

**ADVENTIST HEALTH CARE, INC.  
POLICY MANUAL**

**CONFLICTS OF INTEREST**

Effective Date:	02/99	Policy No:	4.4
Cross Referenced:		Origin:	CC
Reviewed:	09/04, 03/08	Authority:	General Counsel
Revised:	09/04	Page:	1 of 6

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**SCOPE**

The requirements of this policy apply to every employee, officer, director, or board member of Adventist Healthcare, regardless of employment status (e.g., full-time, part-time, or per diem), to relatives of employees as defined below, and to other persons living in the same household. It also applies to any physician (non-employee or employee of Adventist Healthcare, Inc.), or any other person (for example, a consultant), who serves on an evaluation or selection committee, which may make a decision resulting in a contractual relationship between Adventist Healthcare, Inc., and a vendor or contractor.

**PURPOSE**

To provide Adventist Healthcare's board members, physicians, managers and supervisors with guidelines regarding Conflicts of Interest and their relation to the standards of ethical behavior required of all Adventist Healthcare employees.

**POLICY**

All individuals covered by the policy ("Covered Persons") have an obligation to conduct business within guidelines that avoid actual or potential conflicts of interest. This policy establishes only the framework within which Covered Persons are expected to perform. It provides general direction and informs Covered Persons how to seek further clarification and advice on issues related to this subject.

An actual or potential conflict of interest, or the perception or appearance of a conflict of interest, occurs when a Covered Person is in a position to influence a decision that may result in a personal gain for that employee, a relative, or other person living in the same household, as a result of Adventist Healthcare's business activities. A relative is defined as any person who is related by blood or marriage, or whose relationship with the Covered Person is similar to that of persons who are related by blood or marriage.

No "presumption of guilt" is created by the mere existence of a relationship between an Adventist Healthcare employee and an outside firm or business endeavor, or other potential conflict of interest. However, if an Covered Person has any business, financial, or other relationship with any organization whereby the existence of that relationship either creates a conflict of interest or is perceived to create a conflict of interest, the Covered Person must disclose this relationship to the designated senior manager, or governing board, as the case may be, at the location where the employee is assigned. The senior manager will review the relationship, make comments and recommendations, and forward all documentation to the Corporate Compliance Committee for a final decision. With respect to physicians participating in clinical trials, disclosure must be made to the respective entity's corporate compliance officer, who will be responsible for review/approval and/or submitting any questions to the Corporate Compliance Committee

Day-to-day business activities with outside firms should not result in unusual or unreasonable gains, financial or otherwise, for outside firms, vendors, contractors, the facility/hospital, organizational entity, or any Covered Person. Unusual or unreasonable gains refers to product bonuses, special fringe benefits, unusual price discounts, and other inducements designed to benefit any party to the business activities. Promotional plans, transactions, or activities that could be interpreted or perceived as involving unusual gains require specific disclosure.

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Personal gain, or the potential for gain, may result not only in cases where an employee or relative has significant ownership in a firm with which the facility/hospital, or organizational entity does business, but also when an employee or relative receives any compensation, substantial gift, or special consideration as a result of any transactions or business activities involving the facility/hospital or organizational entity.

The materials, products, designs, plans, ideas, documents and data of each facility/hospital, or organizational entity are the property of that facility/hospital, or organizational entity, and should never be given to an outside firm or individual except through normal channels with appropriate prior authorization. Any improper transfer of material or disclosure of information, even though it is not apparent that an employee has personally gained by such action, constitutes unacceptable conduct. Any Covered Person who participates in such a practice will be subject to corrective action, up to and including termination of employment with respect to employees.

**A. Guidelines**

In order to comply with this policy, Covered Persons of Adventist Healthcare, Inc., cannot be involved in any of the following relationships or situations.

- 1 Own any substantial interest in (for publicly held corporations substantial interest is defined as owning at least 1% of a class of the outstanding securities for that corporation, for non-publicly held entities, substantial interest will be examined on a case-by-case basis after the disclosure is made) be a director or officer of, or have any personal contract agreement, understanding or employment of any kind with any physician, supplier, customer contractor or other individual or business concern that has a contractual arrangement with does business with, seeks to do business with, or competes with Adventist Healthcare, Inc., facilities/hospitals, or organizational entities.
- 2 Receive or give a personal benefit of more than a nominal value from or to any individual or business doing or seeking to do business with Adventist Healthcare, Inc. Normal loans made in the ordinary course of business from banks or financial institutions that have relations with Adventist Healthcare, Inc., are permissible, as are nominal social amenities, such as the purchase of a meal or similar items that are considered business related expenses.
- 3 Conduct business with a personal friend or relative on behalf of Adventist Healthcare, Inc. or the facility/hospital, or organizational entity, unless the relationship has been disclosed to the senior manager of the facility/hospital, or organizational entity to which the person is assigned.
- 4 Speculate or deal in material, equipment, supplies, products, land leases or other property purchased or sold by Adventist Healthcare, Inc., for which negotiations to purchase, acquire or sell are pending or anticipated.
- 5 Disclose to anyone, including relatives as defined above, any information, plans or forecasts relating to the organization which have not been released publicly.
- 6 Purchase or sell the securities of Adventist Healthcare, Inc. or any other corporation based on information obtained as a result of employment with Adventist Healthcare, Inc., if the information has not been released publicly.
- 7 Participate in any other activities that is perceived by Adventist Healthcare, Inc., as being a conflict of interest.

