



**POLICY: Conflict of Interest**

<i>Original Implementation Date:</i>	1/2013	<i>Date Reviewed/ Revised:</i>	4/2021	<i>Area of Responsibility:</i>	Human Resources	<i>Version:</i>	3
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**PURPOSE:** Efficient and effective business operations rely on the ethical relationships Sun Health (“Company”) and its team members (“Team Members”) maintain with its current or former residents, patients, suppliers, local community, other Team Members, and the Company itself (collectively, “Constituents”). This policy sets forth the Company’s expectations and requirements for Team Members to avoid conflicts of interest arising from their employment with the Company.

**CONFLICT OF INTEREST:** A conflict of interest exists when your loyalties or actions are, may appear, or have the potential to be divided between the Company’s interests and those of another, such as a competitor, supplier, vendor, current or former resident and their family/friends. For instance, a conflict of interest exists when you or any of your family members engage in activity that will result in a direct or indirect financial gain from a business or personal relationship, gift, or other payment from a current or former resident or their family member. Another example exists when a Team Member uses his/her position with the Company to provide independent services to actual or prospective residents or refer those actual or prospective residents to another person or business to provide services that are competitive with the Company’s business. Conflicts of interest lead to disputes with Constituents, expose the Company and Team Members to civil and criminal liability, and result in professional discipline against the Company and licensed Team Members.

**POLICY:** All Team Members must maintain ethical business and personal relationships with Constituents and avoid actual, the appearance of, and potential conflicts of interest with the Company and Constituents. During your employment with the Company, you may not engage in any activities that (a) lead to a conflict of interest with the Company or its Constituents, (b) damage the Company’s interests or image, or (c) interfere with your employment with the Company. By way of example, you may not, without the express written consent of the Senior Vice President of HR & Organizational Development:

1. Be involved in a Constituent’s business or financial affairs, including providing Constituents with financial, investment, and estate planning advice;<sup>1</sup>
2. Provide services to residents or patients outside the scope of your employment, including providing former residents and patients for a period of six months after the resident or patient leaves the Company’s care;<sup>2</sup>
3. Be engaged in any activity competing with the Company’s relationships Constituents;
4. Act as a supplier to the Company or its residents or patients;
5. Hold a financial interest, directly or indirectly, or be engaged as an owner, director, senior manager, significant shareholder in a business that is competitive with the Company (except where such

<sup>1</sup> This prohibition does not include donor or benefactory relationships managed by Sun Health Foundation staff.

<sup>2</sup> This prohibition does not apply to the extent physicians and other licensed professionals are permitted by Arizona law to provide former residents and patients continuing care after the resident or patient’s discharge from the Company’s care.



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ownership consists of securities of a publicly owned corporation regularly traded on the public stock market); or

6. Act in a manner or be engaged in a relationship that may compromise or prejudice the interests or the reputation of the Company.

**DUTY TO REPORT:** If a conflict of interest arises involving yourself or another Team Member, you must disclose to your senior leader or human resources that conflict of interest, including any suspected or potential exploitation of a resident or patient. In addition, you must disclose to your senior leader or human resources any position you seek or hold within local, state, or federal government (elected or unelected) and regulatory or oversight board.

**MANAGING RESIDENT RELATIONSHIPS:** Residents and patients may become dependent upon you and other Team Members for physical, medical, or emotional support and care. Such dependence may lead to circumstances where the resident or patient requests that you do personal favors beyond your scope of employment including requests to handle business or legal matters for the resident or patient. Such entanglements are prohibited by the Company and law. At all times, you must maintain an appropriate professional relationship with residents or patients and refrain from becoming involved in personal relationships that could create a potential conflict of interest. If a resident or patient attempts to offer you or another Team member money or items of value (including in the future), you must report the incident to your senior leader or human resources.

**OUTSIDE EMPLOYMENT:** While the Company does not seek to interfere with off-duty personal conduct of its Team Members, certain types of off-duty conduct may create a conflict of interest with the Company’s legitimate business interests. For this reason, the Company prohibits Team Members from providing services or working for Constituents or competitive businesses without prior notification and consent from the Senior Vice President of HR & Organizational Development.

**DISCIPLINE:** As with any form of improper conduct, a conflict of interest may result in disciplinary action against a Team Member who violates this policy, up to and including termination of employment.