

IDENT	FIN-11
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Title of Sponsor	CFO
Title of Approving Official:	CEO/Board Chair
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SUBJECT: Conflict of Interest Policy

1. Policy

The employees of VITL are expected to maintain the highest levels of integrity and ethics in all their professional relationships.

2. Scope

- a. VITL employees and Board Members are bound by VITL's Conflict of Interest policy (see attached) and are required to read and sign a Conflict of Interest Disclosure Statement annually.
- b. VITL's procurement policy (FIN-01) contains Standards of Conduct which cover conflict of interest, and gifts/gratuities related to the selection, award, and administration of contracts supported by a Federal award. Please refer to this policy for further detail.

3. Policy Review & Approval

VITL will review this policy every two years and reserves the right to update this policy at any time to reflect VITL's intentions and compliance requirements.

 <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> Reviewed by: CFO	<u>8/29/19</u> Date
 <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> Approved by: CEO	<u>8/29/19</u> Date
<p>Approved by the VITL Board of Directors and effective August 29, 2019:</p>	
 <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> Bruce Bullock, MD, VITL Board Chair	



VITL Conflicts of Interest Policy

CONFLICTS OF INTEREST POLICY
For
VERMONT INFORMATION TECHNOLOGY LEADERS, INC.

I. Purpose

The purpose of the conflicts of interest policy is to protect the interests of Vermont Information Technology Leaders, Inc. (the "Corporation") when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer, director, employee, or advisory committee or subcommittee member.

II. Definitions

1. Interested Person

Any officer, director, advisory committee member or subcommittee member or other individual in a position to exercise influence over the affairs of the Corporation who has a direct or indirect interest, as defined below, is an "interested person."

2. Interest

A person has an interest if the person has, directly or indirectly, through business, investment or family:

- a. An ownership or investment interest in any entity with which the Corporation has a transaction or arrangement or is negotiating a transaction or arrangement, or
- b. A compensation or other pecuniary arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement or is negotiating a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation or pecuniary arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement, or
- d. any other relationship exists that the person determines would compromise his/her ability to render impartial service to or make an impartial recommendation to the Corporation.

Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

An interest is not necessarily a conflict of interest and a conflict of interest does not arise where an individual's interest is no greater than that of other persons generally affected by the outcome of the matter. Under Section III-3, a person who has an interest may have a conflict of interest only if the Corporation or the appropriate Board or committee, as the case may be, decides that a conflict of interest exists. However, in no event shall an interested person participate in the deliberation and/or determination of compensation that he/she will receive from the Corporation for employment, professional contract or otherwise.

III. Procedures

1. Duty to Disclose

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her interest and must be given the opportunity to disclose all material facts to the Board, committee, or other individuals who, on behalf of the Corporation, are considering the proposed transaction or arrangement.

2. Duty to Voice Concern

In the event that any person becomes concerned that an interested person has an undisclosed interest or is exerting inappropriate influence related to an interest, this concern should be raised with the Chair of the appropriate Board or Committee or, if involving the Corporation, an appropriate Corporate officer.

3. Determining Whether a Conflict of Interest Exists

After disclosure of the interest and all material facts, and after any discussion with the interested person, he/she shall not participate in any manner while the determination of a conflict of interest is discussed and/or voted upon by either the remaining Board or committee members in the case of a Director or committee member or representatives from the Corporation in other cases.

4. Restriction of Participation

In the case of an interested Director or committee member, it shall be the responsibility of the Chair of the Board or Committee to instruct an interested person on the restrictions on his or her participation pursuant to this Policy in any further consideration of the subject matter of the conflict of interest and to enforce these restrictions. In any other case, such an interested person shall not participate in any further consideration of the subject matter of the conflict of interest and the Board and the officers of the Corporation shall enforce these restrictions.

5. Procedures for Addressing the Conflict of Interest

An interested person may make a presentation at the Board or committee meeting or to the Corporation generally, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that involves the conflict of interest and shall otherwise not participate in the decision of the Corporation relating to the transaction or arrangement that involves the conflict of interest.

