

**CONFLICTS OF INTEREST POLICY
OF
BETTER HEALTH TOGETHER**

WHEREAS, Better Health Together is nonprofit corporations duly organized under the laws of the State of Washington, and are organized and operated exclusively for charitable, educational and scientific purposes within the meaning of Internal Revenue Code Section 501(c)(3), rather than for the personal and private benefit of any person; and

WHEREAS, the Better Health Together Board “BHT Board” seeks to ensure that all persons serving on the BHT Board understand the nature and implications of these principles, and that such persons manifest an understanding and acceptance of, and commitment to, these principles;

NOW THEREFORE, the BHT Board hereby adopts the following Conflicts of Interest Policy to apply to the BHT Board (referred to in this Policy the “**Board**” and the “**Corporation**” for purposes of the substantive provisions that follow):

**SECTION 1
DEFINITIONS**

- 1.1 Interested Person. An “**Interested Person**” shall mean any Board member who either (i) has a direct or indirect Financial Interest (as defined in Section 1.2 below), or (ii) intends or expects to acquire a direct or indirect Financial Interest at any time during the duration of the proposed transaction or arrangement.
- 1.2 Financial Interest. A “**Financial Interest**” shall mean an interest, whether through business, investment, or family, that can be described as either of the following:
- (a) An ownership, investment, or other financial interest in any entity with which the Corporation has a transaction or arrangement; or
 - (b) A Compensation Arrangement (as defined in Section 1.3 below) with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement.

A Financial Interest need not be held as of the date of the Board’s deliberations or action. Rather, it is sufficient for purposes of this Policy if, as of the date of the Board’s deliberations or action, the Interested Person intends or expects that he/she will acquire a Financial Interest at any time during the duration of the proposed transaction or arrangement under consideration. For purposes of this Policy, a person shall be deemed to have a Financial Interest with respect to the Corporation if such person has a Financial Interest with respect to any other organization that controls, is controlled by, or is under common control with the Corporation.

- 1.3 Compensation Arrangement. A “**Compensation Arrangement**” shall mean any agreement or understanding pursuant to which a person may or shall receive, either directly or indirectly, money or property from another person or organization, irrespective of whether such money or property is paid in consideration for the performance of services or the provision of other value.

- 1.4 Conflict of Interest. A “**Conflict of Interest**” shall mean, with respect to a matter for deliberation or action by the Board, any circumstance under which an Interested Person, by virtue of a Financial Interest, may be influenced or may appear to be influenced, either in whole or in part, by any purpose or motive other than the success, best interest, and well-being of the Corporation and the achievement of its exempt charitable, educational and scientific purposes.

SECTION 2

DISCLOSURE OF FINANCIAL INTEREST AND DETERMINATION OF CONFLICT

- 2.1 Disclosure of Financial Interest. If at any time an Interested Person becomes aware that the Board will deliberate or act upon any transaction or arrangement that may have any bearing of any kind upon, or may relate in any manner to, a Financial Interest of the Interested Person, this Interested Person must disclose the Financial Interest to the Board as follows:

- (a) The Interested Person must provide to the Board, in advance of its deliberations or action, written disclosure of the existence, nature, and extent of the Interested Person’s Financial Interest; or
- (b) If written disclosure cannot be provided in advance (*e.g.*, in situations where the Interested Person does not realize the nature of the transaction or arrangement to be deliberated or acted upon until the Board meeting has begun), the Interested Person must orally inform the Board immediately upon his/her realization that the transaction or arrangement may bear upon or relate to his/her Financial Interest.

All written or oral disclosures of Financial Interests shall be recorded in the Board’s minutes. Notwithstanding the foregoing requirements, an Interested Person shall not be required to disclose pursuant to this Section 2.1 any Financial Interest that, in the exercise of this Interested Person’s reasonable judgment, is so de minimis that it would not under any circumstances influence, or appear to influence, the Interested Person’s judgment or actions with respect to the proposed transaction or arrangement to be deliberated and/or acted upon by the Board.

- 2.2 Recusal by Interested Person. In connection with an Interested Person’s disclosure of a Financial Interest pursuant to Section 2.1 above, the Interested Person may determine that the Financial Interest creates a Conflict of Interest with respect to the proposed transaction or arrangement to be deliberated or acted upon by the Board. In such circumstances, the Interested Person may voluntarily recuse himself/herself from deliberations or action by the Board.

- 2.3 Determination of Conflict of Interest. Where an Interested Person has disclosed a Financial Interest but has not voluntarily recused himself or herself from deliberations of or action upon the proposed transaction or arrangement, the Board shall, prior to commencing its deliberations or taking action, determine whether the Financial Interest creates a Conflict of Interest. The Interested Person shall not participate in any discussions or vote related to this determination, except to the extent necessary to fully explain the Financial Interest and the manner in which the proposed transaction or arrangement to be deliberated or acted upon by the Board may or will bear upon or relate to the Financial Interest. Acting either at the request of any member of the Board or in his or her individual discretion, the Chair may direct that the Interested Person leave the meeting room for all or any part of the discussions or vote related to the determination of whether the Financial Interest creates a Conflict of Interest.

