

**THE LABOURE SOCIETY, INC.
CONFLICT OF INTEREST POLICY**

The Labouré Society, Inc. (“Labouré”) collects information about actual or potential conflicts of interest that may arise when Labouré contemplates entering into a financial transaction or other arrangement that might benefit the private interest of a Director, an Officer of the Board of Directors, an employee or a volunteer (“Person”). This information is collected annually or when a Person is first appointed as a Director or Officer, becomes an employee or volunteer. Labouré also maintains a process for disclosure of any conflict of interest that has arisen or may arise during the normal course of conducting business.

A. A Person shall be considered to have a conflict of interest if the Person has:

1. existing or potential financial or other interests which compromise or might reasonably appear to compromise that Person’s independent, unbiased judgment in the discharge of the Person's responsibilities to Labouré; or
2. is aware that someone in the Person's family is an officer, director, employee, member, partner, trustee, or controlling stockholder, has such existing or potential financial or other interest or any organization in which the Person (or someone of the Person's family) (for purposes of this policy “family” shall be a spouse, parents, siblings, children, any other relative if the latter resides in the same household as the Person, and any other individual with whom the Person has a legally recognized familial relationship).

B. A conflict of interest includes, but is not limited, to:

1. an ownership or investment interest in any entity with which Labouré has a transaction or arrangement, or
2. a compensation arrangement with Labouré or with any entity or individual with which Labouré has a transaction or arrangement, or
3. a potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which Labouré 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. A Person who has a financial interest may only have a conflict of interest if the Board or appropriate committee decides that a conflict of interest exists.

C. All Persons subject to this policy shall disclose to the Board any possible conflict of interest at the earliest practical time. Such a Person is defined as an “interested party.”

- D. If a conflict of interest exists or potentially exists, the material facts as to the contract or transaction and as to the Person's interest shall be fully disclosed to the Board or a Committee. A majority of Directors or Committee Members currently holding office may authorize, approve, or ratify the contract or transaction in good faith, provided that the interested Person(s) may not vote and are not considered present for purposes of a quorum. If, as a result, the number of remaining Directors or Committee Members is not sufficient to reach a quorum, a quorum for the purpose of considering the contract or transaction is the number of remaining Directors or Committee Members.¹
- E. An interested party may make a presentation at the Board or Committee Meeting, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that has triggered the conflict. The Board President or Committee Chair shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- F. After exercising due diligence, the Board or Committee shall determine either:
1. whether Labouré 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; or
 2. if a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine whether the transaction or arrangement is in Labouré's best interest and whether the transaction is fair and reasonable. In conformity with such a determination, the Board or committee shall decide whether to enter into the transaction or arrangement with the interested party.
- G. If any Person with a fiduciary or other legal responsibility to Labouré has reasonable cause to believe that another Person has failed to disclose an actual or potential conflict of interest, that Person shall discuss the matter with the interested party and, depending on the outcome of the discussion, make such disclosure as is appropriate and commensurate with the Person's obligations to Labouré.

¹ From 2014 Minnesota Statutes, Business, Social and Charitable Organizations, Section 317A.255.

H. A Person shall not vote on any matter under consideration at a Board or Committee Meeting in which the Person is an interested party.

1. The minutes of such a meeting shall reflect that a disclosure was made, including a brief description of the nature of the conflict, the actions taken to address the issue, and the fact that the interested party abstained from voting.
2. Any Person who is uncertain whether a conflict of interest may exist in any matter may request the Board or Committee to assess the question and make a determination about the nature of the conflict and how it will be addressed.

I. Each Person subject to this policy shall annually sign a statement which affirms that the Person:

1. has received a copy of the conflict of interest policy,
2. has read and understands the policy,
3. has agreed to comply with the policy, and
4. understands that Labouré is a charitable organization and that to maintain its tax exempt status it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

J. This policy is intended to supplement but not replace any applicable state and federal laws governing conflicts of interest applicable to nonprofit and charitable corporations. In particular, any transaction in which a Director, an Officer or a member of any committee of the Board has a financial interest shall also be governed by the provisions of 2104 Minnesota Statutes, Business, Social and Charitable Organizations, Chapter 317A, as amended from time to time.

I, _____ [insert name], acknowledge that I have received and understand The Labouré Society, Inc.'s Conflict of Interest Policy and I promise to abide by it.

DATED: _____
Signature