



Policy or Procedure Subject: Conflict of Interest		LC.PY.011r00 LC.PY.FRM.011.r00 Disclosure Form
Department or Section:		Issue Date:
Prepared By: W. Dalton, Deputy Compliance Officer	Supervisor Approval: A. Macumber, Operations Director	Laboratory Director Approval: D. Henderson, VP Lab Operations

Principle:

A conflict of interest may arise when an individual’s position with the company presents an opportunity for personal gain. Employees are expected to remain free of actual or potential conflicts of interest and are required to disclose any actual or potential conflicts of interest upon hire. Any personal relationship that an employee may have with an outside party or with another employee, which may affect the company, should be disclosed to management prior to entering into any such relationship. Further, outside employment, that would conflict with your duties and responsibilities at the company may be discouraged. Therefore, Companies should have a policy and procedure in place that 1) requires each employee to report any potential conflict of interest upon hire and prior to entering into any such relationship to management, 2) requires selected leadership to periodically disclose any potential conflicts of interest that may have arisen, and 3) outlines the procedure for reporting and resolving any conflicts of interest.

Definition:

Employees will avoid conflicts or the appearance of conflicts between their own interested or an outside interest and the interests of the Company. Employees will devote their full time and ability to the Company during working hours. Employees will also not engage in any outside activities that interfere with their ability to perform their duties to the Company properly. Employees will avoid engaging in any activity that creates an actual or apparent conflict with the interests of the Company and will do business with individuals and entities based solely on the Company’s best interests. If, in the sole judgement of the Company, a conflict of interest is found to exist, the appropriate action will be taken. Exceptions to this policy, if any, will be determined on a case-by-case basis.

Policy:

1. **Corporate Practice of Medicine**
 - In a majority of states, it is unlawful for a corporation to practice medicine by employing a physician or by controlling the physician’s independent medical judgment through contractual or financial means.
 - Penalties for violation include licensure actions and civil fines. These laws often lack significant formal interpretation. **Therefore, all Company employees and representatives must submit in writing any proposed business, financial or employment arrangements with physicians to the CCO for review and written approval.**
2. **Use of Corporate Funds and Assets**
 - Employees may not use assets of the organization for their own personal benefit or gain.

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- All property and business of the organization shall be used in a manner designed to further the Company's interests rather than the personal interest of an individual.
- Employees are prohibited from the unauthorized use or taking of Company equipment, supplies, software, data, intellectual property, materials or services.
- Further, employees are prohibited from engaging in business activities for anyone other than Company during a scheduled workday.

3. **Outside Financial Interests**

- The following types of activities by individuals affiliated with or employed by Company, household members of such individuals, or a member of the individual's family, although not all-inclusive, provide examples of what may cause a conflict of interest:
 - Any outside concern that does business with Company. This does not apply to stock or other investments held in a publicly traded corporation, provided the value of the stock or other investments does not exceed 5% of the corporation's stock. The Company may, upon a review of the relevant facts, permit ownership interests which exceed these amounts if management concludes such ownership interests will not adversely impact the Company's business interests or the judgment of the individual.
 - Conduct of any business not on behalf of Company, with any vendor, supplier, contractor, or agency, or any of their officers or employees.
 - Representation of the Company by an individual in any transaction in which he or she or a household member has a substantial personal interest.
 - Disclosure or use of confidential, special or inside information of or about the Company, for the personal profit or advantage of the individual or of a household or family member.
 - Competition with the Company by an individual, directly or indirectly, in the purchase, sale or ownership of property or property rights or interests, or business investment opportunities.

4. **Outside Activities**

Employees must avoid outside employment or activities that may have a negative impact upon their job performance with Company, or that conflict with their obligations, loyalties or fiduciary responsibilities to Company.

5. **Honoraria** Employees, with the permission of the CEO or other appropriate senior executive, may participate as faculty and speakers at educational programs and functions at the request of Company. Salaried employees are prohibited from accepting honoraria *without management and CCO approval*.

6. **Participation on Boards of Directors/Trustees**

- Employees must obtain approval from the CEO prior to serving as a member of the Board of Directors/Trustees of any organization, whose interests may conflict with those of Company.
- Employees who are asked, or who seek to serve on the Board of Directors/Trustees of any organization whose interest would not impact Company (for example, civic, charitable, fraternal and so forth) are not required to obtain such prior approval.
- All fees/compensation (other than reimbursement for expenses arising from Board participation) that are received for Board services provided during normal work time shall be paid directly to Company.
- The Company retains the right to prohibit membership on any Board of Directors/Trustees where the Company decides such membership might conflict with the best interest of Company.

7. **Gifts and Non-Monetary Compensation**

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Gifts are not appropriate if given or accepted in exchange for, or as a reward or inducement for, business. As a general matter gifts are discouraged. However, if gifts are proposed or offered, to help avoid both the reality and the appearance of improper relations with past, current, potential or future vendors, suppliers, contractors, or providers, the following guidelines apply to the giving and receiving of gifts and entertainment by employees.

- Employees may accept nominal non-monetary gifts (including pens, pencils, and writing tablets) and entertainment (including meals and tickets to sporting events, shows, or concerts) up to \$100.00 per gift or up to \$300.00 annually per vendor, supplier, contractor, or client, as is allowed by the Stark Law.
- Employees may not accept gifts of money nor may they solicit money, non-monetary gifts, gratuities or any other personal benefit or favor of any kind from vendors, suppliers, contractors, or patients.
- All employees must report to the Chief Compliance Officer any gifts that exceed the per-gift and/or the annual limit.

8. Disclosure Protocol

- Any individual who believes he or she may have either a real or potential conflict of interest, or any supervisor who believes that he or she knows of an individual who may have a real or potential conflict of interest, must disclose the real or potential conflict to the CCO.
- Annually, all employees at the vice-president level and above and all the Company Directors will be required to report any conflicts, or potential conflicts, to the CCO.
- If, in the sole judgment of the Company, a conflict of interest is found to exist, the appropriate action will be taken including resolving the conflict and/or disciplinary action up to and including termination.
- Senior Management will consider exceptions to the Conflict of Interest Policy, if any, on a case-by-case basis

Lab Ops Dir: <u>Amber Macumber</u> Signed: <u>Amber Macumber</u>
VP Lab Ops: <u>Don Hejpersen</u> Signed: <u>Don Hejpersen</u>

8/3/2021

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