

THE NEW ENGLAND COLLEGE OF OPTOMETRY.

CONFLICT OF INTEREST POLICY

Article I

Purpose

The purpose of the conflicts of interest policy is to protect the College's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or trustee of the College. This policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to nonprofit and charitable corporations. The guiding principle of this policy is a duty of loyalty to the College. This requires that each person to which this policy applies conducts himself/herself in a manner vis a vis the College that is honest and faithful to the person's fiduciary duties to the College. The conduct required of each such person is acting in a manner which the member reasonably believes is in the best interest of the College.

Article II

Definitions

1. Body means the Board of Trustees, a board of Directors, or a Committee, as the case may be.
2. College means The New England College of Optometry and each of its subsidiaries.
3. Financial Interest. 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 College has a transaction or arrangement, or
  - b. A compensation arrangement with the College or with any entity or individual with which the College 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 College is negotiating a transaction or arrangement.
4. Interested Person means any Trustee, director, officer, or member of a committee of the College who has a direct and material interest in a transaction of the College where there may be a financial interest for such person, and if such interest may be material.

The fact that a person engages in the practice of optometry and the proposed transaction may affect the general practice of optometry does not by itself constitute a conflict of interest, but a

transaction that may have a material effect upon the practice of a particular optometrist may result in a conflict of interest for that optometrist.

5. Materiality means there is a substantial likelihood that a reasonable person would consider this potentially conflicting interest important in deciding how the person will act as in making a decision concerning the transaction.

## Article III

### Procedures

#### 1. Duty to Disclose

In connection with any actual or possible conflicts of interest, an interested person must disclose the existence of his or her financial interest and all material facts to the Body considering the proposed transaction or arrangement. The annual questionnaire disclosure will not alone be sufficient and there must be separate disclosure in regard to the particular matter. The interested person may participate in the discussions and deliberations unless requested by any two members of the Body or the chairperson of the Body. If there is a request for exclusion, the interested person may make a presentation at meeting, but after such presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest. Whether or not excluded from the meeting, the interested person shall not vote on the matter in which he/she has the interest.

#### 2. Determining Whether a Conflict of Interest Exists

If there is a dispute concerning the existence of a conflict of interest, after disclosure of the interest and all material facts, the interested person, shall leave the board or committee meeting while the determination of a conflict of interest is discussed and voted upon by the Body. The remaining board or committee members who are participating in such meeting shall decide if a conflict of interest exists.

#### 3. Procedures for Addressing the Conflict of Interest

- a. After exercising due diligence, the Body shall determine whether the College can reasonably obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- b. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Body shall determine whether the transaction or arrangement is in the College's best interest and whether the terms of the transaction are fair and reasonable to the College and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. Violations of the Conflicts of Interest Policy

- a. If the Body has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Body determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action which may include a report to the Governance and Trusteeship Committee of the College

Article IV

Records of Proceedings

The minutes of each Body 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 Body'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 therewith.

Article V

Annual Statements

Each Trustee, director, principal officer and member of a committee with board delegated powers shall annually sign a statement which affirms that such person has received a copy of the conflicts of interest policy; has read and understands the policy; and has agreed to comply with the policy. Such Annual Statements and Conflict of Interest Questionnaires will be reviewed by the Governance and Trusteeship Committee of the College which will report its results to the Executive Committee and the Board of Trustees of the College.

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