- a. The Chair of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- b. After exercising due diligence, including a consideration of independent comparability data, valuations or appraisals, the Board or committee shall determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable effort from a person or entity that would not give rise to a conflict of interest.
- c. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board or committee shall determine by a majority vote (or quorum) of all of the disinterested directors or committee members (regardless of the number present at a meeting): (i) whether the transaction or arrangement is in the Corporation's best interest and for its own benefit, (ii) whether the transaction is fair and reasonable to the Corporation, and (iii) whether to enter into the transaction or arrangement in conformity with such determinations.

6. Records of Proceedings

The minutes of the Board or affected committee or the records of the Corporation, as the case may be, shall contain:

- a. The names of the persons who disclosed or otherwise were found to have an interest in connection with an actual or possible conflict of interest, the nature of the interest, any action taken to determine whether a conflict of interest was present, and the Board's, committee's or Corporation's decision as to whether a conflict of interest in fact existed.
- b. 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 all comparability data, appraisals or valuations reviewed, and a record of any votes taken in connection therewith.

7. Violations of the Conflicts of Interest Policy

- a. If the Board or committee (through its Chair) or the Corporation (through its officers) has reasonable cause to believe that an interested person has failed to disclose actual or possible conflicts of interest, it shall inform the individual of the basis for such belief and afford him/her an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the individual and making such further investigation as may be warranted in the circumstances, the Board, the committee or the Corporation, as the case may be, determines that he/she has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

IV. Annual Statements

1. Awareness/Compliance with Policy

Each interested person shall annually sign a statement which affirms that such person has received a copy of the conflicts of interest policy, has read and understands the policy, has agreed to comply with the policy and understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

2. Conflicts of Interest Survey

Each interested person shall disclose on an annual survey form potential conflicts of interest and interests relevant to this policy.

3. Immediate Family Survey

Each interested person shall also provide on an annual survey form a list of immediate family members, including spouse, children, grandchildren, parents, siblings and any other person who lives in his/her household, in order that the Corporation may have a record of all individuals who may be considered disqualified persons under Internal Revenue Service regulations for the purpose of ensuring compliance with tax exempt status requirements for charitable organizations.

V. Compliance / Periodic Reviews

The Executive Committee of the Board shall make periodic reviews of compliance with this policy.

VI. Use of Outside Experts

In conducting the periodic reviews provided for in Section V, the Corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

Updated by the Vermont Information Technology Leaders, Inc. Board of Directors

Date: August 29, 2019

VITL Policy FIN-11

Conflict of Interest Policy

VERMONT INFORMATION TECHNOLOGY LEADERS, INC.
Annual Conflicts of Interest Disclosure Survey

Name: _____

The purpose of this survey is to disclose interests or affiliations which you or members of your immediate family may have that, when considered in the light of your relationship with VITL, may create a conflict of interest. The Conflicts of Interest Policy updated August 29, 2019 should be reviewed prior to completing this survey.

A conflict of interest may exist when there is a potential that an individual may obtain a direct or indirect beneficial interest or benefit, or any other improper gain or advantage, as a result of activities conducted on behalf of VITL or when actions advance a person's interests or those of another rather than the interests of VITL. Conflicts of interest can result from a combination of completely innocent circumstances, and do not necessarily involve intentional wrongdoing. Our goal is to avoid both the appearance of impropriety and actual impropriety. When in doubt, disclosure is preferable to nondisclosure.

1. Please describe below or on an attached sheet the nature and extent of any duality or conflict of interest which you or members of your immediate family may have in connection with your service to VITL. Include businesses in which you have a 35% or greater ownership or voting interest (*if none, please so state*):

Note: Our policy requires that a new disclosure be made to VITL at any time that a new potential conflict of interest arises. This may be done by contacting the President and CEO.

2. For VITL's periodic review of compliance with its Conflicts of Interest Policy and considering whether it has engaged in transactions with interested individuals, please list the members of your immediate family (including spouse, children, grandchildren, parents, siblings, and any other person living in your same household) and their employer, if any:

Spouse: _____
Children: _____
Grandchildren: _____
Parents: _____
Siblings: _____
Others in household: _____

I acknowledge and confirm that I have received a copy of the Conflicts of Interest Policy, have read and understand the policy, agree to comply with the policy, and understand that VITL is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Signature

Date

Primary Review by CFO or CEO Signature: _____ Date: _____

Secondary Review by CEO or Board Chair Signature: _____ Date: _____