

**TREDYFFRIN & EASTTOWN CARE, INC.****CONFLICT OF INTEREST POLICY****I. Scope of the Policy.**

This Conflict of Interest Policy ("Policy") applies to the directors, officers and staff (collectively, "Representatives") of Tredyffrin & Easttown Care ("TEC").

**II. Purpose of Policy**

This Policy is intended to insure that Representatives of TEC discharge their fiduciary responsibilities to TEC in strict compliance with the Pennsylvania Nonprofit Corporation Law, the Internal Revenue Code, and all applicable laws and regulations, and in accordance with the highest ethical standards. This Policy shall serve:

- (i) to help Representatives identify, avoid and/or resolve ethical, financial, legal or other conflicts of interest and to promote full disclosure of potential conflicts of interest;
- (ii) to prohibit Representatives with conflicts from participating in or influencing any TEC decisions involving the interest;
- (iii) to encourage Representatives to arrange their personal, professional and financial activities and interests outside TEC so as to avoid real or potential conflicts of interest with TEC;
- (iv) to require Representatives to maintain the confidentiality of all proprietary and other sensitive information pertaining to TEC; and
- (v) to insure that Representatives at all times act in accordance with the best interests of TEC.

**III. Identification and Disclosure of Actual or Perceived Conflicts of Interests.**

A conflict of interest may arise whenever a Representative has, or appears to have, the opportunity to influence the decision-making of TEC in ways that could lead to personal, professional or financial gain or advantage, whether direct or indirect, or when external activities, interests or commitments burden or interfere in any way with the Representative's duty of loyalty and other fiduciary obligations to TEC. The standards and examples set forth in Attachment "A" provide guidance in identifying areas where conflicts of interest might exist in certain situations. Representatives are expected to exercise prudent personal judgment to meet the letter and spirit of

this Policy and to avoid even the appearance of a conflict. Questions regarding potential conflicts of interest may be addressed to legal counsel for TEC.

A. Disclosure.

The duty to disclose conflicts of interest is a continuing one. If any Representative is involved in or becomes aware of any transaction or situation that results or could result in a conflict, or an appearance of a conflict, of interest, the Representative shall promptly submit a complete written description of such transaction or situation to the President and the Chairman of the Board of TEC.

B. Reports of Apparent Conflicts, Unethical Conduct.

If at any time a Representative becomes aware of any apparent violation of this Policy, including the standards of conduct or other apparent unethical conduct, such person should report it to TEC's legal counsel. The identity of the Representative making such report under this subsection shall remain confidential.

**IV. Evaluation and Resolution of Conflicts.**

A. The Chairman of the Board and the President of TEC shall be responsible for monitoring the conduct of and disclosure by Representatives and shall identify, address and/or resolve actual or potential conflicts in consultation with legal counsel to TEC. If deemed necessary or advisable, individual cases may be referred to the full Board or a committee thereof for resolution.

B. Whenever any matter comes before the Board or a committee thereof during a meeting, conflicts or potential conflicts of interest, even if previously disclosed, should again be disclosed. The Representative affected should not be counted as present in determining a quorum for the matter to be voted upon, and should not participate in the discussions, except to correct any misunderstanding of the facts or answer pertinent questions. After answering questions, the Representative shall withdraw from the meeting until the matter has been acted upon.

The minutes of the TEC Board or the relevant committee should include the following: 1) the name of the interested Representative; 2) the nature of the interest and how it was disclosed; 3) that a quorum was present without counting the Representative affected and the Representative affected withdrew from the meeting until the matter was concluded; 4) the names of the persons who were present for discussion or vote relating to the transaction or arrangement; 5) the content of the discussion, including any alternatives to the proposed transaction or arrangement; and 6) a record of the vote.

## ATTACHMENT "A"

### ETHICAL STANDARDS OF CONDUCT AND EXAMPLES OF CONFLICTS OF INTEREST

#### A. Outside Employment, Professional and Business Interests.

- TEC shall not retain the services of an outside organization in which a Representative or his/her family member has an Interest unless the disclosure and resolution processes of this Policy establish a method for avoidance or resolution of the conflict. "Family member" shall mean a spouse, children or parents.
- No Representative shall solicit the business of TEC, or any officer or employee of TEC, for any outside organization in which a family member has an Interest.
- No Representative may sit on a committee which has the authority to award or recommend the awarding of business to his/her (or to his/her family member's) outside organization, unless the Representative declares that such outside organization is not eligible to receive the business or the disclosure and resolution processes establish a method for avoidance or resolution of the conflict.

#### B. Gifts and Favors.

- No Representative shall seek, solicit or accept any compensation, gift, gratuity, entertainment, hospitality or other favor from any person or outside organization which might influence, or appear to influence, such Representative's decision-making on actions affecting TEC. Some modest gifts as promotional material of modest value, such as pens, mugs, calendars, or tote bags, are permissible. Money should never be accepted regardless of how small the amount.
- No Representative shall seek, solicit or accept gifts, entertainment, special favors or other considerations for themselves or a third party in return for business or services from TEC.

#### C. Use and Disclosure of Confidential Information.

- No Representative may exploit corporate opportunities or use inside information for personal, professional or financial gain or to obtain private or secret profit as a result of his/her official position.

- Representatives shall refrain from using or disclosing any confidential information about the activities of TEC for the benefit of themselves, family members or any outside organization, except as expressly authorized.

D. Relationship with TEC.

- No Representative shall act as an agent of TEC or represent that he/she is an agent of TEC unless specifically authorized to do so.
- No Representative shall publicly use his/her affiliation with TEC or use TEC's name, property or facilities in connection with the promotion of partisan politics, personal political activities or issues not in conformity with a position taken by TEC.

E. Prohibition on Participation and Voting.

- No Representative may participate in the discussion regarding any matter in which he/she has an interest, or the appearance of an interest, requiring disclosure, nor shall such Representative be permitted to vote thereon.