

**CODE OF REGULATIONS**  
**OF**  
**OHIO ACCESS TO JUSTICE FOUNDATION, INC.**

**ARTICLE I**

**Members**

**Section 1.01 – Members**

The members of Ohio Access to Justice Foundation, Inc., an Ohio nonprofit corporation (“Corporation”), at any time shall be those individuals who are then Directors (“Directors” or individually “Director”) of the Corporation’s Board of Directors (“Board”). The Directors shall have the rights and privileges of members conferred under the laws of the State of Ohio, except that no person shall have any right or privilege as a member if that person ceases to be or otherwise is not then a Director. Any action required by the membership of this Corporation shall be approved by the Directors as provided in Article II.

**ARTICLE II**

**Board of Directors**

**Section 2.01 – General Powers**

The powers of the Corporation shall be exercised, its business and affairs conducted, and its property managed under the direction of the Directors, except as otherwise provided by the law of the State of Ohio, by the Articles of Incorporation, or by this Code of Regulations (“Code”).

**Section 2.02 – Bylaws**

The Board may adopt Bylaws (“Bylaws”) to govern its own proceedings so long as the Bylaws are consistent with the laws of the State of Ohio, the Articles of Incorporation, and this Code.

**Section 2.03 – Number**

- (a) The Board shall consist of not less than twenty-five (25) nor more than thirty-five (35) Directors.
- (b) Without amendment to this Code, the number of Directors may be fixed or changed by resolution of the Board.

- (c) No reduction of the number of Directors shall have the effect of removing any Director prior to the expiration of his or her term of office.

#### **Section 2.04 – Election**

- a. The Directors shall be either elected by the Board at a duly called meeting of the Board (at-large Directors) or shall be appointed as set-forth in section 2.04(d) (appointed Directors) and section 2.13 (ex officio members and Emeritus Directors).
- b. The initial Board of Directors of the Corporation shall be composed of the Board of Trustees of the Ohio Legal Assistance Foundation as of September 19, 2019.
- c. In the course of appointing and/or electing at-large Directors, an effort shall be made to maintain a Board that is representative of the State of Ohio and its low income citizens, taking into consideration such factors as a candidate's involvement or association with organizations and programs dedicated to the needs of low income persons, the overall diversity of the Board and the Board's geographical representation within the State of Ohio.
- d. Directors shall be selected either as appointed Directors or as at-large Directors. Appointed Directors shall be appointed in the following manner: the Governor, the Attorney General, the Ohio Treasurer, the Public Defender, the Speaker of the House, and the President of the Senate shall each appoint one (1) Director; the Chief Justice, in consultation with the Ohio State Bar Association and the Metropolitan Bar Leaders' Conference, shall appoint six (6) Directors; the Ohio State Bar Association shall appoint one (1) Director who shall sit ex officio. At-large Directors shall be nominated by existing Board Directors.

#### **Section 2.05 – Classification and Term**

- (a) Unless the Directors are divided into classes as provided in paragraph (b), each Director shall hold office until the next annual meeting of the Board, unless otherwise designated by the Board, and until the Director's successor is elected or appointed, or until the Director's earlier resignation, removal from office, or death.

- (b) The at-large Directors shall be divided, by resolution of the Board, into two (2) or three (3) classes with each class to consist of two (2) or such larger number of at-large Directors as the Board shall determine. Each class shall be designated consecutively as Class I, Class II, and Class III, if any. All classes shall be initially elected at a duly called meeting of the Board coinciding with or next following adoption of the resolution classifying at-large Directors, and the initial term of office of each class shall be as follows: Class I shall be until the first such succeeding annual meeting; Class II shall be until the second such succeeding annual meeting; and Class III, if any, shall be until the third such succeeding annual meeting. Thereafter, the term of office of each class shall be until the second annual meeting, or, if three classes, the third annual meeting, or an action in lieu thereof, after the initial term of that class. Each at-large Director of each class shall hold office until a successor is elected as an at-large Director.

