ANNUAL CONFLICT OF INTEREST AND DISCLOSURE STATEMENT

STANDARDS AND EXPECTATIONS

Applies to:
Physicians, nurse anesthetists, anesthesia assistants, and management staff of Anesthesia Practice Consultants, Anesthesia Medical Consultants, West Michigan Anesthesia, AMC Mobile Anesthesia, and any related entity.

Purpose:
Persons responsible for leading or managing APC and/or entities in which APC is directly or indirectly the sole member or owner (herein collectively “APC”), must conduct their personal affairs in a manner consistent with their duties to APC. This policy defines those duties as they relate, in particular, to conflicts of interest, and prescribes the manner in which such conflicts should be handled.

Definitions:
A. Conflict of Interest – Any circumstance, relationship (financial or otherwise), activity, demand or decision (made in the course of governance, management or professional responsibilities or otherwise) that adversely influences or appears to adversely influence the ability to:
   1. Make objective decisions on behalf of APC; and /or
   2. Act in the best interests of APC.
B. Financial Interest – A person (or members of his/her family) has directly or indirectly, through business or investment:
   1. An ownership or investment interest in any organization or entity with which APC either has or is considering a transaction or arrangement; or
   2. A compensation arrangement with APC or with any entity or individual with which APC either has or is considering a transaction or arrangement. Compensation arrangements include direct and indirect remuneration as well as gifts or favors worth more than a total of $1,000 in a single year from any organization or entity. This definition does not include the acceptance of items of nominal or minor value that are clearly tokens of respect or friendship, ordinary business meals and business entertainment or items received at public events.
C. Management Staff – Management staff means, for the purposes of this policy, any member of the APC Executive Committee, APC Management Committee, APC officer or any staff member of APC who may influence transactions or arrangements, or any persons with board-delegated powers.

The Duty of Loyalty:
APC’s physicians, nurse anesthetists, and management staff owe the corporation a duty of loyalty. This duty requires that they:
A. Maintain confidentiality and not disclose information about APC’s plans or business unless they are already known by the public or are of public record;
B. Candidly disclose any conflicts of interest with APC, abstain from participating in the consideration of or action upon any transaction involving such a conflict, and otherwise facilitate informed and disinterested review of any such transactions by the Board of Directors and management; and
C. Not participate in a transaction which they know to be a corporate opportunity (e.g. a transaction in which APC might want to participate if it had knowledge of it) without first timely disclosing it to the Executive Committee in sufficient detail to permit it to be evaluated.
The best interests of APC must prevail over the personal interests of the corporation’s physicians, nurse anesthetists and management staff.

Conflict of Interest Procedures:
It is neither practical nor desirable for APC to avoid all transactions involving a potential conflict of interest. However, APC must avoid transactions in which its corporate interest may be subverted to the financial advantage of a person responsible for leading or managing the corporation. APC’s best interest must be protected by full disclosure of any conflict of interest and by the abstention of a person having a conflict of interest from any vote involving that conflict.

A. Duty to Disclose
1. A physicians, nurse anesthetist or management staff of APC who has a financial interest in a proposed transaction or arrangement involving APC or any related party must disclose the existence of his or her financial interest and all relevant facts concerning that interest to the APC Executive Committee.
2. Written notice delivered to the Administrator for presentation to the Executive Committee shall constitute sufficient disclosure. The Executive Committee shall convey any such disclosure made to any decision-making bodies as appropriate in order to address such potential conflict of interest.
3. A physician, nurse anesthetist or management staff of APC shall not be required to disclose:
   i. An interest that arises solely from the receipt of compensation for services performed within the normal scope of his or her employment or association with APC.
   ii. An interest that arises from the ownership of five (5)% or less of the voting stock of a corporation or the right to receive five (5)% or less of the net profits of a partnership, association or other business conducted for profit.
4. A physician, nurse anesthetist or management staff of APC who first learns of his or her financial interest in a proposed transaction after that proposed transaction has already been considered by the Board of Directors or a committee shall disclose his or her financial interest at or before the first meeting of the Executive Committee after he or she learns of that financial interest.
5. No physician, nurse anesthetist or management staff of APC shall approve or order on behalf of APC or any of its related entities any transaction or arrangement in which he or she has a financial interest without the express approval of the Executive Committee. No physician, nurse anesthetist or management staff of APC shall attempt to influence any person to vote or act favorably upon a transaction in which he or she has a financial interest without first disclosing that interest.

B. Procedures for Resolving Conflicts of Interest
1. A person having a financial interest in a proposed transaction or arrangement may make a presentation at a meeting of the Executive Committee or committee considering that transaction or arrangement, but after that presentation, he or she shall leave the meeting during discussion and voting on that proposed transaction or arrangement.
2. The APC President or chairperson of the committee shall, if appropriate, appoint a disinterested person or committee (including outside advisors) to investigate alternatives to the proposed transaction or arrangement and to advise whether the proposed transaction or arrangement is in APC’s best interest.
3. The Executive Committee shall exercise due diligence to determine whether APC can, with reasonable efforts, obtain a more advantageous transaction or arrangement that would not give rise to a conflict of interest.
4. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Executive Committee, Management Committee or other committee shall determine by a majority vote of the disinterests shareholders whether the proposed transaction or arrangement is in APC’s best interest and for its own benefit and whether the transaction is fair and
reasonable to APC, and shall make its decision as to whether to enter into the
transaction or arrangement in conformity with such determination.

5. The minutes of the meetings of the Executive Committee, Management Committee
and all other APC committees shall set forth:
   i. The names of the persons who disclosed a financial interest in a proposed
      transaction or arrangement involving APC or any of its related entities and the
      nature of the financial interest; and
   ii. The names of the persons who were present for discussions and votes relating
       to such transaction or arrangement, including any discussion of alternatives to
       the proposed transaction or arrangement, and a record of any votes taken in
       connection with that matter. The votes of individual members need to be
       recorded unless otherwise directed by the committee.

C. Violations of the Conflict of Interest Policy.

1. In the Executive Committee, Management Committee or other committee has
   reasonable cause to believe that a physician, nurse anesthetist or management staff of
   APC has failed to disclose a financial interest as required by this policy, it shall inform
   the person of the basis for such belief and afford the person an opportunity to explain
   the alleged failure to disclose.

2. If, after hearing the response of the physician, nurse anesthetist or management staff
   and making such further investigations may be warranted in the circumstances, the
   Executive Committee, Management Committee or other committee determines that the
   person has in fact failed to disclose a conflict of interest, it shall take appropriate
   disciplinary and corrective action.

Compensation Committees:
A voting member of any committee whose responsibility includes compensation matters and who
receives compensation, directly or indirectly, from APC for services shall not vote on matters pertaining
to that member’s compensation.

Annual Statements:
Each physician, nurse anesthetist or management staff shall annually complete and furnish to the
Administrator (or his or her designee) a disclosure statement listing then-known existing and potential
conflicts of interests. Such statement shall affirm that the person has received a copy of this policy, has
read and understands this policy, and has agreed to comply with this policy. This process is intended to
facilitate the resolution of conflicts of interest, and not to be burdensome or time consuming. The
questionnaire must be completed in good faith to the best of the individual’s knowledge and awareness.
The fact that a disclosure statement has been completed does not relieve an individual of the duty to
disclose a conflict of interest before action is taken on any transaction to which that conflict of interest
may be relevant.

APC reserves the right to alter, amend, modify or eliminate this policy/ procedure/ program at any time
without prior notice.