

## **Conflict of Interest Policy**

### **PURPOSE:**

The JASA Corporation and its affiliates and subsidiaries (each, individually a “JASA Entity” and collectively “JASA Entities”) aim to ensure that all of its business practices are in compliance with all applicable laws, rules and regulations. The Purpose of this Conflict of Interest Policy (the “Policy”) is to ensure that conflicts of interest are appropriately identified and addressed. Specifically, this Policy is designed to ensure that: (i) members of the Boards of Trustees and committees with Board-delegated powers (collectively, the “Board Members”), (ii) Officers (as defined below), and (iii) Key Employees (as defined below) of JASA Entities understand their duty to disclose actual and potential conflicts of interest.

All Board Members, Officers and Key Employees owe a duty of loyalty to JASA Entities. The duty of loyalty requires that they exercise their powers in good faith and in the best interests of JASA Entities, rather than in their own interests or the interests of another person or entity.

This Policy is designed to protect JASA Entities’ interests when they are contemplating entering into a transaction or arrangement that might benefit the private interest of a Board Member, Officer or Key Employee, or might result in a possible Excess Benefit Transaction (defined below). This Policy is intended to supplement, but not replace, any applicable state and federal laws governing conflicts of interest.

### **POLICY:**

Board Members, Officers and Key Employees must, at all times, refrain from being influenced by personal considerations of any kind in the performance of their duties. Whenever a potential or actual conflict of interest exists, the matter must be fully disclosed as set forth below, and the affected Board Member(s), Officer(s) and Key Employee(s) must refrain from participating in the determination of the transaction until the matter has been resolved as required by this Policy.

All Board Members, Officers and Key Employees are expected to read and understand this Policy in order to be alert to situations that may pose potential or actual conflicts of interest.

### **OVERSIGHT OF THIS CONFLICTS OF INTEREST POLICY**

The adoption and implementation of, and compliance with, this Policy shall be overseen by the Audit and Compliance Committee (the “Audit and Compliance Committee”) of the JASA Corporation Board of Trustees, which consists of only Independent Directors (defined below). The Audit and Compliance Committee may, in its discretion, authorize certain functions relating to the implementation of, and compliance with, this Policy to one or more JASA Entities employees, but shall retain overall responsibility for oversight of this Policy.

## DEFINITIONS:

1. *Affiliate*. The term “Affiliate” means any entity controlled by, in control of, or under common control of JASA Entities.
2. *Board*. The term “Board” means a board of trustees or any other body constituting a Governing Board as defined below.
3. *Excess Benefit Transaction*. An “Excess Benefit Transaction” is a transaction in which an economic benefit is provided by an applicable tax-exempt organization, directly or indirectly, to or for the use of a person who is in the position to exercise substantial influence over the organization, and the value of the economic benefit provided by the organization exceeds the value of the consideration received by the organization.
4. *Trustee or Board Member*. The term “Trustee” or “Board Member” means the members of each Governing Board of each of JASA Entities.
5. *Governing Board*. The term “Governing Board” means each governing body responsible for the oversight of a JASA Entity.
6. *Independent Trustee*. The term “Independent Trustee” means a Trustee who: (a) is not, and has not been within the last three fiscal years, an employee of any JASA Entity, and does not have a Relative who is, or has been within the last three fiscal years, a Key Employee of any JASA Entity; (b) has not received, and does not have a Relative who has received, in any of the last three fiscal years, more than ten thousand dollars (\$10,000) in direct compensation from any JASA Entity (other than reimbursement for expenses reasonably incurred as a Trustee); and (c) is not a current employee of or does not have a substantial financial interest in, and does not have a Relative who is a current Officer of or has a substantial financial interest in, any entity that has made payments to, or received payments from, any JASA Entity for property or services in an amount which, in any of the last three fiscal years, exceeds the lesser of twenty-five thousand dollars (\$25,000) or two percent (2%) of a JASA Entity’s consolidated gross revenues. Note that “payment,” as used in this definition, does not include charitable contributions.
7. *Key Employees*. “Key Employee” means any individual who is in a position to exercise substantial influence over the affairs of a JASA Entity, as determined by JASA Entities in accordance with current laws, rules and regulations. The term “Key Employee” includes, but is not limited to:
  - (a) With respect to any transaction involving JASA Entities, any person who was, at any time during the 5-year period ending on the date of the contemplated transaction, in a position to exercise substantial influence over the affairs of a JASA Entity.

