

HEALTHCARE INDUSTRY RESILIENCE COLLABORATIVE, ASSOCIATION (HIRC) CONFLICT OF INTEREST POLICY

Article I Purpose

The purpose of this Conflict of Interest Policy is to establish the procedures applicable to the identification and resolution of conflicts of interest in the context of transactions or arrangements entered into by the Healthcare Industry Resilience Collaborative, Association (“HIRC”) where an **Interested Person** (defined below) may have a **Financial Interest** (defined below) in or **Fiduciary Responsibility** (as defined below) towards an individual or entity with which HIRC has or is negotiating a transaction or arrangement. This Conflict of Interest Policy only applies to **directors, officers or committees** who have powers delegated by the Board of Directors and not to members or others who participate in HIRC’s activities.

It is acknowledged that directors of HIRC are affiliated with members of HIRC who have nominated them and that such members likely have intrinsic business interests in HIRC transactions, arrangements and/or activities.

In recognition of these intrinsic business interests and relationships between directors and members and as further described below in Article III, a director is not required to abstain from voting on a transaction between HIRC and a member or its affiliated companies simply because such director is a director, officer, employee, consultant/contractor of a member or its affiliated companies unless such transaction **solely and directly** financially benefits the member or its affiliated companies. Although the director would be considered an “Interested Person” (as defined below) under this policy as a result of that relationship, the policy only requires an Interested Person to disclose his or her interest and abstain from voting in a transaction involving the member or its affiliated companies when the transaction solely and directly financially benefits such entity/ies.

The determination that a conflict of interest exists does not prohibit HIRC from entering into a proposed transaction or arrangement provided that the procedures set forth in Article III below are followed. This Conflict of Interest Policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit corporations.

Article II Definitions

1. Interested Person.

Any director, officer, or member of a committee with powers delegated by the Board of Directors (the “Board”), or HIRC Executive Director or other key employee who has either (a) a Financial Interest (defined below) in; or (b) a Fiduciary Responsibility (defined below) to another organization 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 (which are a spouse, parent, child, spouse of a child, brother, sister, or spouse of a brother or sister):

- a. an ownership or investment interest in any entity with which HIRC has a transaction or arrangement other than stock in a publicly traded corporation; or
- b. a compensation arrangement with HIRC or with any entity or individual with which HIRC has a transaction or arrangement; or
- c. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which HIRC is negotiating a transaction or arrangement; or
- d. other than an arm's-length relationship with prospective or actual grantees relative to the design of specific projects, preparation of specific proposals and review and oversight of funded projects and other HIRC-related activities; or
- e. a potential intangible benefit, such as a prospective job offer or enhanced reputation through recognition opportunities with any entity or individual with which HIRC has a transaction or arrangement.

Compensation includes direct and indirect remuneration as an employee, consultant or otherwise as well as gifts or favors that are substantial in nature. Gifts and favors include any gratuitous service, loan, discount, money or article of value, but do not include loans from financial institutions on customary terms, articles of nominal value ordinarily used for sales promotion, ordinary "business lunches" or reasonable entertainment consistent with local social or business customs.

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 Board or appropriate committee decides that a conflict of interest exists.

3. Fiduciary Responsibility.

A person has a Fiduciary Responsibility towards an organization or individual if he or she:

- a. occupies a position of special confidence towards such organization or individual;
- b. holds in trust property in which another person has the beneficial title of interest, or who controls the income of another; or
- c. has a duty of loyalty or duty of care to an organization (by virtue of serving as an officer or director of an organization or other position with similar responsibilities). A duty of loyalty requires the person to refrain from dealing with HIRC on behalf of a party having an interest adverse to HIRC and to refrain from competing with HIRC. A duty of care

requires the person to discharge his or her duties in good faith and in a manner he or she reasonably believes to be in the best interests of HIRC.

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

Article III Procedures

1. Application of Conflict of Interest Procedures to Interested Persons.

The procedures set forth in this Article III regarding the duty to disclose and abstain from voting only apply to an Interested Person when the proposed transaction **solely and directly** financially benefits an entity in which such Interested Person has a Financial Interest or towards which such Interested Person has a Fiduciary Responsibility. For example, if the Board of Directors is considering approval of a technical specification that affects secure, electronic, interoperable exchange, tracing, and/or verification, an Interested Person does not need to disclose his or her Financial Interest in or Fiduciary Responsibility towards an entity that is impacted by such technical specification and does not need to abstain from voting to approve such technical specification. In contrast, if the Board of Directors is considering approval of a technical specification that has been customized to solely and directly financially benefit an entity in which the Interested Person has a Financial Interest or towards which such an Interested Person has a Fiduciary Responsibility, then the Interested Person must disclose the existence and nature of his or her Financial Interest or Fiduciary Responsibility and must abstain from voting to approve the customized technical specification.

2. Duty to Disclose.

In connection with any actual or possible conflicts of interest, an Interested Person must disclose the existence and nature of his or her Financial Interest or Fiduciary Responsibility and all material facts related thereto to the Board and any members of relevant committees with Board-delegated powers.

3. Determining Whether a Conflict of Interest Exists.

After disclosure of a Financial Interest or Fiduciary Responsibility and all material facts related thereto, and after any discussion with the Interested Person, such person shall leave the Board or committee meeting while the final determination of whether such Financial Interest or Fiduciary Responsibility creates a conflict of interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists.

4. Procedures for Addressing the Conflict of Interest.

- a. An Interested Person may make a factual presentation at the Board or committee meeting, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that may result in a conflict of interest. An

Interested Person shall not actively participate in the discussion of, or vote on, the transaction or arrangement that may result in a conflict of interest, either formally at a Board or committee meeting or informally through contact with individual Board or committee members. In addition, the Interested Person should not be counted in determining whether a quorum is present for the Board or committee meeting at which the transaction or arrangement that may result in a conflict of interest is to be voted upon.

- b. The President or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the transaction or arrangement that may result in a conflict of interest.
- c. After exercising due diligence, the Board or committee shall determine whether HIRC 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 (or other voting requirement, as provided in the bylaws) of the disinterested directors whether the transaction or arrangement is in HIRC's best interest and for its own benefit and whether the transaction is fair and reasonable to HIRC and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

5. Violations of the Conflict of Interest Policy.

- a. If the Board or committee has reasonable cause to believe that a director, officer, or member of a committee has failed to disclose an actual or possible conflict of interest, it shall inform such individual of the basis for such belief and afford him or her an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the director, officer, or member of a committee and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the individual has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective actions, including invalidating a transaction.

Article IV Records of Proceedings

The minutes of the Board 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 or a Fiduciary Responsibility in connection with an actual or possible conflict of interest, the nature of the Financial Interest or Fiduciary Responsibility, 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 names of the persons who recused themselves from such discussion and votes, 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 Committees

If applicable, a voting member of any committee with Board-delegated powers whose jurisdiction includes compensation matters and who HIRC gives compensation, directly or indirectly, from HIRC for services is precluded from voting on matters pertaining to that member's compensation.

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This Conflict of Interest Policy has been approved and adopted by the Board of Directors of HIRC on February 16, 2022.