indirect financial interest, as defined below, is an interested person.

If a person is an interested person with respect to any entity in the health care system of which OLLHCS, Inc. is a part, he or she is an interested person with respect to all entities in the health care system including Catholic Health East for-profit and not-for-profit entities

b) Key Employee

Any associate of OLLHCS, Inc. (other than an officer, director or trustee) who:

- a. had reportable compensation exceeding \$150,000 for the year;
- b. had or shared organization-wide control or influence similar to that of an officer, director, or trustee, or managed or had authority or control over at least 10 percent of the organization's activities; and
- c. were within that group of the organization's top 20 highest paid persons for the year who satisfied both (a) and (b) above.
- d. key employees do not include management companies and similar entities that are independent contractors or any person whose aggregate reportable compensation from OLLHCS, Inc. and related organizations is less than \$150,000.

An individual who is not an associate of OLLHCS, Inc. is treated as a key employee if he or she serves as a director or similar fiduciary of a disregarded entity of CHE and otherwise

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meets the standards of a key employee as set for above. A disregarded entity is an entity that is wholly owned by OLLHCS, Inc. that is not separate entity for Federal tax purposes.

c) Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- i) An ownership or investment interest in any entity with which OLLHCS, Inc. has a transaction or arrangement,
- ii) A compensation arrangement with OLLHCS, Inc. or with any entity or individual with which OLLHCS, Inc. has a transaction or arrangement, or
- iii) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which OLLHCS, Inc. is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. The determination of whether a gift or favor is substantial in nature will be made by the Board through its disinterested trustees. For purposes of this policy, a material ownership or investment interest shall not be deemed to include 1) ownership of or the beneficial ownership of mutual fund holdings, blind trusts, or other such similar investments in which the interested person has no direct knowledge or control over the investment; or 2) the record or beneficial ownership by the interested person does not exceed two percent (2%) of the shares of any corporation whose shares are publicly traded on a national securities exchange or in the over-the-counter market.

A financial interest is not necessarily a conflict of interest. Under Section 6 below, a person who has a financial interest may have a conflict of interest only if the Audit/Compliance Committee decides that a conflict of interest exists.

d) Family Member

Family member includes one's spouse, ancestors, children, grandchildren, great grandchildren, siblings (whether by whole or half blood), and the spouses of children, grandchildren, great grandchildren and siblings.

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PROCEDURES:

1. Duty to Disclose

- a. A director or Board committee member shall promptly disclose to the Board the existence of any direct or indirect compensation arrangement with OLLHCS, Inc. or other entity within the health care system at the time any such compensation arrangement is made.
- b. A director, Board committee member, officer, or key employee who is an interested person must annually disclose the existence of his or her financial interest, as defined above, or other actual or possible conflict of interest and all material facts annually by completing an Annual Disclosure Statement, as described below.
- c. In connection with any actual or possible conflict of interest, a director, officer, Board committee member, key employee or other fiduciary who is an interested person must disclose the existence of his or her financial interest as defined above, or other actual or possible conflict of interest and all material facts, to the Board and/or members of the committees with Board delegated powers considering the proposed transaction or arrangement as soon as the interested person learns of the proposal creating a reportable financial interest. Non-officer associates, who are not key employees and who stand in a fiduciary capacity to OLLHCS, Inc. shall make such disclosure to the CEO. In connection with the Board's consideration of a transaction or arrangement, the CEO shall disclose to the Board or appropriate committee thereof any associate disclosure made relevant to the matter and the evaluation thereof.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest or other actual or potential conflict of interest and all material facts and after any discussion with the interested person, the interested person shall leave the Board or committee meeting while the determination of a conflict of interest is

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discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