SECTION 3
PROCEDURES UPON DETERMINATION OF A CONFLICT OF INTEREST

- 3.1 Exclusion from Deliberations and Vote. In circumstances where the Board determines that a Conflict of Interest exists, the Interested Person shall not participate in any deliberations or vote regarding the transaction or arrangement at issue, and shall not be present in the meeting room for any part of the deliberations or vote relating to the transaction or arrangement. Prior to the commencement of the Board's deliberations, however, the Interested Person may provide information to the Board regarding the proposed transaction or arrangement, either voluntarily or in response to specific requests from the Board. Notwithstanding the foregoing, the Board may determine in certain circumstances that the Interested Person's Financial Interest is so de minimis that it would not under any circumstances influence, or appear to influence, the Interested Person's judgment or actions with respect to the proposed transaction or arrangement to be deliberated and/or acted upon by the Board. In that case, the Board may determine that recusal is not reasonably necessary to protect and further the best interests of the Corporation.
- 3.2 Action by Board. With respect to any transaction or arrangement with regard to which the Board has determined that a Conflict of Interest exists, the Board shall discuss such transaction or arrangement as appropriate, but shall not formally approve such transaction or arrangement unless and until the non-interested members of the Board have decided, by majority vote (or such greater vote if required under the Corporation's Bylaws or applicable law), that the transaction or arrangement is in the best interest and for the benefit of the Corporation and is fair and reasonable to the Corporation in all respects.

SECTION 4
DOCUMENTATION OF DISCLOSURE AND PROCEDURES

- 4.1 Meeting Minutes. Minutes of the Board's meetings shall reflect all disclosures of Financial Interests. The minutes shall further reflect the determination of the Board as to whether a Conflict of Interest exists and the objection of the Interested Person (if any) to this determination. Where a Conflict of Interest has been determined to exist, the minutes shall reflect the Board's compliance with the procedures described in Sections 3.1 and 3.2 above. With respect to any transaction or arrangement with regard to which a Conflict of Interest has been determined to exist, meeting minutes shall describe the substance of the deliberations relating to the transaction or arrangement, and who was present for such deliberations. In addition, minutes shall identify the members who were present for any and all votes upon such transaction or arrangement.

SECTION 5
COMPENSATION

- 5.1 Generally. A Board member or any voting member of a Board committee that has jurisdiction over compensation matters who receives compensation, directly or indirectly, from any entity within the System is precluded from deliberating and voting on matters pertaining to his or her own compensation. However, such a Board member or committee member may provide information to the Board or applicable committee regarding compensation matters.

**SECTION 6
PERIODIC REVIEW**

- 6.1 Periodic Review of Policy Implementation. The Board shall establish periodically review of the record of implementation of this Policy.
- 6.2 Periodic Review of Transactions and Arrangements. The Board shall establish a system to ensure the periodic review of actions taken by the Board on behalf of the Corporation pursuant to this Policy. Such review is intended to ensure that the Corporation continues at all times to be operated exclusively for the achievement of its exempt charitable, educational and scientific purposes, rather than for the benefit of one or more private persons.

**SECTION 7
WRITTEN ASSENT BY MEMBERS**

- 7.1 Written Acceptance. At least annually, each Board member shall sign a written statement (copy attached as Exhibit A) certifying to all of the following:
- (a) He/she has received a copy of this Policy;
 - (b) He/she has read and understands this Policy;
 - (c) He/she agrees to comply with this Policy;
 - (d) He/she understands that this Policy applies to the Board and all committees having board-delegated powers; and
 - (e) He/she understands that the Corporation is a tax-exempt organization and, in order to maintain the tax-exempt status of the Corporation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, the Corporation must continuously engage primarily in activities which accomplish its tax-exempt charitable, educational and scientific purposes.

Any Board member who refuses or fails to sign such a statement shall be prohibited from participating in deliberations or action by the Board.

- 7.2 Failure to Disclose Financial Interests. If it is determined at any time that an Interested Person has negligently or intentionally failed to disclose a Financial Interest, the Board shall consider the imposition of sanctions as it may, in its exclusive discretion, deem appropriate.

EXHIBIT A

**ACCEPTANCE OF CONFLICTS OF INTEREST POLICY
OF
BETTER HEALTH TOGETER**

The undersigned, as a member of the Board of Directors of Better Health Together, hereby acknowledges and agrees as follows:

- (a) He/she has received a copy of the Corporation's Conflicts of Interest Policy (the "**Policy**");
- (b) He/she has read and understands the Policy;
- (c) He/she agrees to comply with the Policy;
- (d) He/she understands that the Policy applies to all committees having board-delegated powers; and
- (e) He/she understands that the Corporation is a tax-exempt organization and, in order to maintain the tax-exempt status of the Corporation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, the Corporation must continuously engage primarily in activities which accomplish its tax-exempt charitable, educational and scientific purposes.

I shall disclose all Conflicts of Interest (even if disclosed below) as they may arise with respect to any matter for deliberation or action by the Board of the Corporation.

To the best of my knowledge and belief as of the date hereof, I have only the disclosable Conflicts of Interest set forth below (if none, write "None").*

Dated this _____ day of _____, 20____.

Signed: _____

Print Name: _____

* If more space is needed for this disclosure, please use the reverse side or attach an additional page.