

Vermont Information Technology Leaders	
Name:	Conflict of Interest Policy
Type of Document:	<i>Policy</i>
Type of Policy:	<i>Business Compliance & Ethics</i>
Sponsoring Department(s):	<i>Finance</i>
Sponsor:	<i>CFO</i>
Approving Official or Body:	<i>CEO & Board of Directors</i>
Effective Date:	<i>July 25, 2023</i>
Review Cycle:	<i>4 Years</i>

Purpose

The purpose of the conflicts of interest policy (“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 or appear to benefit the private interest of any present or former officer, director, employee, or advisory committee or subcommittee member. The Corporation is organized to serve the public interest, and each director, officer, employee, or advisory committee or subcommittee member must act and use good judgment to maintain and further the public's trust and confidence in the Corporation.

Scope

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

Definitions

1. Interested Person

Any employee, 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 their 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 Policy 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 or determination of compensation that they will receive from the Corporation for employment, professional contract, or otherwise.

Policy

1. Duty to Disclose

In connection with any actual, possible, or perceived conflicts of interest, an Interested Person must disclose the existence of their Interest as soon as an Interest is identified and before the Corporation enters into the proposed transaction or arrangement. The Interested Person must be given the opportunity to disclose all material facts and circumstances 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 circumstances, and after any discussion with the Interested Person, they 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 their 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, they 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 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, possible, or perceived conflict of interest, the nature of the Interest, any action taken to determine whether a conflict of interest was present, whether the Interested Person was present during the determination, 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, possible, or perceived conflicts of interest, it shall inform the individual of the basis for such belief and afford them 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 they have in fact failed to disclose an actual, possible, or perceived conflict of interest, it shall take appropriate disciplinary and corrective action.
- c. Conduct that violates the Policy is always considered outside the scope of employment of any employee acting on behalf of the Corporation.

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 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 and perceived conflicts of interest and Interests relevant to this Policy. See question 1 of the Annual Conflicts of Interest Disclosure Survey.

3. Immediate Family Survey

Each Interested Person shall also provide on an annual survey form a list of immediate family members, including spouse, domestic partner, children, grandchildren, parents, siblings, any other person who lives in their household, and the spouse or domestic partner of any of these persons 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. See questions 2 of the Annual Conflicts of Interest Disclosure Survey.

4. Professional Activities Outside of the Company

Employees may undertake professional activities outside of the Corporation such as consulting and may be compensated by other non-Corporation entities for this work, with the approval of the CEO or, in the case of the CEO, with the approval of the Board of Directors and must be disclosed under section 1 of the annual survey form. Approved outside activities may not conflict with the mission and values of the Corporation. Any employee approved to undertake professional activities outside of the Company that is

compensated by other non-Company entities is prohibited from using Company time, resources or information in performing such outside professional activities. Further, any employee undertaking outside professional activities should procure insurance coverage for such work.

Compliance/Periodic Reviews

1. The Executive Committee of the Board shall make periodic reviews of compliance with this Policy. The periodic reviews may include consideration of whether transactions, compensation, or other arrangements are reasonable, further the Corporation's charitable purposes, do not result in an excess benefit, and conform to the Policy. The Corporation may change, modify, or delete the provisions of this Policy without notice.

Review Process

1. Employees

- a. Annual "Conflict of Interest Disclosure Survey" is completed and signed.
- b. Disclosure Survey is reviewed by the CFO and any conflicts are noted.
- c. Disclosure Survey is reviewed by the CEO and any conflicts are reviewed with the CFO.
- d. If there is a conflict, the degree of conflict is determined.
- e. The Disclosure Survey is signed by both the CFO and CEO.

2. Board Members

- a. Annual "Conflict of Interest Disclosure Survey" is completed and signed.
- b. Disclosure Survey is reviewed by the CEO and any conflicts are noted.
- c. Disclosure Survey is reviewed by the Board Chair and any conflicts are reviewed with the CEO.
- d. If there is a conflict, the degree of conflict is determined (see Policy section 3).
- e. The Disclosure Survey is signed by both the CEO and Board Chair.

Use of Outside Experts

1. In conducting the periodic reviews provided for in Compliance/Periodic Reviews Section, 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.

Enforcement

1. Violations of this Policy may result in disciplinary action, up to and including termination of employment or removal from the Board of Directors.
2. This Policy replaces and supersedes any and all prior policies and procedures on this subject matter as of the Effective date of this Policy.

References

1. Procurement Policy
2. Conflict of Interest Policy

Review and Revision History

Date	Changes Made	Completed By
7/25/2027	Next Review Due	
5/10/2023	Policy reviewed and updated, reconfigured for new template and data for new sections added	Heidi Banks
2017	Policy initiated	Robert D. Turnau

Approvals

Cara Callanan

Reviewed by Sponsor

7/25/2023

Date

Beth Anderson

Approved by CEO

7/25/2023

Date

Richard Elmore

Approved by Board of Directors

7/25/2023

Date

Example

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

Name: Eleanor Parker

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 updated Conflicts of Interest Policy should be reviewed prior to completing this survey as the terms defined in that Policy are applicable to the questions asked in 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:

- a. activities conducted on behalf of VITL or
- b. when actions advance a person's interests or those of another rather than the interests of VITL.

