

EXHIBIT “A”
TO BYLAWS AND CODE OF REGULATIONS

CONFLICT OF INTEREST POLICY

KIDSMILES PEDIATRIC DENTAL CLINIC, INC.

This Conflict of Interest Policy has been adopted by the Board of Directors of KidSMILES Pediatric Dental Clinic, Inc. (hereinafter “KidSMILES”), made effective April 5, 2017. The purpose of the Conflict of Interest Policy is to ensure that the deliberations and decisions of KidSMILES are made in the interests of the charitable, religious and educational purpose(s) set forth in the Bylaws and Code of Regulations when it is contemplating entering into a transaction, contract, or arrangement that might benefit the private interest of a person affiliated with KidSMILES.

In the event that this Conflict of Interest Policy needs to be amended, the Board of Directors or nominee committee will recommend changes to be approved by majority vote of the entire Board of Directors. A quorum of the Board of Directors is required to amend this Conflict of Interest Policy, as set forth in Bylaws and Code of Regulations effective as of an even date herewith.

This Policy is intended to supplement but not to replace any applicable laws governing conflicts of interest in non-profit and charitable corporations.

Definition of a Conflict of Interest

A Conflict of Interest occurs whenever there is a conflict (or appearance of a conflict) between the private interests and the professional responsibilities of Board Members, Corporate Members, Corporate Officers, Staff Members, or Volunteers. Specifically, an Officer, Director, Member, Board Member, Staff Member, or Volunteer may not use his or her position with respect to KidSMILES, or confidential corporate information obtained by him or her relating to KidSMILES, in order to achieve a financial benefit for himself or herself or for a third person, including another nonprofit or charitable organization.

Whenever KidSMILES is considering a relationship with a supplier, partner or client, there is a potential for a conflict of interest. In addition to business transactions, the following situations are considered conflicts of interest:

1. Board Members related to other board members.
2. Staff Members supervising family members.
3. Board Members being considered for employment.

For purposes of this provision, the term “interest” shall include personal interest, interest as director, officer, member, stockholder, shareholder, partner, manager, trustee or beneficiary of any concern and having an immediate family member who holds such an interest in any concern. The term “concern” shall mean any corporation, association, trust, partnership, limited liability entity, firm, person or other entity other than KidSMILES. “Interested person” shall mean any director, principal officer, or member of a committee with governing Board delegated powers, who has a direct or indirect financial interest. “Financial interest” shall be found where a person has, directly or indirectly, through business, investment, or family:

- (1) An ownership or investment interest in any entity with which KidSMILES has a transaction or arrangement;
- (2) A compensation arrangement with KidSMILES or with any entity or individual with which KidSMILES has a transaction or arrangement, despite the fact that compensation has been prohibited by the Bylaws and Code of Regulations; or
- (3) A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which KidSMILES is negotiating a transaction or arrangement.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. As set forth below, a person who has a financial interest may have a conflict of interest only if the appropriate governing Board or nominee Committee decides that a conflict of interest exists.

No Director or Officer of KidSMILES shall be disqualified from holding any office in KidSMILES by reason of any interest in any concern. A Director or Officer of KidSMILES shall not be disqualified from dealing, either as vendor, purchaser or otherwise, or contracting or entering into any other transaction with KidSMILES or with any entity of which KidSMILES is an affiliate. No transaction of KidSMILES shall be voidable by reason of the fact that any Director or Officer of KidSMILES has an interest in the concern with which such transaction is entered into, provided the following conditions are met:

- (1) The interest of such officer or director is fully disclosed to the Board of Directors.
- (2) Such transaction is duly approved by the Board of Directors not so interested or connected as being in the best interests of KidSMILES.
- (3) Payments to the interested Officer or Director are reasonable and do not exceed fair market value.

- (4) No interested Officer or Director may vote or lobby on the matter or be counted in determining the existence of a quorum at the meeting at which such transaction may be authorized.

The minutes of meetings at which such votes are taken shall record such disclosure, abstention, and rationale for approval.

Notification of Employees, Officers, Members, Board Members, and Volunteers

This Conflict of Interest Policy shall be discussed in employee, Board Member, and Volunteer orientations. Each new employee, Board Member, Member, Officer, and Volunteer will sign the Conflict of Interest Statement (attached) at their orientations.

Annually, all paid employees, Members, Officers, Board Members, and Volunteers will discuss this Conflict of Interest Policy and will re-sign the Conflict of Interest Statement. This re-signing will take place during the first month of each fiscal year, as set forth in further detail below. These parties are responsible for ensuring this policy is understood and signed statements are current:

1. With the cooperation of the a duly appointed nominee Committee, the Chairperson of the Board of Directors will discuss the Conflict of Interest Policy and collect the signed Conflict of Interest Statements from each Board Member at the first meeting of each year.
2. The President or his/her designee is responsible to discuss the Conflict of Interest Policy and collect the Conflict of Interest Statement from each employee and Volunteer during the first month of the fiscal year. This can be done in meetings or in one-on-one sessions.

Maintaining the Records for the Conflict of Interest Statements

All Conflict of Interest Statements that are signed by Staff Members will be kept in their personnel files. All Volunteer Conflict of Interest Statements will be kept with the Volunteer records. All Conflict of Interest Statements that are signed by Board Members will be kept in the files of the Board or nominee Committee.