2. Annual Statements

- a) Each Board of Trustees member, officer, member of a committee with Board delegated powers, key employee, as defined herein, or other individual who serves OLLHCS, Inc. in a fiduciary capacity, shall annually sign a disclosure statement (“Annual Disclosure Statement”) which affirms that such person:
 - i) Has received a copy of the conflict of interest policy,
 - ii) Has read and understands the policy,
 - iii) Has agreed to comply with the policy, and
 - iv) Understands that OLLHCS, Inc. is a charitable, tax exempt organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.
- b) The President and CEO of OLLHCS, Inc. shall annually identify any individuals who are deemed Key Employees, as herein defined, or individuals who are otherwise deemed fiduciaries by OLLHCS, Inc. and ensure those individuals complete and sign an Annual Disclosure Statement.
- c) The Board may also, in its discretion, require other associates or individuals who stand in a fiduciary capacity to OLLHCS, Inc. to sign a similar statement.
- d) The Chairman of the Board shall receive a report from OLLHCS, Inc. Management on the results of the Annual Disclosure Statements and annually report those results to the full OLLHCS, Inc. Board of Directors.
- e) A copy of this policy, which includes the Annual Disclosure Statement regarding conflict of interest (appendix A,) will be sent each year to each Board of Trustees member, officer, member of a committee with Board delegated powers, key employee, as defined herein, or other individual who serves OLLHCS, Inc. in a fiduciary capacity. Each shall return a signed copy of appendix A to the Director of Compliance and Privacy Officer in a timely manner.
- f) Interim disclosure shall also be required as conflicts develop subsequent to the annual disclosures.

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i)

3. Inapplicability to Related Party Contracts and Transactions. This Policy Statement shall not apply to contracts and transactions entered into by OLLHCS, Inc. with any subsidiary corporation or other corporation or other organization affiliated with OLLHCS, Inc.

4. Procedures for Addressing the Conflict of Interest
 - a) An interested person may make a presentation at the Board or committee meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.

 - b) In consideration of a proposed transaction in which a conflict of interest has been identified, the chairperson of the Board or committee shall, if deemed appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

 - c) After exercising any reasonable due diligence required by the circumstances, the Board or committee shall determine whether OLLHCS, Inc. can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

 - d) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or committee shall determine in good faith by a majority vote of the disinterested directors whether the transaction or arrangement is in OLLHCS, Inc.'s best interest and for its own benefit and whether the transaction is fair and reasonable to OLLHCS, Inc. and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination. The interested director or committee member shall not vote regarding the decision of whether to enter into the transaction or arrangement.

 - e) Where disclosures are made to the CEO by an associate, the CEO shall make the determination as to the existence of a conflict of interest. Upon making such a determination, the CEO shall proceed in a manner similar to that as set forth in subsections (b) through (d) of this section.

5. Violations of the Conflict of Interest Policy

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- a. If the Board of Trustees or committee has reasonable cause to believe that an Interested Person has failed to disclose an actual or possible conflicts 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 response of the Interested Person and making such further investigation as may be warranted in the circumstances, the Board of Trustees or committee determines that the Interested Person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.
- c. A process similar to that as set forth in this Section 5 shall be utilized by the CEO for non-officer associates as applicable consistent with other applicable corporate policies and procedures.

6. Records of the Proceedings

The minutes or other records of the Board of Trustees and all committees with board-delegated powers shall contain--

- a. 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 Board of Trustees' or committee's decision as to whether a conflict of interest in fact existed.
- b. 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.
- c. The CEO shall similarly maintain a record of such disclosures by associates and the evaluation thereof.

7. Compensation

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- a. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from OLLHCS, Inc. for services is precluded from voting on matters pertaining to that member's compensation.

- b. Physicians who receive compensation, directly or indirectly, from OLLHCS, Inc., whether as associates 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.

a.

8. Periodic Reviews

To ensure that OLLHCS, Inc. operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its tax-exempt status, periodic reviews, shall be conducted by the Director of Compliance & Privacy Officer at the request of the Audit/Compliance Committee. The periodic reviews shall, at a minimum, include the following subjects:

- a) Whether compensation arrangements and benefits are reasonable, (i.e. are the result of arm's-length bargaining.)

- b) Whether partnership and joint venture and similar arrangements in which OLLHCS, Inc. participates conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further OLLHCS, Inc.'s charitable purposes and do not result in inurement or impermissible private benefit.

