ARTICLE I. PURPOSE

The purpose of this conflicts of interest policy is to protect the interests of Patient Services, Inc. (“PSI”) when PSI is contemplating taking an action that might benefit the private interest of a director or officer of PSI. This policy is intended to supplement but not replace any applicable federal or Virginia laws governing conflicts of interest that apply to PSI.

ARTICLE II. DUTY OF DIRECTORS AND OFFICERS

The directors and officers of PSI shall exercise the utmost good faith in all their actions on behalf of PSI and its property. In their dealings with and on behalf of PSI, they are held to a strict rule of honest and sincere dealing among themselves and PSI. They shall not use their positions, or knowledge gained therefrom, so that a conflict might arise between PSI’s interest and that of the director or officer.

ARTICLE III. DEFINITION OF INTEREST

For purposes of this policy, a director or officer shall be deemed to have an "interest" in a contract, transaction, or other arrangement, or in the same or related business as PSI, if the director or officer, or a family member or member of the immediate household of the director or officer is the party (or one of the parties) or is a director, trustee, officer, or general partner of, or has a material financial or influential interest in, an entity that is the party (or one of the parties) contracting or dealing with PSI. Interests include but are not limited to: (a) an ownership or investment interest in any entity with which PSI is entering or has entered into a transaction or arrangement, (b) a compensation arrangement with PSI or with any entity or individual with which PSI is entering or has entered into a transaction or arrangement, (c) a potential
ownership or investment interest in, or compensation arrangement with, any entity or individual with which PSI is entering or has entered into a transaction or arrangement, and (d) personal benefit from distribution of disease funds that have been established or are under consideration by PSI. For purposes of this provision, compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature. For purposes of (d), a personal benefit includes the potential that a Board member has or could apply for assistance, or that a member of his or her household or immediate family has been assisted or has the potential to benefit from fund assistance. An interest will constitute a conflict of interest only if the Board of Directors determines under the provisions of this conflicts of interest policy that a conflict of interest exists. Relationships and dealings of PSI with corporations, partnerships, joint ventures, or other entities owned, controlled, or managed by PSI shall not constitute interests under this Article.

ARTICLE IV. DUTY TO DISCLOSE

Any director or officer having an interest in a contract, transaction, or arrangement presented to the Board of Directors or a committee thereof for consideration, authorization, approval, discussion, or ratification shall make a prompt, full, and frank disclosure of his or her interest to the Board of Directors at the first meeting of the Board after the conflict occurs, and, in any case before the Board or committee takes action on such contract, transaction, or arrangement. Such disclosure shall include any relevant and material facts known to such person that might reasonably be construed to be adverse to or potentially adverse to PSI’s interests.

ARTICLE V. STANDARDS AND PROCEDURES

(a) The Board of Directors shall determine, by majority vote, whether the disclosure shows that a conflict of interests exists or can reasonably be construed to exist.

(b) The Board of Directors may request the person to provide factual information regarding the potential or actual conflict of interests and such proposed contract, transaction, or arrangement.
(c) If deemed appropriate, the Board of Directors may appoint a non-interested person or committee or subcommittee to investigate alternatives to such proposed contract, transaction, or arrangement.

If a conflict of interests is deemed to exist, the person having the conflict of interests shall not participate or attend, vote on, or use his or her personal influence in connection with the discussions, deliberations, or vote with respect to such contract, transaction, arrangement, or related matters affecting PSI.

(d) At any meeting of the Board of Directors where such contract, transaction, arrangement, or related matters are under discussion or are being voted upon, a quorum is present if a majority of directors who have no direct or indirect personal interest in such contract, transaction, or arrangement participate in the vote held to authorize, approve, or ratify such contract, transaction, or arrangement.

(e) In order to approve such contract, transaction, or arrangement, the Board of Directors must first find, by majority vote without counting the vote of the interested director or directors, that the proposed contract, transaction, or arrangement is in PSI's best interest and for its own benefit; and the proposed contract, transaction, or arrangement is fair and reasonable to PSI.

