

***Members of the Board of Stewardship Trustees  
(BOST), BOST Committees and Subcommittees,  
CHI Entity Boards and CHI Entity Board  
Committees and Subcommittees, and Corporate  
Officers***

**Addendum A**

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### SCOPE

This Addendum applies to all members of the CHI Board of Stewardship Trustees (BOST), BOST committees and subcommittees, CHI Entity boards, and CHI Entity board committees and subcommittees. It also applies to all CHI and CHI Entity Corporate Officers. These individuals have a duty of loyalty to CHI and CHI Entities and must report any perceived, potential or actual conflict of interest.

### DEFINITIONS

In addition to the definitions in CHI Governance Policy No. 1, *Conflicts of Interest* (“COI Policy”), the following definitions apply to research conflicts of interest:

**Board Chair** – For this Addendum, Board Chair means the Chairperson of the CHI BOST or the CHI Entity board on which the Trustee serves.

**Corporate Officers** – For this Addendum, Corporate Officers include the Chief Executive Officer, President, Treasurer, and Secretary of CHI or a CHI Entity.

**Trustee** – For this Addendum, Trustee means a member of the BOST, all BOST committees and subcommittees, any CHI Entity board and CHI Entity board committees and subcommittees.

### ADDITIONAL CONSIDERATIONS

#### General Obligation

Each Trustee and Corporate Officer must promptly and fully report to the Board Chair situations that may create a conflict of interest when he or she becomes aware of such situations. In any situation when a Trustee or Corporate Officer is in doubt, full disclosure should be made to permit an impartial and objective determination. A written record of the disclosure will be made.

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### **Annual COI Disclosure**

In addition to the ongoing disclosure obligation, all Trustees and Corporate Officers shall complete an electronic, web-based COI disclosure form on an annual basis. A copy of Governance Policy No. 1, *Conflicts of Interest* (COI Policy), shall be available through a link on the web-based COI software solution. Definitions of terms used in the disclosure questionnaire/form shall also be included. Each Trustee and Corporate Officer must promptly complete the COI disclosure on-line. The disclosures will be reviewed by the CHI Senior Vice President, Legal Services, and General Counsel (General Counsel) or his or her designee (*e.g.*, the assigned CHI Legal Services Group attorney for the CHI Entity) who will report potential conflicts to the applicable Board Chair.

### **Review, Evaluation and Initial Determination**

The Board Chair or designee shall make such further investigation of any conflict of interest disclosures as he or she may deem appropriate. If the conflict involves the Board Chair, the Vice Chair will assume the Chair's role outlined in the COI Policy and this Addendum. Based on review and evaluation of the relevant facts and circumstances, the Board Chair will make an initial determination as to whether a conflict of interest exists and whether, pursuant to the COI Policy, review and approval or other action by the Board is required. A written record of the Board Chair's determination, including relevant facts and circumstances, will be made. The Board Chair shall then make an appropriate report to the Executive Committee of the Board concerning such review, evaluation and determination. If a difference of opinion exists between the Board Chair and another Trustee as to whether the facts and circumstances of a given situation constitute a conflict of interest or whether Board review and approval or other action is required within the COI Policy, the matter shall be submitted to the Board's Executive Committee, which shall make a final determination as to the matter presented. Such determination, including relevant facts and circumstances, will be reflected in the Executive Committee minutes and will be reported to the Board.

### **BOARD REVIEW**

### **Transactional Conflict of Interest**

The Board shall carefully scrutinize and must in good faith approve or disapprove any transaction in which CHI or a CHI Entity is a party and in which the Trustee or Corporate Officer either:

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- Has a material financial interest; or
- Is a Trustee or Corporate Officer of the other party (other than a CHI-affiliated organization).

The Board must approve the transaction by a majority of the Trustees on the Board, without counting the vote of any individual who has an interest in the transaction. In reviewing such transactions between CHI or CHI Entities and vendors or other contractors who are, or are affiliated with, Trustees or Corporate Officers, the Board shall act no more or less favorably than it would in reviewing transactions with unrelated third parties. The transaction will not be approved unless the Board determines that the transaction is fair to CHI or the CHI Entity.

**Other Conflicts of Interest**

The Board shall carefully review and scrutinize any non-transactional conflict of interest (*e.g.*, disclosure of nonpublic information, competition with CHI or a CHI Entity, failure to disclose a corporate opportunity, excessive gifts or entertainment, etc.). By a majority vote of the disinterested Trustees, the Board shall take whatever action is deemed appropriate with respect to the Trustee or Corporate Officer under the circumstances, including possible disciplinary or corrective action, in order to best protect the interests of CHI or the CHI Entity. The Board should consult with the General Counsel of CHI or his or her designee when considering disciplinary or corrective action.

**Disclosure by Interested Trustee or Corporate Officer**

When any conflict of interest is considered by the Board, the Trustee or Corporate Officer, as appropriate, must disclose all of the material facts to the Board. The Trustee shall not vote and the Trustee or Corporate Officer shall not use his or her personal influence on the matter. However, if requested, such Trustee or Corporate Officer is not prevented from briefly stating his or her position in the matter, nor from answering pertinent questions from Trustees, as his or her knowledge may be of significant importance. The Trustee or Corporate Officer shall be excused from the meeting during discussion and vote on the conflict of interest.

**Record of Proceedings**

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Minutes of the Board shall reflect the following: the individual making the disclosure, the nature of the disclosure, discussion regarding any proposed transaction, the decision made by the Board, and that the interested Trustee or Corporate Officer was excused during the discussion, and that the interested Trustee abstained from voting.

**Implementation and Interpretation**

Questions regarding the implementation and interpretation of this Addendum and its application to the COI Policy shall be referred to the General Counsel of CHI or his or her designee.

**Policy Violations**

If the Board reasonably believes that a Trustee or Corporate Officer has failed to disclose either an actual or potential conflict of interest, or all material facts surrounding an actual or possible conflict as required by the COI Policy or this Addendum, the Trustee or Corporate Officer will be given an opportunity to explain such alleged failure to disclose. After hearing the response of the Trustee or Corporate Officer, the Board will conduct such additional investigation as may be appropriate. If the Board determines that the Trustee or Corporate Officer has in fact failed to disclose as required by the COI Policy or this Addendum, the Board shall take appropriate disciplinary or corrective action.

**Maintaining Documentation and Providing Requestors Information**

Conflict of Interest disclosures, other documentation used in the review of such statements, and related records shall be maintained in the Conflict of Interest software for a minimum of three (3) years following the date of initial disclosure or until any relevant government, criminal, or civil proceeding has concluded.