- (b) Any individual serving on the Governing Board of a JASA Entity who is entitled to vote on any matter over which the Governing Board has authority;
  - (c) Any person who, regardless of title, has ultimate responsibility for implementing the decisions of the Governing Board of a JASA Entity, for supervising the management, administration, or operation of a JASA Entity, or for managing the finances of a JASA Entity.
  - (d) any person with a material financial interest in a provider- sponsored organization (i.e., a Medicare Advantage Organization) in which a JASA Entity participates.
  - (e) Any person who satisfies the definition of a “Key Employee” pursuant to the IRS Form 990 instructions, as amended.
  - (f) Any other person for whom all the relevant facts and circumstances tend to show that the person has substantial influence over the affairs of a JASA Entity including, but not limited to, the facts and circumstances tending to show substantial influence does or does not exist as outlined in IRS regulations at 26 CFR § 53.4958-3(e)(2) and (3).
8. Officer. The term “Officer” means those individuals defined as officers in the by-laws of a JASA Entity, and those who are otherwise appointed as officers of a JASA Entity, in accordance with the by-laws.
  9. Related Party. The term “Related Party” means (a) any Trustee, Officer or Key Employee of JASA Entities; (b) any Relative of any Trustee, Officer or Key Employee of JASA Entities; or (c) any entity in which such individual has a thirty-five percent (35%) or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent (5%).
  10. Related Party Transaction. The term “Related Party Transaction” means any transaction, agreement or any other arrangement in which a Related Party has a financial interest and in which a JASA Entity is a participant.
  11. Relative. The term “Relative” means (a) spouses, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great grandchildren, and spouses of brothers, sisters, children, grandchildren and great-grandchildren; or (b) domestic partners as defined in New York Public Health Law § 2994-a.
  12. Vendors. The term “Vendors” includes vendors, suppliers, consultants, other care providers, referral sources, manufacturers, payors and other third parties seeking to do, or that are currently engaged in, business with any JASA Entity.

## PROCEDURE:

### 1. Disclosable Conflicts of Interest/Related Party Transactions

Board Members, Officers and Key Employees have a disclosable conflict of interest if an actual or potential conflict exists between (1) the Board Member, Officer or Key Employee's duty to act in the best interests of any JASA Entity, and (2) the interests of the Board Member, Officer or Key Employee in personal gain or benefit for himself/herself or another third party. Board Members, Officers and Key Employees also have a disclosable conflict of interest if they are involved in a Related Party Transaction.

Although it is impossible to list every circumstance giving rise to a conflict of interest, the following list includes examples of the more common categories of disclosable interests. There is an actual or potential disclosable interest if a Board Member, Officer or Key Employee or his/her Relative:

- (a) Relationships with Vendors. Has any financial interest, at or above an amount set by the JASA Corporation's Board of Trustees, in a Vendor; is a member, owner, director, trustee or officer of a Vendor; or has a contractual or employment relationship with a Vendor.
- (b) Relationships with Competitors. Has any financial interest in, at or above an amount set by the JASA Corporation's Board of Trustees, or an employment relationship with an entity that competes with any JASA Entity.
- (c) Gifts or Other Favors. Solicits or accepts any gifts, entertainment or other favors from any Vendor at or above an amount set by the JASA Corporation's Board of Trustees under circumstances where it might be inferred that such action was intended to influence the Board Member, Officer or Key Employee in the performance of his/her duties on behalf of a JASA Entity.
- (d) Board Member of Other Governing Boards. Serves as a member of the governing board or officer of another health care organization which does business with any JASA Entity, or refers business to or from JASA Entities. The foregoing shall not include the service on any such corporation when the Board Members, Officers or Key Employee is requested to engage in such service by the Board of JASA Entities.
- (e) Relationships Between Board Members or Between Board Members and Officers. Has any family or business relationship with another Board Member or Officer of any JASA Entity. A business relationship with a Board Member or Officer includes (i) direct business relationships, (ii) indirect business relationships through or between entities of which either or both parties is a member, owner, director, trustee or officer, and (iii) co-ownership in an enterprise.