## **Section 2.06 – Meetings**

- (a) An annual meeting of the Board for the election of Directors, for the consideration of reports, and for such other business as may be brought before the meeting shall be held on a date as specified by the Directors.
- (b) There shall be one (1) annual meeting and a minimum of three (3) regular meetings of the Board each year. Additional meetings may be held at the discretion of the Board.
- (c) Special meetings of the Board may be called by the President, or any two (2) Directors.
- (d) Meetings of the Board may be held at any place within or without the State of Ohio. If no designation is made, the place of meeting shall be the principal office of the Corporation in the State of Ohio.
- (e) Notwithstanding anything to the contrary contained herein, any meeting of the Board may be held through any electronic or other authorized communications equipment through which all persons participating can hear each other, or in any other manner permitted under Chapter 1702 of the Ohio Revised Code, and such participation shall constitute attendance at such meeting.
- (f) Directors may be reimbursed for reasonable transportation, meals, and lodging expenses incurred in attending meetings of Directors and in attending to the business of the Corporation.

## **Section 2.07 – Notice of Meeting**

- (a) Written notice of the time and place of each meeting of the Board shall be given to each Director either by personal delivery, mail, telegram, or by any authorized communications equipment permitted under Chapter 1702 of the Ohio Revised

Code, including electronic communication without limitation, at least two (2) days before the meeting.

- (b) Any Director may waive notice of the time and place of any meeting of the Board, either before or after such the meeting.

#### **Section 2.08 – Quorum and Manner of Action**

- (a) One-third (1/3) of the authorized number of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, except that one-third (1/3) of the Directors then in office constitutes a quorum for removing any Director or filling a vacancy in the number of Directors.
- (b) In the absence of a quorum at any meeting of the Board, a majority of those present may adjourn the meeting from time to time until a quorum shall be present. Notice of adjournment of a meeting need not be given if the time and place to which it is adjourned are fixed and announced at such meeting.
- (c) The act of a majority of the Directors present at a meeting at which a quorum is present is an act of the Board, unless the act of a greater number of Directors is required by the Articles of Incorporation, this Code, or the Bylaws.

#### **Section 2.09 – Action by Board of Directors Without Meeting**

- (a) Any action that may be authorized or taken at a meeting of the Directors may be authorized or taken without a meeting with the affirmative vote or approval of, and in a writing or writings signed by, all of the Directors who would be entitled to notice of a meeting for such purpose.
- (b) Any transmission by authorized communications equipment, including without limitation electronic communication that contains an affirmative vote or approval of the Director is a signed writing for the purposes of this section. The date on which that transmission by authorized communications equipment is sent is the date on which the writing is deemed signed.
- (c) Any such writing shall be filed with or entered upon the records of the Corporation.

#### **Section 2.10 – Resignations**

- (a) Any Director may resign at any time by giving written notice to the President or the Secretary of the Board.
- (b) A resignation shall take effect immediately or at such other time as may be specified therein, and the resignation shall become effective upon delivery unless otherwise specified therein. Acceptance of any resignation shall not be necessary to make it effective unless so specified in the resignation.

### **Section 2.11 – Removal**

- (a) Any Director may be removed, with or without cause, at any time by the affirmative vote of the Directors then in office.
- (b) Any vacancy in the number of Directors by reason of this section may be filled at the same meeting in the manner prescribed in Section 2.12.

### **Section 2.12 – Vacancies**

Unless the Articles of Incorporation or this Code provide otherwise, the remaining Directors, though less than a majority of the whole authorized number of Directors, may, by the vote of a majority of their number, fill any vacancy in the Board for the unexpired term.

### **Section 2.13 – Ex Officio Members and Emeritus Directors**

- (a) The Board may appoint one or more persons as ex officio members of the Board. The term of such appointment shall be for such time as the Board shall designate.
- (b) Former members of the Board may, at the discretion of the Board, be appointed as Emeritus Directors. The appointment shall be for life, unless otherwise provided in the appointment by the Board.
- (c) At the discretion of the Board, ex officio members and Emeritus Directors may be given notice of meetings of the Board and may be permitted to be present in person, to present matters for consideration, and to take part in consideration of any business by the Board at meetings of the Board, but shall not be counted for purposes of a quorum, purposes of voting, or otherwise in any way for purposes of authorizing any act or transaction of business by the Board.

