



BYLAWS OF

ASSOCIATION OF SAFE PATIENT HANDLING PROFESSIONALS, INC.

ARTICLE XXII – CONFLICTS OF INTEREST

1. The purpose of the Conflict of Interest Policy is to protect the Corporation's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the Corporation or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.
2. Any director, principal officer, or member of a committee with Board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.
3. A person has a financial 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
 - b. A compensation arrangement with the Corporation or with any entity or individual with which the Corporation has a transaction or arrangement, or
 - c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.
4. A financial interest is not necessarily a conflict of interest. Under Sections 2 and 3 of this Article XXII, a person who has a financial interest may have a conflict of interest only if the appropriate Board or committee decides that a conflict of interest exists.
5. Although it shall not be encouraged, a business relationship may exist between a director or officer of the Corporation and the Corporation so long as the facts and circumstances of such relationship are fully disclosed to the Board of Directors, no more than fair market value is paid for such goods or services, and the relationship is approved by the Board of Directors; provided, however, that any affected director shall remove himself/herself from any vote on or consideration or such relationship as follows in Sections 6 through 8 of this Article XXII. (Notwithstanding the foregoing, any such affected director may be counted in determining the

presence of a quorum at any Board meeting where action is taken on any such business relationship)

6. In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors and members of committees with Board delegated powers considering the proposed transaction or arrangement.
7. After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The Board or committee member shall decide if a conflict of interest exists.
8. If a conflict of interest exists, the following procedure shall be adopted for addressing the conflict of interest:
 - a. An interested person may make a presentation at the Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
 - b. The chairperson of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - c. After exercising due diligence, the Board or committee shall determine whether the Corporation can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
 - d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or committee shall determine by a majority of vote of the disinterested directors whether the transaction or arrangement is in the Corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
9. The following addresses violations of the Conflicts of Interest Policy:
 - a. If the Board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the interested person of the basis for such belief and afford the interested person an opportunity to explain the alleged failure to disclose.
 - b. If, after hearing the response of the interested person and after making further investigation as warranted by the circumstances, the Board or committee determines

the interested person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

10. The minutes of the Board and all committees with board delegated powers shall contain:
 - a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the governing board's or committee'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 a record of any votes taken in connection with the proceedings.
11. A voting director of the Board who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that director's compensation. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation for services is precluded from voting on matters pertaining to that member's compensation. No voting director of the Board or any member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.
12. Each director, principal officer and member of a committee with Board delegated powers shall annually sign a statement which affirms such person has received a copy of the conflicts of interest policy, has read and understands the policy, has agreed to comply with the policy, and understand the Corporation is charitable 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.
13. To ensure the Corporation operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects: (a) whether compensation arrangements and benefits are reasonable, based on competent survey information, and the results of arm's length bargaining; (b) whether partnerships, joint ventures, and arrangements with management organizations (if any) conform to the Corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.