- (f) Related Party Transaction. Has, or has a Relative who has, a thirty-five percent (35%) or greater ownership or beneficial interest in an entity (or, in the case of a partnership or professional corporation, has a direct or indirect ownership interest in excess of five percent (5%)) that engages in a transaction or has an agreement or any other arrangement with any JASA Entity.
- (g) Grantee/Grantor Relationship. Has any relationship with an grant applicant under consideration by a JASA Entity.

2. Disclosure Requirements.

- (a) Initial Election of Board Member/Hiring of Key Employees. Prior to the initial election of any Board Member and within a week of hiring a Key Employee, such Board Member or Key Employee, as the case may be, shall complete, sign and submit to the Secretary of the JASA Corporation a written Conflict of Interest Disclosure Statement ("Disclosure Statement") in the form and substance of Disclosure Statement attached to this Policy. All such statements will be filed with the JASA Corporation's Board Secretary. The Board Secretary will provide copies of all completed Disclosure Statements to the Chair of the Audit and Compliance Committee and Chief Compliance Officer.
- (b) Annual Disclosure Statements. Board Members, Officers and Key Employees will, at least annually, file Disclosure Statements. The Disclosure Statement will specifically include, among other disclosable conflicts of interest, a statement identifying, to the best of the person's knowledge, any entity of which he or she is an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or employee and with which a JASA Entity has a relationship, and any transaction in which a JASA Entity is a participant and in which the Board Member might have a disclosable conflict of interest. The Disclosure Statements will initially be filed with the Risk and Compliance Officer or his/her designee, who shall keep a confidential file of these Disclosure Statements. The Risk and Compliance Officer or his/her designee may consult with the counsel, as necessary.
- (c) Continuing Obligation to Update Annual Statement. Board Members, Officers and Key Employees have an affirmative obligation to update their annual Disclosure Statements whenever new information arises that is required to be stated in the annual Disclosure Statement.
- (d) Disclosure to Secretary of JASA Corporation/Audit and Compliance Committee. The Risk and Compliance Officer will provide all

Disclosure Statements to the Board Secretary. The Board Secretary will provide a copy of all completed statements to the Chair of the Audit and Compliance Committee.

If a Board Member, Officer or Key Employee is unsure if they have an actual or potential conflict of interest, he/she should err on the side of disclosure and file a Disclosure Statement.

3. Procedures for Addressing Potential and Actual Conflicts of Interest

(a) Review by the Audit and Compliance Committee. All completed Disclosure Statements and all other disclosures of disclosable conflicts of interest that raise an actual or potential conflict of interest, or that create the appearance of an actual or potential conflict of interest, will be reviewed by the Audit and Compliance Committee. In so doing, the Audit and Compliance Committee:

- (i) Will consider all relevant facts and circumstances involved in the matter, and in particular, what is fair, reasonable and in the best interests of the JASA Entities and its clients.
- (ii) Will exclude the affected individual(s) from being present at or participating in the deliberations or voting on the matter.
- (iii) Will prohibit the affected individual(s) from any attempt improperly to influence the deliberations or voting on the matter.
- (iv) Will permit the affected individual(s), upon request of the Audit and Compliance Committee, to present information concerning the matter at a meeting prior to commencement of deliberations or voting on the matter.

(b) Determination by the Audit and Compliance Committee.

- (i) The Audit and Compliance Committee will make a final and binding determination as to whether a conflict of interest exists or may exist, and what course any or all of the JASA Entities will take in connection with the matter before it.
- (ii) The Audit and Compliance Committee will contemporaneously document in writing in appropriate minutes of any meeting at which the matter is discussed or voted upon all deliberations and determinations relating thereto, to include, at minimum, a summary of the matter, a summary of the discussion, consideration of any alternatives, the meeting attendees, the vote taken, and the basis for the

determination, including, but not necessarily limited to, whether the matter is fair and reasonable to the JASA Entities.

- (iii) If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Audit and Compliance Committee shall determine by a majority vote of Independent Trustees whether the transaction or arrangement is in JASA Entities' best interest, for its own benefit, and whether it is fair and reasonable. Based on such determination, the Audit and Compliance Committee will make its decision about whether or not to enter into the transaction or arrangement.