## **ARTICLE III**

### **Committees of the Board of Directors**

#### **Section 3.01 – Committees of Directors**

- (a) The Board may, by resolution, create an executive and compensation committee or any other committee of the Directors, to consist of one (1) or more Directors, and may authorize the delegation to any such committee of any of the authority of the Directors, however conferred.
- (b) The designation of such committees and the delegation thereto of such authority shall not operate to relieve the Board or any individual Director of any responsibility imposed by law.

- (c) Each such committee shall serve at the pleasure of the Board, shall act only in the intervals between meetings of the Board, and shall be subject to the control and direction of the Board.
- (d) An act or authorization of an act by any such committee within the authority delegated to it shall be as effective for all purposes as the act or authorization of the Board.

### **Section 3.02 – Audit Compensation, and Nominating and Governance Committees**

1. Notwithstanding any other section of this Article III, the following committees, if designated by the Board, shall be subject to the following provisions, which shall be included in such committee's governing charter:
  - (1) **Audit Committee** – Unless otherwise established by the Board, the Audit Committee is a committee the purpose of which is to assist the Board in fulfilling its oversight responsibilities for the integrity of the Corporation's financial statements and reports. The Audit Committee, as with the Board and any other Board committee, is not charged with executing policy, but instead for overseeing the External Auditor's review and audit of the Corporation's financial statements and for overseeing management's establishment, maintenance, and implementation of disclosure controls and other procedures for the Corporation's disclosures, if any, internal controls over the Corporation's financial reporting to any state or federal governmental agency, if any, and development, maintenance, and oversight of the Corporation's "whistle-blower" policy or similar types of complaints or allegations regarding the Corporation's financial or accounting practices. Each member of the Audit Committee shall have a working familiarity with basic finance and accounting practices, and at least one member of the Audit Committee shall have accounting or related financial management expertise sufficient to qualify such members as a "financial expert" as defined in the Sarbanes-Oxley Act of 2002. Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant.
  - (2) **Executive and Compensation Committee** – Unless otherwise established by the Board, the Executive and Compensation Committee is a committee the purpose of which shall be to oversee the operations of the Board; to act on behalf of the Board should action be required between board meetings; and to oversee the Corporation's compensation and employee benefit plans and practices, including executive and Board compensation as well as all incentive-compensation and equity-based plans. The Executive and Compensation Committee shall annually review executive compensation, including comparability data, and contemporaneously substantiate its deliberation and decision.

- (3) **The Nominating and Governance Committee** – Unless otherwise established by the Board, the Nominating and Governance Committee is a committee the purpose of which shall be to assist the Board in identifying and recommending for nomination qualified individuals for election as Directors; overseeing the composition, structure, and function of the Board's committees; overseeing periodic self-evaluation of the Board and its committees; developing and maintaining a set of corporate governance principles applicable to the Corporation; and planning for management succession.
2. Each committee in Section 3.02(a)(1), (a)(2), or (a)(3) shall be subject to the following provisions:
  - (1) Each of the Audit, Executive and Compensation, and Nominating and Governance Committees shall consist of not less than three (3) Directors.
  - (2) Each member of the Audit, Executive and Compensation, and Nominating and Governance Committees shall be an independent Director, and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of such Committee.
  - (3) No Director may – other than in his or her capacity as a member of the Audit, Executive and Compensation, or Nominating and Governance Committees, the Board, or any other Board committee – accept any consulting, advisory, or other compensatory fee from the Corporation or be an affiliated person (other than as a Director) of the Corporation or any subsidiary thereof.
  - (4) The Audit, Executive and Compensation, and Nominating and Governance Committees may retain, at the Corporation's expense, such search firms, independent counsel, or other advisors as it deems appropriate. Each Committee shall have the sole authority to retain or terminate any such firm, counsel, or advisor to assist such Committee in carrying out its responsibilities, including sole authority to approve the firm's, counsel's, or advisor's fees and other retention terms, such fees to be borne by the Corporation.