- c) Whether agreements to provide health care and agreements with other health care providers, associates and third party payors further OLLHCS, Inc.'s charitable purposes and do not result in inurement or impermissible private benefit.

9. Use of Outside Experts

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- a) When conducting the periodic reviews as provided for in Section 8 above, OLLHCS, Inc. may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Trustees of its responsibility for ensuring periodic reviews are conducted.

APPROVED BY: _____
Alexander J. Hatala, President and Chief Executive Officer

ORIGINAL & REVISION DATE(s): 09/09/87, 03/05/99, 06/30/99,
12/13/01, 02/03/03, 02/22/06,
12/20/06

NEW EFFECTIVE DATE: 10/02/09

REQUIRES REAUTHORIZATION IN: 10/31/12

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**ANNUAL DISCLOSURE STATEMENT REGARDING
CONFLICT OF INTEREST POLICY**

As a _____(Title) of Our Lady of Lourdes Health Care Services, Inc. (OLLHCS, Inc.) , I understand that I owe certain fiduciary duties to OLLHCS, Inc., including the responsibility to avoid conflicts of interest. I acknowledge that I have received a copy of OLLHCS, Inc.'s Conflict of Interest Policy ("Policy") dated _____, 200_, have read and understand the Policy, and do hereby agree to comply with the requirements of the Policy.

I understand that OLLHCS, Inc. is a charitable, tax-exempt organization and that in order to maintain its federal tax exemption OLLHCS, Inc. must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

I understand that in connection with any actual or possible conflict of interest, the Policy requires that I disclose the existence of any financial interest or other actual or possible conflict of interest and all material facts regarding the financial interest or other the actual or possible conflict of interest, to the directors and/or committee members with Board delegated powers considering the proposed transaction or arrangement that is subject to such conflict or to the CEO as applicable. Except as fully disclosed below, I represent to the best of my knowledge and belief that as of the date hereof, neither I, nor any member of my family, business associate or firm with which I am affiliated or maintain an investment, has a direct or indirect financial interest in a transaction or arrangement that represents an actual or possible conflict of interest in violation of OLLHCS, Inc.'s Policy.

() Reportable circumstances (described below):

() No Reportable Situations Exist _____

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I hereby agree to file an amendment to this disclosure statement if subsequent events cause the information contained herein to be incomplete or inaccurate in any way.

Date

Signature

Print Name

Position

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Officer, Director & Key Employee Questionnaire

2009

Our Lady of Lourdes Health Care Services, Inc. (OLLHCS, Inc.) has prepared this questionnaire to obtain biographical information about its officers, directors, executives and key employees. This information will be used by **OLLHCS, Inc.** to evaluate its compliance with its corporate governance standards.

Please complete answers to all applicable questions below (specifying “Not Applicable” or “None” where appropriate) and date, sign and return one signed copy of this Questionnaire to

Lourdes Health System
100 Front Street
Delran, NJ 08075
Attn: John McGrenra,

Additionally, if this is the first time you are answering this questionnaire, please include your curriculum vitae. Please retain a copy of the completed Questionnaire for your files.

Certain terms identified in this Questionnaire with an asterisk (*) are defined in Appendix A. Please read these definitions carefully. The term “person”, as used in this Questionnaire, means any natural person, company, government or political subdivision, agency or instrumentality of a government.

Please do not hesitate to contact me at (856) 824-3488 for assistance in connection with completing this Questionnaire.

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1. Contact Information

Your name:

Address (business, mailing or residence):

E-mail address

Telephone Number (home or business)

2. Business Experience

Please describe your business experience during the past ten years by completing the table below. (In lieu of filling out the table below, you may attach your curriculum vitae/resume covering this period of time.) Please include your principal occupations, positions, offices or employment giving the starting and ending dates and the name and principal business of any entity in which each was carried on. Please include a brief explanation of the nature of your responsibilities in positions for any entity other than the OLLHCS, Inc. or any related company.