(c) Special Rules for Related Party Transactions

- (i) In addition to the general considerations outlined above, all Related Party Transactions are subject to the following additional special rules:
  - (a) JASA Entities may not enter into a Related Party Transaction unless the transaction is determined to be fair, reasonable and in JASA Entities' best interest at the time of the determination.
  - (b) In considering the Related Party Transaction, the Audit and Compliance Committee shall ensure that any Board Member, Officer or Key Employee who has an interest in the Related Party Transaction has disclosed in good faith all material facts concerning such interest.
  - (c) No Related Party may participate in the deliberations or voting relating to any Related Party Transaction. However, the Audit and Compliance Committee may request that a Related Party present information concerning a Related Party Transaction at a meeting prior to the commencement of deliberations or voting relating thereto.
- (ii) With respect to any Related Party Transaction involving a JASA Entity and in which a Related Party has a substantial financial interest, in addition to the considerations outlined above, the following shall also apply:
  - (a) Prior to entering into the transaction, the Audit and Compliance Committee shall consider alternative transactions to the extent available.

- (b) The transaction must be approved by not less than a majority vote of the Independent Trustees present at the meeting.
- (c) The Audit and Compliance Committee will contemporaneously document in written minutes the basis for its approval or disapproval, including its consideration of any alternative transactions.
- (d) Violations of this Policy. If the Audit and Compliance Committee, the Risk and Compliance Officer, or counsel has reasonable cause to believe that a Board Member, Officer or Key Employee has failed to disclose an actual or possible conflict of interest, it shall inform the Board Member, Officer or Key Employee of the basis for such belief and afford the Board Member, Officer or Key Employee an opportunity to explain the alleged failure to disclose. If, after hearing the Board Member, Officer or Key Employee's response and performing additional investigation as may be necessary, the Audit and Compliance Committee determines that the Board Member, Officer or Key Employee has failed to disclose an actual or potential conflict of interest, it shall take appropriate disciplinary and corrective action.
- (e) Records of Proceedings. The minutes of the Audit and Compliance Committee meetings shall contain:
  - (i) The names of the persons who disclosed, or were determined to have, a financial interest in connection with an actual or potential conflict of interest, the nature of the financial interest, any action taken to determine if a conflict existed, and the final decision about whether a conflict existed; and
  - (ii) 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 a record of any votes taken.
  - (iii) The Audit and Compliance Committee meeting minutes where a Conflict of Interest is discussed and voted on shall be forwarded to the Chief Compliance Officer or his/her designee to be maintained by the Secretary of the JASA Corporation Board.
- (f) Annual Statements. As part of the Annual Disclosure Statement, each Board Member, Officer and Key Employee shall sign a statement that affirms that he/she:

- (i) Has received a copy of this Policy;
- (ii) Has read and understands this Policy;
- (iii) Agrees to comply with this Policy; and
- (iv) Understands that the JASA Entities are charitable organizations and in order to maintain their federal tax exemption, they must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

**B. Enforcement**

The Chief Compliance Officer be ensure that all Board Members, Officers and Key Employees file Disclosure Statements in accordance with this Policy. If any Board Member, Officer or Key Employee fails to comply with this Policy, the Chief Compliance Officer will report such information to the Chief Executive Officer of JASA Corporation, who shall make appropriate findings and recommend corrective action, subject at all times to the oversight of the Audit and Compliance Committee.

APPENDIX A

**Annual Disclosure Statement**

Name: \_\_\_\_\_

Board/Committee memberships: \_\_\_\_\_

Title (for Officers/Key Employees) \_\_\_\_\_

**Annual Disclosure Statement**

1. List and describe any direct or indirect financial interest that you and/or your Relative(s) have with any Vendor, where the financial interest is at or above the dollar amount set by the JASA Corporation Board of Trustees:

(i) from which JASA Entities purchases or leases services, equipment, or supplies, or that provides services that compete with JASA Entities;

(ii) which renders managerial or consulting services to any organization that does business with, or competes with, JASA Entities in providing services; or

(iii) with which JASA Entities negotiates real estate transactions (such as the leasing of space), and which either benefits from the real estate transactions or competes with JASA Entities in the leasing or purchase of real estate.

\_\_\_\_ NONE

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2. Are there any entities of which you and/or your Relative(s) are an officer, director, trustee, member, owner (either as a sole proprietor or a partner), or employee and with which JASA Entities has a relationship, and any transaction in which a JASA Entity is a participant and in which you might have a disclosable conflict of interest.

