



MHA Operating Policy O-32

Conflicts of Interest. A "conflict of interest" exists when the Corporation is contemplating entering into a transaction or arrangement that would benefit the private interest of an officer or Director of the Corporation or might result in an "excess benefit transaction."

(a) Excess Benefit Transaction. An "excess benefit transaction" means a transaction in which an economic benefit is provided, directly or indirectly, to or for the use of an "interested person," and the value of the economic benefit provided by the Corporation exceeds the value of the consideration received by the Corporation.

(b) Interested Person. An "interested person" means any Director or officer of the Corporation, and any member of a committee with Board-delegated powers, who has a direct or indirect "financial interest" in an "excess benefit transaction."

(c) Financial Interest. A person has a "financial interest" if the person has, directly or indirectly, an ownership or investment interest in any entity with which the Corporation has negotiated or is negotiating a transaction or arrangement or if the person has a compensation arrangement with the Corporation or with any entity or individual with which the Corporation has negotiated or is negotiating a transaction or arrangement.

(d) Disclosure Responsibility. Immediately upon determining that a conflict of interest exists, the interested person shall disclose the existence and nature of the financial interest and all material facts to the Board. When such conflict of interest is relevant to a matter requiring action by the Board, or a committee with Board-delegated powers, the interested person shall call it to the attention of the Board (or its committee), and such person shall not vote on the matter.

(e) Recusal Responsibility. Moreover, a person having a conflict of interest shall retire from the room in which the Board (or its committee) is meeting on a matter on which the person has a conflict of interest and shall not participate in any deliberation or decision regarding the matter. The minutes of the meeting of the Board or committee shall reflect that the conflict of interest was disclosed and that the interested person was not present during the final discussion and vote and did not vote.

(f) Board Responsibility. When there is doubt as to whether a conflict of interest exists, the matter shall be resolved by a vote of the Board (or its committee).

(g) Annual Disclosure by Directors. Every year, members of the Board shall submit to the Chair of the Board a letter disclosing any direct or indirect benefits received by a Director from any outside party that has an Agreement to provide services or funding to the Corporation and any financial interest within the meaning of paragraph (c) above.

Effective Period

Effective: 11/12/04