

CareGroup, Inc.

CORPORATE CONFLICT OF INTEREST POLICY 2013

I. Conflict of Interest Policy

A. Introduction and General Policy Statement

CareGroup, Inc. (CareGroup) is committed to pursuing its charitable missions and conducting business in a responsible and ethical manner. Many individuals serve CareGroup in a variety of capacities that involve making or influencing significant decisions. Some of these individuals may have or develop personal interests which create a conflict between those personal interests and the interests of CareGroup, or which could be perceived as creating such a conflict.

Conflicts may arise when:

1. the interest or activities of an individual (or those of a Family Member, defined as such individual's spouse, spousal equivalent, children, parents, siblings, grandparents and grandchildren) are competitive with or otherwise adverse to those of CareGroup; or
2. the individual is in a position to influence a transaction or decision in such a way that it will, or might appear to, benefit the individual or his or her family member.

Such perceived or actual conflicts can best be addressed and resolved through full disclosure and review by appropriate individuals, together with a process for the approval of business decisions and transactions by non-interested decision makers.

B. Applicability

This Conflict of Interest Policy applies to any director, member of a committee with powers delegated by the Board of Directors, principal officer, employee having responsibilities similar to a director or principal officer, or any person in a position to exercise substantial influence over the affairs of CareGroup.

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C. Standards

1. An individual shall not vote on, influence, or make recommendations regarding a transaction or decision when the individual or a Family Member of such individual has a Material Interest (defined below) in an entity or property involved in the transaction or decision.
2. An individual, a Family Member of such individual or an entity in which a Material Interest is held by an individual and/or a Family Member may not do business with, or compete with, CareGroup unless expressly authorized by the appropriate governing body or officer after full disclosure pursuant to the terms of this Conflict of Interest Policy.

a. Determining a Material Interest

For purposes of compliance with C (1) and (2) above and D (1), (2) and (3) below, a Material Interest is defined to exist in, but is not limited to, the following circumstances:

- i. an individual and/or a Family Member of such individual having, directly or indirectly, an employment, consultant, officer, director or medical staff membership position with, or an ownership interest of at least 1% in entities with which CareGroup does business, proposes to do business, or could reasonably be expected to do business;
- ii. an individual and/or a Family Member of such individual having, directly or indirectly, an employment, consultant, officer, director or medical staff membership position in, or an ownership interest of at least 1% in an entity which provides advice to a competitor and/or competes, plans to compete or could reasonably be expected to compete, directly or indirectly, with CareGroup in the purchase, sale or delivery of any property or property rights, interests, goods or services;
- iii. an individual holding an elected or appointed office or position in a branch of government or in a regulatory agency having authority or jurisdiction over providers of health care (for members of the judiciary, areas of conflict of interest will be as defined by the Code of Judicial Conduct);

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3. An individual or a Family Member of such individual shall not accept gifts, services, or other benefits of value greater than one hundred dollars (>\$100) under circumstances that might lead to the inference that the gift or favor was intended to influence his or her decision-making while serving CareGroup.
4. An individual or a Family Member of such individual should not disclose or use information of CareGroup for personal profit or advantage or use or disclose confidential and/or strategic information in advance of its authorized release.

D. Process for Addressing a Potential Conflict

1. Annual Disclosure and Update: Individuals to whom this policy applies shall provide annual disclosure of their outside financial and professional interests on the attached Conflict of Interest Disclosure Statement. In addition, they shall immediately update this statement at any time during the year that the information requested on the statement changes. Disclosure statements shall be submitted to the General Counsel or Chief of Staff. A report documenting the results of this review shall be prepared by the Chief of Staff for presentation to CareGroup's Executive Vice President/Chief Financial Officer ("EVP/CFO") and Audit Committee of CareGroup.
2. Specific Disclosure – Employee: An employee of CareGroup who is in a position to approve or influence a particular transaction or decision in which the employee (or a Family Member of such employee) has a Material Interest in an entity or property involved in the transaction or decision, shall disclose without delay the Material Interest to his or her supervisor, as appropriate, and then to the Audit Department for review and resolution prior to any action by CareGroup. The Audit Department shall seek guidance in these matters from the CareGroup's EVP/CFO or his or her designee and the General Counsel as appropriate.
3. Specific Disclosure – Officer or Director: An individual serving as a Trustee, Director or member of a Committee who is in a position to vote on or influence a particular transaction or decision when the

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individual (or a Family Member of such individual) has a Material Interest in an entity or property involved in the transaction or decision, shall without delay:

- a. disclose the conflict to the CareGroup Board or Committee;
- b. absent him or herself from and not participate in any discussion of the transaction or decision; and
- c. not vote or be counted in determining a quorum for purposes of the related vote.

The transaction or decision must be approved by a vote of two-thirds of the non-interested Directors or Committee members present at the meeting. If the transaction or decision is approved, the minutes of the meeting should reflect the reasons that the transaction was deemed to be in the best interests of CareGroup and that the terms are at least as favorable as those which are or would be available under competitive, disinterested proposals. (It is not necessary in all circumstances to solicit competitive proposals if the relevant terms can be reasonably evaluated without such proposals or if no competitive proposal is reasonably available).

4. If a transaction or decision involving a potential conflict is approved pursuant to this policy by an Affiliate (defined below) which is required by its Bylaws to seek the approval of CareGroup for such transaction or decision, the potential conflict and its resolution shall be reported to CareGroup at the time of, or prior to, the request for approval. An Affiliate is an entity of which CareGroup is a member and for which CareGroup functions as a supporting organization as defined in section 509(a)(3) of the Internal Revenue Code.
5. For the removal of all doubt, no conflict is created with the interests of CareGroup due solely to an individual serving as an officer, director or medical staff physician with an Affiliate. The process described in D(3) therefore does not apply to such situations.

E. Violations of the Conflicts of Interest Policy

If the Board (or any Committee thereof) of CareGroup has reasonable cause to believe that an individual subject to this Policy has failed to make a conflict of

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interest disclosure required by this Policy, it shall inform that individual of the basis for such belief and shall afford the individual an opportunity to explain the alleged failure to disclose. If, after hearing the response of the individual and making such further investigation as may be warranted under the circumstances, the Board or Committee determines that the individual has in fact failed to make a required disclosure, it shall take appropriate disciplinary and corrective action.

F. Records of Proceedings

The minutes of the Board of CareGroup and all committees with Board delegated powers will contain the names of the persons who disclosed or otherwise were found to have a Material Interest in connection with an actual or potential conflict of interest, the nature of the actual or potential conflict of interest, the names of the persons who were present for discussions and votes relating to the transaction or arrangement, a summary of the discussion, and a record of any votes taken in connection therewith.

G. Periodic Review

To promote regulatory compliance, including the avoidance of impermissible private benefit, private inurement, or excess benefit to persons possessing substantial influence over the affairs of CareGroup, CareGroup will conduct reviews as it deems appropriate or necessary of arrangements with its vendors and other individuals and entities with whom it has agreements.

II. Compensation Policy

A voting member of any body whose jurisdiction includes approval of individual compensation and who receives compensation, directly or indirectly, from CareGroup for services, is precluded from voting on matters directly pertaining to that member's compensation.

III. Use of Corporate Name – Policy and Implementation

The proprietary names, images, and service/trademarks of CareGroup must be protected from use by commercial or other outside interests or activities in such a way that the integrity and reputation of CareGroup and its subsidiaries might be adversely affected. Therefore, all proposals for use of such names, images, or service/trademarks in outside activities must be reviewed and approved in advance by CareGroup's EVP/CFO.