### **Section 3.03 – Alternate and Ex Officio Members**

- (a) The Board may appoint one or more Directors as alternate members of any committee, which alternate member or members may take the place of any absent member or members at any meeting of such committee.
- (b) The Board may appoint one or more persons (including persons who are not Directors) as ex officio members of any committee, which ex officio committee members shall be entitled to notice, to be present in person, to present matters for

consideration, and to take part in consideration of any business by the committee at any meeting of the committee, but such ex officio committee members shall not be considered for purposes of a quorum or for purposes of voting or otherwise in any way for purposes of authorizing any act or transaction of business by such committee.

- (c) The President shall be an ex officio member of all committees of the Board to which he/she has not already been appointed as a member.

### **Section 3.04 – Authority and Manner of Acting**

- (a) Unless otherwise provided in this Code or ordered by the Directors, any such committee shall act by a majority of its members (excluding ex officio members) at a meeting at such place or through such electronic or other authorized communications equipment through which all persons participating can hear each other, or in any other manner permitted under Chapter 1702 of the Ohio Revised Code, or by a writing or writings signed by all of its members who would be entitled to vote at such meeting.
- (b) A committee is authorized to take any action or transact any business specifically delegated by the Board. If a committee is delegated complete authority to take a specific action or to transact a specific business matter by the Board, any such action or business transaction of the committee pursuant to the delegation of authority shall be as effective for all purposes as an act or business transaction by the Board.
- (c) All committees of the Board, including the Audit, Executive and Compensation, and Nominating and Governance Committees, shall prepare and file minutes of all meetings to be filed with or entered upon the records of the Corporation.
- (d) The Corporation may pay the necessary expenses of its committee members reasonably incurred in looking after the affairs of the Corporation after such expense accounts have been approved by the Board.

### **Section 3.05 – Term**

Unless otherwise specified by the Board, appointment to a committee shall be for a period of one (1) year(s).

### **Section 3.06 – Committee Chairpersons**

Unless otherwise specified by the Board, the President of the Board shall appoint the chairperson of each committee.



## **ARTICLE IV**

### **Officers**

#### **Section 4.01 – Officers**

- (a) The officers of this Corporation shall consist of a President, a Vice-President, a Secretary, a Treasurer, and the Immediate Past President of the Board. In addition, other officers and assistant officers may be appointed as may be deemed necessary, each of whom may be designated by such other titles as may be provided in the Articles of Incorporation, this Code, the Bylaws, or resolutions of the Directors.
- (b) More than one office may be held by the same person.

#### **Section 4.02 – Appointment and Term of Office**

- (a) The officers of the Corporation shall be elected from time to time by the Board as it shall determine, and new offices may be created and filled at any meeting of the Directors.
- (b) Each officer shall hold office until a successor is appointed, unless an officer's resignation under Section 4.03 becomes effective before the Board can appoint a successor or the Directors remove an officer as described in Section 4.04.

#### **Section 4.03 – Resignation**

- (a) Any officer or assistant officer may resign at any time by giving written notice to the President or Secretary.
- (b) A resignation shall take effect immediately or at such other time as the resignation may specify, and, unless otherwise specified therein, it shall become effective upon delivery. Acceptance of any resignation shall not be necessary to make it effective unless so specified in the resignation.

#### **Section 4.04 – Removal**

- (a) Any officer or assistant officer may be removed, with or without cause, at any time by the affirmative vote of the majority of the Directors.
- (b) Any vacancy by reason of this section may be filled at the same meeting of the Board.

#### **Section 4.05 – Duties of Officers**

- (a) The President shall act as the chair of all meetings and may designate any Director of the Board to chair any meeting, which the President is unable to attend.