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**B. PROCEDURES**

1. Evaluate business related actions and intentions objectively and with sensitivity, recognizing that Adventist Healthcare, Inc., is concerned about the slightest irregularity in conduct.
2. Disclose immediately to the department head/director or senior manager of the facility/hospital or organizational entity any business, financial, or other relationship that either creates a conflict of interest or is perceived to create a conflict of interest.
3. If holding any of the following positions or titles, review at least annually during the period January 1-31, their business, financial or other relationships outside of Adventist Healthcare, Inc., and complete the Conflicts of Interest Disclosure Statement provided as Attachment A to this policy. Employees beginning employment with Adventist Healthcare, Inc., and subject to this policy must complete this review within thirty (30) days after their date of employment.
  - (a) Facility/Hospital Administrators/Presidents;
  - (b) Department Heads/Directors and above;
  - (c) Any other employee in a position which requires coordination and/or negotiation with contractors or suppliers of goods and/or services to Adventist Healthcare, Inc.;
  - (d) Physicians or others (non-employees of Adventist Healthcare, Inc.) who are conducting clinical trials subject to IRB review, or otherwise serve on an evaluation or selection committee which may make a decision resulting in a contractual relationship between Adventist Healthcare, Inc. and a vendor or contractor; and
  - (e) Board members of Adventist HealthCare, Inc., or any of its affiliated entities.
4. Covered Persons completing the Conflicts of Interest Disclosure Statement are also responsible for notifying any change in status during the calendar year that may require completion of a new statement. This shall be done within thirty days after the change occurs. Employees shall notify their supervisor, if by virtue of knowledge of this policy, an employee believes they may have a conflict of interest. The supervisor is responsible for referring the employee to the Human Resources Department of the facility/hospital, or organizational entity for completion of the Conflicts of Interest Disclosure Statement.
5. Human Resources Directors shall ensure that all employees have access to and are apprised of this policy; and shall ensure that all employees holding the positions/titles listed above complete the Conflicts of Interest Disclosure Statement during the period January 1-31 of each year employees that are assigned to one of these positions/titles after January 31 of any year must complete the Conflicts of Interest Disclosure Statement within thirty (30) days after assuming the position/title. The completed original Conflicts of Interest Disclosure Statement will be filed in the employee's personnel file.
6. Presidents/Executive Directors/Senior Managers of Organizational Entities shall (i) accept responsibility and authority for assuring adherence to this policy. They shall ensure that all Adventist Healthcare, Inc., employees, including physicians, or others (non-employees of Adventist Healthcare, Inc.) required to complete a Conflicts of Interest Disclosure Statement; (ii) determine any steps that can be taken, including corrective action, to resolve a conflict that is not in the best interests of Adventist Healthcare, Inc., the facility/hospital, or organizational entity; and (iii) forward all Conflicts of Interest Disclosure forms that identify a conflict or potential conflict

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of interest to the AHC Vice President & General Counsel for review with the AHC OIC for final determination on the resolution of conflicts or potential conflicts.

7. The AHC Vice President/General Counsel shall (i) maintain ultimate authority and responsibility to determine the applicability of this policy to any set of facts that may arise; and (ii) advise Adventist Healthcare, Inc. senior executives on significant issues related to this policy.
  
8. The OIC (in coordination with AHC's Vice President/ General Counsel) shall: provide day-to-day guidance for appropriate conduct under this policy; (ii) review all completed Conflicts of Interest Disclosure Statements that identify a conflict or potential conflict of interest; coordinate them with the appropriate Adventist Healthcare, Inc., staff departments and other activities, make a final decision on the disclosures; and provide the senior manager of the organization originating the disclosure a written record of the decision. This shall be completed no later than March 31 of each year for statements completed during the period of January 1-31. Statements submitted during other times (new employees or change in status of existing employees) will be reviewed and a decision provided within 30 days after received.

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**CONFLICTS OF INTEREST DISCLOSURE STATEMENT**

Category of Person Completing Form

Employee \_\_\_\_\_ Board Member \_\_\_\_\_

Physician \_\_\_\_\_ Other (Specify) \_\_\_\_\_

Name of Facility/Hospital or Organizational Entity \_\_\_\_\_

Geographic Location \_\_\_\_\_

I have read and considered Adventist Healthcare, Inc., Conflicts of Interest Policy, dated \_\_\_\_\_, 200\_, and,

Check the statement below which is applicable to your situation:

- I certify that I, and to the best of my knowledge, my relatives, and persons living in my household, have no interests or relationships, direct or indirect, which might constitute, appear to constitute a Conflict of Interest as defined in Adventist Healthcare's Conflicts of Interest Policy.
- I certify that I, and, to the best of my knowledge, my relatives and persons living in my household, are in compliance with the guidelines concerning Conflicts of Interest outlined Adventist Healthcare's Conflicts of Interest Policy, with the following possible exceptions (use addition space as necessary).

<b>CURRENT RELATIONSHIPS</b> (Business, Financial, or Other)	
<b>Name of Organization or Business</b>	<b>Describe Relationship</b>

I will promptly advise my supervisor (or the senior manager of my hospital/facility, or organizational entity), and my Human Resources Department (Adventist Healthcare, Inc. employees only), of any circumstances which may result in non-compliance, or the appearance of non-compliance, with any of the guidelines in Adventist Healthcare, Inc.'s Conflicts of Interest Policy.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name (print)

\_\_\_\_\_  
Title/Position (print)

\_\_\_\_\_  
Date