

BOARD POLICY

BOT-01 - Conflicts of Interest

Owner: General Counsel

Key Points

- This policy applies to The MetroHealth System (MHS) Board of Trustees (Board).
- This policy supplements, but does not replace, any applicable county, state or federal laws governing conflicts of interest applicable to MHS or the members of the Board (Trustees).
- Trustees disclose any actual or potential conflicts with any personal interests they may have and the interests of MHS or any of its Related Entities.¹
- Trustees do not seek employment at MHS while serving as a Trustee.

Policy

1. Trustees owe a fiduciary duty to MHS and exercise the utmost good faith in all transactions related to their duties for MHS.
2. Conflicts of interest arise when a Trustee's ability to be an objective decision-maker is impaired by their own interests, or the interests of Family Members² or Business Associates.³
3. Trustees do not use their positions, or the knowledge gained therefrom, in such a way that a conflict of interest might arise between MHS' interest and their personal interest.
4. Trustees also are subject to Ohio Ethics laws, including sections 102.03 and 2921.42 of the Ohio Revised Code.
 - 4.1. These complex laws require careful evaluation of the specific facts and circumstances pertaining to a Trustee's personal or private interest – as well as the interests of a Trustee's Family Members or Business Associates.
 - 4.2. The Ohio Ethics laws are criminal statutes and violation of such laws could result in serious consequences.
 - 4.3. MHS regularly provides training and updates to the Board related to Ohio Ethics laws.
5. Trustee Responsibilities. In keeping with the fiduciary and other duties owed to MHS and consistent with their obligations under Ohio Ethics laws, Trustees:
 - 5.1. Review, understand, and comport with all applicable requirements regarding conflicts of interest, including Ohio Ethics laws;
 - 5.2. Do not use their role as Trustee for the benefit of themselves, their Family Members, or their Business Associates;
 - 5.3. Disclose all potential conflicts of interest as set forth in Section 4;
 - 5.4. Identify and disclose to the General Counsel any potential conflict of interest regarding a matter before the Board prior to the start of the Board or committee meeting;
 - 5.5. Recuse themselves from any matter pending before the Board in which they have an interest (including voting, discussing, participating in deliberations, or otherwise using their official position, formally, or informally);
 - 5.5.1. Board and committee meeting minutes reflect the recusal of a Trustee due to an actual or potential conflict of interest.

- 5.6. Do not seek employment at MHS while serving as a Trustee; and
 - 5.6.1. Former Trustees may not be employed by MHS until 6 months after the date on which their role as Trustee ended.
- 5.7. Direct questions regarding potential conflicts of interest to the General Counsel.
- 6. Annual Disclosure Statements and Review. Upon appointment to the Board and annually thereafter, each Trustee submits a Conflict of Interest Disclosure Statement (Disclosure Statement).
 - 6.1. In doing so, Trustees affirm that they:
 - 6.1.1. Received a copy of this Conflicts of Interest policy;
 - 6.1.2. Completed the Disclosure Statement;
 - 6.1.3. Read and understand the policy; and
 - 6.1.4. Agree to comply with the policy.
 - 6.2. Trustees update their Disclosure Statement when they become aware of a change or reasonably soon after it arises (within 30 days).
 - 6.2.1. Ethics and Compliance, in collaboration with the Legal Department, reviews the Disclosure Statements and assesses any appropriate steps to mitigate potential or actual conflicts.
 - 6.2.2. Annually, Ethics and Compliance provides the General Counsel with a list of Trustees' disclosures. Ethics and Compliance updates the General Counsel with any changes in the Trustees' Disclosure Statements as they arise.
 - 6.2.3. The General Counsel reviews the reported interests and makes recommendations to the Chairperson as to actions needed to mitigate any potential or actual conflicts.
 - 6.3. The Chairperson and the General Counsel review any disclosure made by a Trustee prior to or during a meeting and determine if a Conflict of Interest exists and the mitigation steps if necessary.
- 7. Violations of the Conflicts of Interest Policy. If the Board has reason to believe that a Trustee failed to abide by their obligations regarding conflicts of interest:
 - 7.1. The Chairperson and the General Counsel inform the Trustee of the basis for such belief and afford the Trustee the opportunity to respond;
 - 7.2. The General Counsel, in consultation with the Chief Ethics and Compliance Officer, investigates the matter; and
 - 7.3. If the Board determines that a violation of the policy has occurred, it takes appropriate action.
- 8. Policy Reviews. The Board reviews this policy periodically and implements changes as necessary.

References

[R.C. § 102.03](#) and [R.C. § 2921.42](#)

Endnotes

- ¹ Related Entities include any subsidiary of MHS and any business, corporation, partnership, limited liability company or other entity in which MHS or a MHS subsidiary holds an ownership interest, directly or indirectly. Related Entities do not include ownership interests of less than 5 percent of outstanding securities of public corporations. The current list of Related Entities is available in the CONI disclosure system and available from the Legal Department.
- ² Family Members include a Trustee's spouse, children (whether dependent or not), parents, grandparents, siblings and other persons related by blood or marriage and residing in the same household.
- ³ Business Associates include any person or entity with whom a Trustee acts together to pursue a common business purpose. A Trustee's outside employer is considered to be their Business Associate.