- (b) The Vice President shall collaborate with and assist the President, as necessary, to ensure that the Board and its committees carry out all necessary tasks. In the absence or disability of the President, the Vice President shall carry out all duties and responsibilities of the President and/or such duties and responsibilities as are authorized by the Board.
- (c) The Secretary shall oversee the timely preparation of the minutes of the proceedings of the Board; shall be the custodian of all books and records of the Board; shall certify the books and records of the Board as required; and, shall perform such other duties as the Board from time to time may direct.
- (d) The Treasurer shall be the chief financial officer of the Board, shall maintain an accurate account of all moneys received and distributed by the Corporation and shall perform such other duties that the Board from time to time may direct.
- (e) Each of the President, the Vice-President, the Secretary, and the Treasurer shall have the authority jointly or severally to sign, execute and deliver in the name of the Corporation any deed, mortgage, bond, instrument, agreement, or other document evidencing any transaction authorized by the Board, except where the signing or execution thereof shall have been expressly delegated to another officer or person on the Corporation's behalf.
- (f) In the absence of any officer or assistant officer or for any other reason that the Board may deem sufficient, the Board may delegate the authorities and duties of any officer or any assistant officer to any other officer, assistant officer, or Director.
- (g) In addition to the foregoing, each officer or assistant officer shall perform all duties as may from time to time be delegated to each of them by this Code or by the Board or any committee of Directors as provided herein.

## **ARTICLE V**

### **Executive Director**

#### **Section 5.01– Executive Director**

The day-to-day affairs and operations of the Corporation shall be managed by an Executive Director hired by the Board.

## **ARTICLE VI**

### **Indemnification and Insurance**

#### **Section 6.01 – Persons Indemnified**

Except as otherwise provided in this Article VI or as otherwise prohibited by the laws of the State of Ohio, the Corporation shall indemnify each person who, by reason of being or at any time having been a Director, officer, or volunteer of the Corporation, is named or otherwise becomes or is threatened to be made a party to any action suit, investigation, or proceeding (or claim or other matter therein), and the Corporation by the Board may indemnify any other person as deemed proper. However, if the only liability asserted against a Director in an action, suit, investigation, or proceeding (or claim or other matter therein) is pursuant to section 1702.55 of the Ohio Revised Code, or if it is proved by clear and convincing evidence in a court with jurisdiction that the act or omission of the Director, officer, or volunteer for which liability is being asserted in an action suit, investigation, or proceeding (or claim or other matter therein) was one undertaken with a deliberate intent to cause injury to the Corporation or was undertaken with a reckless disregard for the best interests of the Corporation, any Director, officer, or volunteer who is the subject of such an action, suit, investigation, or proceeding (or claim or other matter therein) shall not be entitled to the indemnification mandated by Article VI of this Code.

#### **Section 6.02 – Scope of Indemnity**

Indemnification shall be against any and all costs and expenses (including attorney fees, judgments, fines, penalties, amounts paid in settlement, and other disbursements) actually and reasonably incurred by or imposed upon a person indemnified under Section 6.01 in connection with any action, suit, investigation, or proceeding (or claim or other matter therein), whether civil, criminal, administrative, or otherwise in nature, with respect to which such person is named or otherwise becomes or is threatened to be made a party by reason of being or at any time having been a Director, officer, volunteer, employee, or other agent of or in similar capacity with the Corporation, or by reason of being or at any time having been, at the direction or request of the Corporation (which must have been specifically noted in a resolution of the Board), a director, trustee, officer, volunteer, administrator, manager, employee, member, advisor, or other agent of or fiduciary for any other corporation, partnership, trust, venture or other entity or enterprise, including any employee benefit plan.

#### **Section 6.03 – Advancement of Expenses**

Upon the request of a Director, officer, or volunteer who is the subject of an action, suit, or proceeding referred to in Section 6.01 of this Code, the Corporation shall pay the expenses, including attorney's fees, as they are incurred by such Director, officer, or volunteer in defending the action, suit or proceeding. Such payment of expenses in advance of the final disposition of the action, suit, or proceeding shall only be made after receipt of an undertaking by or on behalf of the Director, officer, or volunteer to repay the Corporation for the amount spent by the Corporation if it is ultimately determined that he or she is not entitled to be indemnified by the Corporation.

#### **Section 6.04 – Officer and Volunteer Defined**

For purposes of this Article VI, the term "officer" shall mean the President, the immediate past President, the Vice-President, the Secretary, the Treasurer, and any other executive officers of the Corporation, and the term "volunteer" shall have the same meaning as provided in Ohio Revised Code Section 1702.01(M), or any successor provision thereto.