Starting and Ending Dates	Principal Occupation, Position, Office or Employment	Name of Employer	Principal Business of Employer
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3. Directorships/Board Service

(a) Do you serve as a Director on any other Boards? Please indicate any directorships or similar positions held by you currently and during the past ten years in any company. Additionally, please provide the dates of such service on another company's Board of Directors.

(b) Additionally, if you are currently an officer or director of OLLHCS, Inc., please indicate the date you were first elected to serve as an officer or director.

4. Other Affiliations

Please list all professional memberships and affiliations.

5. Family Relationships with OLLHCS, Inc.'s and/or its employees

(a) Is there any **family relationship*** between you and any other office, director, trustee, executive, key employee, or person nominated or chosen by OLLHCS, Inc. to become a trustee, executive or key employee of the System?
 Yes No

(i) If yes, please name the person with whom you have the relationship and describe the nature of such relationship.

(b) Is any member of your **immediate family*** or anyone who shares your home currently employed by OLLHCS, Inc. or any related entity?
 Yes No

(i) If yes, please provide the name, place of employment and position of the family member.

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- (c) Has any member of your **immediate family*** or anyone who shares your home been employed by OLLHCS, Inc. or any related entity at any time during the past three years?

Yes No

- (i) If yes, please provide the name, place of employment and position of the family member.

- (d) Has any member of your **immediate family*** or anyone else who shares your home received compensation (as an employee, independent contractor, or vendor) from OLLHCS, Inc. or any related entity in any of the last three years?

Yes No

- (i) If yes, please provide details, including the nature of the relationship and the amount of compensation received.

6. Business Relationships with OLLHCS, Inc. and/or its employees

- (a) Is there any **business relationship*** between you, any and any other trustee, executive, key employee or person nominated or chosen by OLLHCS, Inc. to become a trustee, executive or key employee of OLLHCS, Inc.?

Yes No

- (i) If yes, please name the person with whom you have the relationship and describe the nature of such relationship.

- (b) Is there any **business relationship*** between you and any employee of OLLHCS, Inc.?

Yes No

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(i) If yes, please name the person with whom you have the relationship and describe the nature of such relationship.

7. Family or Business Relationships with Suppliers, Customers or Vendors of OLLHCS, Inc.

(a) Is there any **business or family relationship*** between you, and any business or professional entity with whom OLLHCS, Inc. conducts business? (vendor, third-party contractor, customer, supplier, personal services firm)

Yes No

(i) If yes, please provide details, including the nature of the relationship and the amount of compensation received.

(b) Please indicate whether you are an executive of, or own, indirectly in excess of 5% equity interest in, any business or professional entity that has made, or proposes to make, payments to OLLHCS, Inc. or any related entity for property or services.

Yes No

(i) If so, please describe the relationship you hold with that OLLHCS, Inc.

(c) Please indicate if any member of your **immediate family*** or anyone else who shares your home is an employee of another entity that has made payments to, or has received payments from, OLLHCS, Inc. or any related entity for property or services.

Yes No

(i) If yes, please provide details, including the name of the other entity, the nature of the relationship and the amount of compensation paid or received.

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(d) Please indicate whether you are, or within OLLHCS, Inc.'s last fiscal year have been:

(i) A member of, or of counsel to, a law firm that OLLHCS, Inc. has retained during OLLHCS, Inc.'s last fiscal year or proposes to retain during OLLHCS, Inc.'s current fiscal year.

Yes No

If yes, please elaborate, stating the name of such firm, your relationship to such firm, the nature of the services performed by such firm for OLLHCS, Inc., the dollar amount of fees paid to the law firm by OLLHCS, Inc.

(e) Please indicate whether you have or are aware of any other relationship similar in nature and scope to those relationships described in paragraphs (a) or (b) above between OLLHCS, Inc. and any Officer, Director or Executive

Yes No

If yes, please elaborate.