Conflicts of interest do not necessarily involve intentional wrongdoing; conflicts can result from completely innocent circumstances. VITL's goal is to avoid both the appearance of impropriety and actual impropriety. If you have a situation that may be a conflict, but you are not sure, please disclose that potential conflict to be considered: disclosure is preferable to nondisclosure.

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.

1. **Ownership Interests:** Please describe below the nature and extent of any competing interest or conflict of interest which **you or members of your "immediate family"**, as that term is defined in paragraph 3 of page 4 of the Conflicts of Interest Policy, have or may have in connection with your service to VITL including businesses in which you have a 35% or greater ownership or voting interest (*if none, please fill in "none", if you need more space, you can attach a separate sheet and reference it here*):
 - My brother Tom Parker owns a ½ interest in a cybersecurity firm and I am on the team that is responsible for choosing data security solutions for the patient health record systems.
 - My daughter Erica Parker has a significant ownership stake in a tech startup company that supplies hardware for patient health record systems. I am involved in procuring technology for VITL.

2. **Other Employment:** Please list any employment you hold, besides VITL, and name any organizations for which you provide services for which you are compensated (*if none, please fill in "none", if you need more space, you can attach a separate sheet and reference it here*):
 - I provide paid consulting services to a pharmaceutical company that uses patient health data for research purposes (this would compromise the confidentiality and integrity of the aggregated patient health records and while it does not necessarily mean there is a conflict, it is good to disclose because there is a risk the employee will feel pressure to use confidential VITL records).
 - I am a paid consultant for a software company that partners with VITL (this employment could influence the decision-making to favor the employee's personal financial gain at the expense of VITL).

- I am being asked to serve as a tech expert in litigation in another state involving a company similar to VITL and I will be paid for my testimony and work on the matter.

3. **Volunteer Activities:** Please name any organizations for which you regularly volunteer, including boards you serve on (*if none, please fill in "none", if you need more space, you can attach a separate sheet and reference it here*):

- I serve on the UVM Medical Center’s Board of Trustees (this role could lead to decisions that prioritize the Medical Center’s interests over VITL’s interests).
- I serve as a volunteer youth field hockey coach (disclose, but unlikely to be a conflict).
- I volunteer on a legislative committee relating to patient access to medical records

4. Please list any other ownership or business relationship that may exist that might compromise your ability to render impartial service to or make an impartial recommendation to VITL (*if none, please fill in "none", if you need more space, you can attach a separate sheet and reference it here*):

- I have an ownership in a patent covering technology that could conceivably be used by VITL.
- I have a cousin who is a major supplier of tech hardware (relationship could lead to biased decision in favor of the family member’s business interests).
- I am part of an investment fund that has investments in multiple companies, including ones that we work with (the shared ownership could create conflicts of interest when making decisions).

5. 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, domestic partner, children, grandchildren, parents, siblings, and any other person **living in your primary household** as well as the spouse or domestic partner of any person listed) **and their employer**, if any (*if none, please fill in "none", if you need more space, you can attach a separate sheet and reference it here*):

Spouse/Domestic Partner: **Jaiden Parker - UVMMC**
 Child(ren): **Kristen Parker – College Student; Valery Parker UPS**
 Grandchild(ren): **None**
 Parent(s): **Deceased**
 Sibling(s): **None**
 Others living in your primary household: **Jill Franks – College Student**

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: _____

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 updated Conflicts of Interest Policy should be reviewed prior to completing this survey as the terms defined in that Policy are applicable to the questions asked in 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:

- c. activities conducted on behalf of VITL or
- d. when actions advance a person's interests or those of another rather than the interests of VITL.

Conflicts of interest do not necessarily involve intentional wrongdoing; conflicts can result from completely innocent circumstances. VITL's goal is to avoid both the appearance of impropriety and actual impropriety. If you have a situation that may be a conflict, but you are not sure, please disclose that potential conflict to be considered: disclosure is preferable to nondisclosure.

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.

1. **Ownership Interests:** Please describe below the nature and extent of any duality or conflict of interest which **you or members of your immediate family** have or may have in connection with your service to VITL including businesses in which you have a 35% or greater ownership or voting interest (*if none, please fill in "none", if you need more space, you can attach a separate sheet and reference it here*):

2. **Other Employment:** Please list any employment you hold, besides VITL, and name any organizations for which you provide services for which you are compensated (*if none, please fill in "none", if you need more space, you can attach a separate sheet and reference it here*):

3. **Volunteer Activities:** Please name any organizations for which you regularly volunteer, including boards you serve on (*if none, please fill in "none", if you need more space, you can attach a separate sheet and reference it here*):

6. Please list any other ownership or business relationship that may exist that might compromise your ability to render impartial service to or make an impartial recommendation to VITL (*if none, please fill in "none", if you need more space, you can attach a separate sheet and reference it here*):

7. 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, domestic partner, children, grandchildren, parents, siblings, and any other person **living in your primary household** as well as the spouse or domestic partner of any person listed) **and their employer**, if any (*if none, please fill in "none", if you need more space, you can attach a separate sheet and reference it here*):

Spouse/Domestic Partner: _____

Child(ren): _____

Grandchild(ren): _____

Parent(s): _____

Sibling(s): _____

Others living in your primary 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: _____