#### **Section 6.05 – Discretionary Indemnification**

Each request or case of or on behalf of any person other than a Director, officer, or volunteer, who is or may be entitled to indemnification, shall be reviewed by the Board, and indemnification of such person shall be authorized by the Board only if it is determined by the Board that indemnification is proper in the specific case.

#### **Section 6.06 – Indemnification Only in Accordance with Law**

Notwithstanding anything to the contrary in this Article VI, no person shall be indemnified to the extent, if any, it is ultimately determined by a court of competent jurisdiction that indemnification is contrary to applicable law, and, notwithstanding anything to the contrary in this Code, no person shall be indemnified to the extent, if any, it is determined by the Board or by written opinion of legal counsel designated by the Board for such purpose that indemnification is contrary to applicable Ohio law, this Code, or the Articles of Incorporation.

#### **Section 6.07 – Insurance**

To the fullest extent permitted under section 1701.12(E)(7) of the Ohio Revised Code and as the Board may direct, the Corporation may purchase and maintain insurance, or furnish similar protection, on behalf of any person who is or at any time has been a Director, officer, volunteer, or other agent of or in a similar capacity with the Corporation, or who is or at any time has been, at the direction or request of the Corporation, a director, trustee, officer, volunteer, administrator, manager, employee, member, advisor, or other agent of or fiduciary for any other corporation, partnership, trust, venture, or other entity or enterprise, including any employee benefit plan.

### **ARTICLE VII**

#### **Conflicts of Interest**

#### **Section 7.01 – Conflicts of Interest**

The Corporation's Conflict of Interest Policy is attached hereto as Exhibit A.

## **ARTICLE VIII**

### **Amendment**

#### **Section 8.01 – Amendment**

This Code may be amended from time to time by an affirmative vote of the majority of the Board.

## **ARTICLE IX**

### **Nondiscrimination**

#### **Section 9.01 – Nondiscrimination**

The Corporation shall not discriminate on the basis of race, religion, color, gender, age, national origin, sexual orientation, disability or any other basis prohibited by law in connection with any matter pertaining to the affairs of the Corporation, including the appointment/election of the officers and Directors of the Board or in the employment of the staff of the Corporation.

## **EXHIBIT A**

### **Ohio Access to Justice Foundation, Inc. (“Corporation”)**

#### **CONFLICT OF INTEREST POLICY**

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

The purpose of the conflicts of interest policy is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations.

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

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

Any director, principal officer, or member of a committee with board-delegated powers 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 the Corporation is a part, he or she is an interested person with respect to all entities in the health care system.

###### **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, or
- 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 substantial in nature.

A financial interest is not necessarily a conflict of interest. Under Article III, Section 2, a person who has a financial interest may have a conflict of interest only if the appropriate board or committee decides that a conflict of interest exists.

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

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

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and must be given the opportunity to disclose all material facts to the directors and members of committees with board-delegated powers 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, he/she shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

#### **3. 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 that results in the conflict of interest.
- b. The president of the board or chairperson of a 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 board or committee shall determine whether the Corporation 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 by a majority vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest and for its own benefit and whether the transaction is fair and reasonable to the Corporation and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

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

- a. If the board or committee has reasonable cause to believe that 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.

- b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

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

The minutes of the board and all committee 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's 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 therewith.

#### **Article V** **Compensation**

- a. A voting member of the board of directors who receives compensation, directly or indirectly, from the Corporation for services is 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 is precluded from voting on matters pertaining to that member's compensation.

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

Each director, principal officer and member of a committee with board-delegated powers shall annually sign a statement, which affirms that such person—

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,



- c. Has agreed to comply with the policy, and
- d. Understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

#### **Article VII** **Periodic Review**

To ensure that the Corporation operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- a. Whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.
- b. Whether partnership and joint venture arrangements and arrangements conform to written policies, are properly recorded, reflect reasonable payments for goods and services, further the Corporation'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, employees, and third party payors further the Corporation's charitable purposes and do not result in inurement or impermissible private benefit.

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

In conducting the periodic reviews 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 board of its responsibility for ensuring that periodic reviews are conducted.