8. Other Relationships

(a) Since the beginning of OLLHCS, Inc.'s last fiscal year, have you received, directly or indirectly, any consulting, advisory or other compensatory fees from OLLHCS, Inc. or any related entity (*e.g.*, for accounting, consulting, legal or financial advisory services provided by you or any entity in which you are a partner, member or principal or have a similar position)?

Yes No

(i) If yes, please describe the nature of the relationship and the amount of compensation received.

(b) Please indicate if (i) you are, or in the past three years have been, affiliated with or employed in any capacity by, or (ii) any member of your **immediate family*** or anyone else who shares your home is, or in the past three years has been, affiliated with or employed by Deloitte or any related entity that is

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providing, or in the past three years has provided, auditing services to OLLHCS, Inc. or any related entity.

Yes No

- (i) If yes, please provide details, including the nature of the affiliation or employment relationship, the family member's name and relationship to you.
- (c) Except as reported elsewhere in this Questionnaire, is there any other direct or indirect business or personal relationship between you or any entity in which you are a partner, member, principal, shareholder, executive or employee on the one hand and OLLHCS, Inc. or any related entity on the other? Such relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships.

Yes No

- (i) If yes, please provide a description of the relationship(s).

9. Interest in Certain Transactions

Do you know of any transaction or series of similar transactions entered into or performed since the beginning of OLLHCS, Inc.'s last fiscal year, or any currently proposed transaction or series of similar transactions, to which OLLHCS, Inc. or any related entities was or is to be a party, and in which any of the following persons had or will have a direct or indirect interest: (i) you, (ii) any other trustee (or nominee for election as trustee) or executive of OLLHCS, Inc. or (iii) any member of the **immediate family*** of any of the foregoing persons?

Yes No

If yes, please describe the transaction, including the name of the person, his or her relationship to OLLHCS, Inc., the nature of his or her interest in the transaction and, if practicable, the amount of such interest. In answering this question, no information need be given as to a transaction if it involved your salary and other compensation from OLLHCS, Inc.

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10. Compensation

- (a) Were you awarded or paid or did you earn any cash or non-cash compensation during OLLHCS, Inc.'s last fiscal year from any third party (*i.e.*, any person other than OLLHCS, Inc. and its related entities) for services rendered in any capacity to OLLHCS, Inc. and its related entities which has not been disclosed elsewhere in this Questionnaire?

Yes No

(i) If yes, please explain in detail.

- (b) Did you receive during OLLHCS, Inc.'s last fiscal year any compensation from OLLHCS, Inc. or its related entities in the form of personal benefits, or securities or property that were paid or distributed other than pursuant to a plan, directly or through any third person, or did any other person receive such benefits or securities or property which benefited you indirectly?

Yes No

(i) If yes, please explain in detail.

- (c) Were any remuneration payments made to you, directly or indirectly by OLLHCS, Inc. or its affiliates which you know or have reason to believe are not reflected on the books and records of such companies?

Yes No

(ii) If yes, please explain in detail.

- (d) Were you ever extended a loan that has remained outstanding at the end of the organization's tax year?

Yes No

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(i) If yes, please explain in detail.

(e) Were you or any member of your **immediate family*** ever provided a grant or any other form of assistance by the organization?

Yes No

(i) If yes, please explain in detail.

11. Compensation Committee

Have you at any time since the beginning of OLLHCS, Inc.'s last fiscal year:

(a) Served as a member of the compensation committee of the board of directors (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executives served on the Compensation & Benefits Committee or Board of Trustees of OLLHCS, Inc.?

Yes No

(i) If yes, please identify the other entity, your position with such other entity, and the member of OLLHCS, Inc.'s Compensation & Benefits Committee or Board of Trustees in question.

(b) Served as a director of another entity, one of whose executives served on the Compensation & Benefits Committee or Board of Trustees of OLLHCS, Inc.?

Yes No

(i) If yes, please identify the other entity and the member of OLLHCS, Inc.'s Compensation & Benefits Committee or Board of Trustees.

(c) Served as a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such

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committee, the entire board of trustees) of another entity, one of whose executives served as a Trustee of OLLHCS, Inc.?