\_\_\_\_ NO

\_\_\_\_ YES

If the answer is YES, please (1) provide the name of each such entity, (2) provide your position with each such entity, (3) disclose all material facts and other relevant information relating to the JASA Entities relationship with each such entity, and (4) disclose all material facts and other relevant information relating to any transaction in which JASA Entities are participant(s) and in which you might have a disclosable conflict of interest.

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3. Are you or any Related Party currently engaged in, or planning to engage in, a Related Party Transaction?

NO

YES

If the answer is YES, please (1) identify all of the parties to each such transaction, (2) describe each party's financial interest in each such transaction (e.g., ownership, beneficial, or compensation), (3) disclose all material facts concerning your interest in each such transaction, (4) disclose all material facts concerning any other Related Party's interest in each such transaction, and (5) disclose all other information relevant to each such transaction:

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4. Are you or any Relative of yours currently involved in, or are you or any Relative of yours currently planning to be involved in, any matter or transaction that gives rise to, or appears to give rise to, an actual or potential conflict of interest between your or your Relative's personal interest and the best interests of JASA Entities or its clients?

NO

YES

If the answer is YES, please (1) identify all of the parties involved in each such circumstance, matter or transaction (including yourself, your Relative(s), if any and all other parties), (2) describe your and, if applicable, your Relative's financial interests in each such circumstance, matter or transaction (including, by way of example, ownership interests, beneficial interests, compensation interests or other financial interests), (3) disclose all material facts relating to each such circumstance, matter or transaction, and (4) disclose all other relevant information relating to each such circumstance, matter or transaction.

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5. Are there any other activities that you and/or your Relative(s) are engaged in that could be regarded as creating even the appearance of a conflict of interest?

\_\_\_ NO

\_\_\_ YES

If the answer is YES, please (1) identify all of the parties involved in each such transaction, arrangement, circumstance, relationship or matter (including yourself, your Relative(s), if any and all other parties), (2) describe your and, if applicable, your Relative's financial interests in each such transaction, arrangement, circumstance, relationship or matter (including, by way of example, ownership interests, beneficial interests, compensation interests or other financial interests), (3) disclose all material facts relating to each such transaction, arrangement, circumstance, relationship or matter, and (4) disclose all other relevant information relating to each such transaction, arrangement, circumstance, relationship or matter.

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6. List any of your Relatives who are employed by a JASA Entity. Please provide the name, relation and position of each Relative you list.

\_\_\_ NONE

Name	Relation	Position at JASA Entities

7. List any and all gifts, gratuities, entertainment, or loans received by you and/or any of your Relatives that influence, or might appear to influence, your judgment or actions concerning the business of JASA Entities.

\_\_\_ NONE

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8. List, or attach a copy of a list that identifies, any other charitable or corporate organizations, including any health care facilities, licensed by any state, or any other senior services providers with which you, or your Relative(s), have a direct or indirect financial relationship, or serve as a director, trustee, officer or employee.

\_\_\_ NONE

Name of Entity	You or Relative (if Relative, please list person's name and relation)	Position at the Facility

9. Are you, your spouse, domestic partner, child, parent or sibling a city elected official (e.g., the Mayor or a City Council member)? Do you or your Relative have a business or other financial relationship with a city elected official, or are any of you employed by a city elected official?

\_\_\_ NO

\_\_\_ YES

**Attestation**

\_\_\_\_ I hereby state that, to the best of my knowledge, I, and my Relatives, have the affiliations and interests listed above. I understand that when these are considered in conjunction with my position with JASA Entities, they could constitute a conflict of interest.

**or**

\_\_\_\_ I hereby state that, to the best of my knowledge, neither I nor my Relatives have any disclosable interest that could constitute a conflict of interest.

By signing this form I certify and acknowledge that (i) I have read and understand the Conflict of Interest Policy ("Policy") and agree to comply with the Policy; (ii) the information contained herein is complete and accurate to the best of my knowledge; (iii) I acknowledge that I have a continuing obligation to notify the Risk and Compliance Officer and/or complete and submit a new disclosure form when there is any actual or anticipated significant change in my outside activities or related financial interests; and (iv) I understand that each JASA Entity is a charitable organization and 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

\_\_\_\_\_  
Position/Board(s) on which you serve

\_\_\_\_\_  
Name (Please print)

\_\_\_\_\_  
Date

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