Disclosing and Managing Potential Conflicts of Interest

Staff members and Volunteers shall notify the President or Chairperson of the Board of Directors if they have a potential conflict of interest – or if they believe anyone else is facing a potential conflict of interest. The President or Chairperson of the Board of Directors will perform an investigation within a week of learning about a potential conflict of interest from an employee or Volunteer.

Board Members should notify the Chairperson of the Board if they learn of a potential conflict of interest. When the Board Chair is notified of the potential conflict of interest, s/he will investigate or delegate to a duly appointed nominee Committee within one week. The Board Chair, President, or nominee Committee will investigate, discuss and determine how to handle each situation. This shall include: (1) notifying the Board, staff and/or Volunteers about the potential conflict, (2) excusing the individual from decision-making pertaining to this topic, or (3) removing the option that benefits the Board Member, Member, Officer, employee, or Volunteer from consideration. If the conflicted person is a Board Member, the findings shall be reported directly to the Board.

At the next Board meeting, the Chair, President, or nominee Committee will present a description of the circumstances and actions taken to resolve the situation. These will be entered into the Board's meeting minutes. The Chair, President, or nominee Committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction, contract, or arrangement. The interested person(s) may make a presentation at the such Board or nominee 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. The written or electronic records of the Board nominee Committee relating to Conflict of Interest shall contain:

- (a) The names of persons who disclosed or otherwise were found to have a potential or actual conflict in connection with a proposed transaction, contract, or arrangement;
- (b) The nature of the potential or actual conflict;
- (c) Any action taken to determine whether a conflict of interest was present;
- (d) The Board's nominee Committee's, as applicable, decision as to whether a conflict of interest in fact existed;
- (e) The names of the persons who were present for discussions and votes relating to the transaction, contract, or arrangement;
- (f) The content of the discussion, including any alternatives to the proposed transaction, contract, or arrangement; and
- (g) A record of any votes taken in connection therewith.

For any potential conflict, after exercising due diligence, the Board or nominee Committee shall determine whether KidSMILES, 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. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board or nominee Committee shall determine by a majority vote of the disinterested Directors whether the transaction or arrangement is in KidSMILES' 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.

Standards and Penalties

KidSMILES and its Members hold themselves to the highest ethical standards and, through this policy, want to discuss any potential conflicts of interest that may affect its business. If the Board or nominee Committee has reasonable cause to believe a Member, Staff Member, Officer, Board Member, or Volunteer has failed to disclose actual or possible conflicts of interest, it shall inform such conflicted person of the basis for such belief and afford the conflicted person an opportunity to explain the alleged failure to disclose. If, after hearing the conflicted person's response and after making further investigation as warranted by the circumstances, the Board or nominee Committee determines the conflicted person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action. The penalty for non-compliance with this policy can be severe – up to and including termination from employment, Volunteer or Membership status, or a request for resignation from the Board.

Compensation

a. A voting member of the governing board who receives compensation, directly or indirectly, from KidSMILES for services is precluded from voting on matters pertaining to that member's compensation.

b. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from KidSMILES for services is precluded from voting on matters pertaining to that member's compensation.

c. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from KidSMILES, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Duty to Disclose

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 any pertinent committees with Board delegated powers considering the proposed transaction or arrangement.

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 nominee Committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists as set forth above.

Annual Statements

Each Director, Volunteer, Member, Officer and any Member of a Committee with Board delegated powers shall annually sign a statement which affirms such person:

- a. Has received a copy of the conflicts of interest policy,
- b. Has read and understands the policy,
- c. Has agreed to comply with the policy, and
- d. Understands that KidSMILES 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.

Periodic Reviews

To ensure that KidSMILES 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 expenditures are reasonable, based on competent survey information, and the result of arm's length bargaining.
- b. Whether partnerships, joint ventures, and arrangements with management organizations conform to KidSMILES' 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.

Use of Outside Experts

When conducting the periodic reviews as provided for above, KidSMILES may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing Board of its responsibility for ensuring periodic reviews are conducted.

[Conflict of Interest Statement follows immediately.]

CONFLICT OF INTEREST STATEMENT

KidSMILES Pediatric Dental Clinic, Inc.

I, _____(print name), understand that this Conflict of Interest Policy for KidSMILES Pediatric Dental Clinic, Inc., pertains to all paid staff, Volunteers, Corporate Members, Officers, and Board Members.

I have read the Conflict of Interest Policy.

I understand that a conflict of interest may occur in business transactions between KidSMILES Pediatric Dental Clinic, Inc. and businesses that are owned by me or my relatives. Additionally, if I (or my relatives) could personally benefit in any way from decisions or actions that are being made by KidSMILES Pediatric Dental Clinic, Inc., there is a potential conflict of interest.

I understand that it is my obligation to notify the KidSMILES Pediatric Dental Clinic, Inc.'s President or Chairperson of the Board of any potential or real conflicts of interest.

I understand that the Board of Directors or appropriate Committee will discuss the situation with me and others and will determine how to handle each situation.

I also understand that I may be asked to resign from the Board, forfeit membership, or terminate my Volunteer position, or I may be terminated from employment, if I do not disclose potential conflicts of interest.

I, _____(print name), understand this Conflict of Interest Statement and agree to abide by this Policy.

SIGNATURE: _____

DATE: _____