Yes No

(i) If yes, please identify the other entity, your position with such other entity, and the member of OLLHCS, Inc.'s Board of Trustees.

(d) Please indicate if you are or in the past three years have been or any member of your **immediate family*** or anyone else who shares your home is or in the past three years has been employed as an executive by another entity where any executive of OLLHCS, Inc. or any related entity serves or served on the other entity's compensation committee?

Yes No

(i) If yes, please provide the name of the other entity, the nature of the employment relationship and the name of the executive of OLLHCS, Inc. or any related entity.

12. Legal Proceedings

(1) Please explain in detail below, if any of the events set forth below has occurred during the past ten years. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding, the relief sought and any mitigating circumstances.

(a) Insolvency proceedings of any kind were instituted involving you or your business, or involving a partnership or corporation in which you were a partner or executive at the time or within two years before such proceedings were begun.

(b) You were convicted in a criminal proceeding or are the named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses).

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(c) You were the subject of an order, judgment or decree of any court or any federal or state authority barring, suspending or otherwise limiting you from or limiting your right to be associated with persons who are:

- i. acting as a futures commission merchant, introducing broker, commodity trading advisor, commodity pool operator, floor broker, leverage transaction merchant, any other person regulated by the Commodity Futures Trading Commission, or an associated person of any of the foregoing or as an investment advisor, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity; or
- ii. engaging in any type of business practice; or
- iii. engaging in any activity in connection with the purchase or sale of any security or commodity or in connection with any violation of federal or state securities laws or commodities laws.

(d) You were found by a court in a civil action or by the Securities and Exchange Commission to have violated any federal or state securities laws.

(e) You were found by a court in a civil action or by the Commodities Futures Trading Commission to have violated any federal or state commodities law.

Yes No

(i) If yes, please explain in detail.

(2) Are you, or is any **associate*** of yours, a party adverse to, or do you, or does any **associate*** of yours, have an interest adverse to, OLLHCS, Inc. or any related entity in any pending or threatened legal proceeding?

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Yes No

(i) If yes, please explain in detail.

(3) Do you know of any pending or threatened legal proceeding in which any other trustee or executive of the System, or any **associate*** of any such trustee or executive, is a party adverse to the System or any related entity or in which such trustee, executive, or **associate*** has any interest adverse to the System or any related entity?

Yes No

(i) If yes, please explain in detail.

The answers to the above questions are correct to the best of my knowledge, information and belief.

Signature: _____

Dated: _____

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APPENDIX A

Definitions

“Associate” means

any corporation or organization (other than OLLHCS, Inc. or any related entity) of which you are an executive or partner or are, directly or indirectly, the beneficial owner of 5% or more of any class of equity securities;

any trust or other estate in which you have a substantial beneficial interest or as to which you serve as trustee or in a similar fiduciary capacity; and

your spouse or any relative of yours or your spouse, who has the same home as you or who is a director or executive of OLLHCS, Inc. or any of its parents or subsidiaries.

“Business relationship” means any employment relationship, contractual relationship, and common ownership of a business in excess of 35%

Ownership is voting power in a corporation, profits interest in a partnership, or beneficial interest in a trust.

“Family relationship” means an individual’s spouse, ancestors, children, grandchildren, great-grandchildren, siblings (whether by whole or half blood), and the spouses of children, grandchildren, great-grandchildren and siblings

“Immediate family” means any of the individuals listed in the definition of “family relationship.”

NOTE: ANY PRINTED COPY OF THIS POLICY IS ONLY AS CURRENT AS OF THE DATE IT WAS PRINTED; IT MAY NOT REFLECT SUBSEQUENT REVISIONS. REFER TO THE ON-LINE VERSION FOR THE MOST CURRENT POLICY. USE OF THIS DOCUMENT IS LIMITED TO LOURDES HEALTH SYSTEM STAFF ONLY. IT IS NOT TO BE COPIED OR DISTRIBUTED OUTSIDE THE INSTITUTION WITHOUT ADMINISTRATIVE PERMISSION.

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