

Lifesavers Healing Together, Inc.

Conflict of Interest Policy

Section One - Purpose

A. Purpose and Scope of Authority. The purpose of the conflict of interest policy is to protect Lifesavers Healing Together, Inc.'s ("LIFESAVERS") interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of LIFESAVERS or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

Section Two - Definitions

A. "Interested Person" means any director, officer, employee, or independent contractor substantially involved in the operations of LIFESAVERS, who has a direct or indirect financial interest, as defined below, is an interested person.

B. "Financial Interest" means a person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

C (i). An ownership or investment interest in any entity with which LIFESAVERS has a transaction or arrangement, or

C (ii). A compensation arrangement with LIFESAVERS or with any entity or individual with which LIFESAVERS has a transaction or arrangement, or

C (iii). A potential ownership or investment interest in, or compensation arrangement with, or family relationship (children, parents, siblings, grandchildren, grandparents, nieces/nephews, uncles/aunts) with, any entity or individual with which LIFESAVERS is negotiating a transaction or arrangement. Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. Under Section Three, Subsection Two, an individual or entity who has a financial interest may have a conflict of interest only if the Board of Directors decides that a conflict of interest exists.

Section Three - Procedures

A. Duty to Disclose. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with governing board delegated powers considering the proposed transaction or arrangement.

B. 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 or she shall leave the Board of Directors or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board of Directors or committee members shall decide if a conflict of interest exists, and in the case of a committee, shall report said action to the Board of Directors forthwith where the Board of Directors shall make a final determination whether a conflict of interest exists.

C. Procedures for Addressing the Conflict of Interest. An interested person may make a presentation at the next Board of Directors meeting, but after the presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest. The Chairman of the Board of Directors shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

C (i). After exercising due diligence, the Board of Directors shall determine whether the LIFESAVERS can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.

C (ii). If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in LIFESAVERS' best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement. If the conflict of interest arose in a committee, the decision of the Board of Directors pursuant to this subsection shall be transmitted to the committee and shall be binding on said committee.

D. Violations of the Conflicts of Interest Policy. If the Board of Directors has reasonable cause to believe an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.

D (i). If, after hearing the interested person's response and after making further investigation as warranted by the circumstances, the Board of Directors determines the party has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action pursuant to the Bylaws.

Section Four - Records

E. Records of Proceedings. The minutes of the Board of Directors and all committees with board delegated powers shall contain:

- i. 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 of Directors' or committee's decision as to whether a conflict of interest in fact existed.
- ii. 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 with the proceedings.

Section Five - Compensation

A. Board of Directors. A voting member of the Board of Directors who receives compensation, directly or indirectly, from LIFESAVERS for goods or services is precluded from voting on matters pertaining to that member's compensation.

C. Committees, Officers, Employees. A voting member of any committee, or an officer, or any employee, whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from LIFESAVERS for goods or services is precluded from deciding on matters pertaining to that member, officer, or employee's compensation.

C. Provision of Information. No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from LIFESAVERS, either individually or collectively, is prohibited from providing information to any the Board of Directors or any committee regarding compensation.

D. Other Transactions. Any other transaction, including but not limited to loans and leases, with any individual associated with LIFESAVERS, but be negotiated at arms length and fair market value paid. The Board of Directors shall avoid all such transactions to the extent possible.

Section Six - Annual Statements

A. Acknowledgement. Each director, officer, and employee shall annually sign a statement which affirms such person:

- i. Has received a copy of the conflicts of interest policy, and
- ii. Has read and understands the policy, and
- iii. Has agreed to comply with the policy, and

iv. Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Section Seven - Periodic Reviews

A. Subject of Review. To ensure LIFESAVERS operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- i. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
- ii. Whether partnerships, joint ventures, and arrangements with management organizations conform to LIFESAVERS' written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Section Eight - Use of Outside Experts

A. Review by Independent Contractor. When conducting the periodic reviews as provided for in Section Seven, LIFESAVERS may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

Adopted by the Board of Directors of Lifesavers Healing Together, Inc. on this ___ day of April, 2015.