(f) The minutes of the meeting shall reflect the disclosure made, the persons present for the discussion and vote, the content of the discussion, the vote thereon (including any roll call), and, where applicable, the abstention from voting and participation, and that a quorum was present.

PSI shall keep minutes of the discussions and deliberations as part of the minutes of PSI.

**ARTICLE VI. CORRECTIVE AND DISCIPLINARY ACTION**

The violation of this conflicts of interest policy is a serious matter and may constitute "cause" for removal or termination of a director or officer.

**ARTICLE VII. ANNUAL STATEMENT AND DISCLOSURES**
(a) *Annual Statement* – Each director or officer shall annually sign a statement in form substantially similar to the attached Exhibit A which affirms that such person (1) has received a
copy of this conflicts of interest policy, (2) has read and understands the policy, (3) has agreed to comply with the policy, and (4) understands that PSI is a charitable organization and, to maintain its federal tax exemption as an organization described in section 501(c)(3) of the Internal Revenue Code, PSI must engage primarily in activities that accomplish one or more of its exempt purposes. If at any time during the year, the information in the annual disclosure statement changes materially, such person shall disclose such changes and revise the annual disclosure form accordingly.

(b) *Annual Disclosure of Interests and Form 990 Disclosure Statement* – Each director or officer shall also annually complete and sign an Annual Disclosure of Interests and a Form 990 Disclosure Statement in form substantially similar to the attached [Exhibit B](#).
EXHIBIT A

PATIENT SERVICES, INC.

ANNUAL STATEMENT OF DIRECTORS AND OFFICERS

I, the undersigned director or officer of Patient Services, Inc. (“PSI”), hereby state and confirm that:

1. I have received a copy of the conflicts of interest policy;

2. I have read and understand the policy;

3. I have agreed to comply with the policy; and

4. I understand PSI is a charitable organization and, to maintain its federal tax exemption as an organization described in section 501(c)(3) of the Internal Revenue Code, PSI must engage primarily in activities that accomplish one or more of its exempt purposes.

Name ___________________________ Date ___________________________

[Please sign and return this page.]
EXHIBIT B

PATIENT SERVICES, INC.

ANNUAL DISCLOSURE OF INTERESTS
FOR DIRECTORS AND OFFICERS UNDER CONFLICTS OF INTEREST POLICY

The undersigned director or officer of Patient Services, Inc. (“PSI”) in accordance with PSI’s Conflicts of Interest Policy, hereby submits the information in the attached Disclosure of Information and attached Form 990 Director and Officer Disclosure Statement. The undersigned also agrees, by his or her signature hereto, that at such time as a matter comes before the Board of Directors in such a way as to give rise to a conflict of interests, he or she shall make known the potential conflict of interest, whether disclosed by this Annual Disclosure or not, and all relevant and material facts concerning the matter that might reasonably be construed to be adverse to the interests of PSI. The undersigned further agrees that, after answering any questions that are asked with respect to the matter, he or she will withdraw from the meeting for so long as the matter shall continue under discussion and, if the matter is brought to a vote, he or she shall not vote on it. The undersigned further agrees not to influence or seek to influence any matters, decisions, or votes coming before the Board of Directors where a conflict of interests exists or appears to exist. The undersigned understands that a willful violation of PSI’s Conflicts of Interest Policy may result in a request for his or her resignation from the Board of Directors or as an officer of PSI.

The undersigned certifies that information set forth in the attached Disclosure of Information and attached Form 990 Director and Officer Disclosure Statement is true and correct to the best of his or her knowledge, information, and belief.

________________________________________________________________________
Name (Please Print)

________________________________________________________________________
Director/Officer Signature

________________________________________________________________________
Date
DISCLOSURE OF INFORMATION

1. Please list all businesses or other organizations of which you or a member of your immediate family\(^1\) is an officer, director, trustee, member, owner (either as sole proprietor or partner with a 10% or greater interest in profits), shareholder (with a 10% or greater interest in all outstanding voting shares), or employee and with which PSI has, or may reasonably be expected to have in the future, a relationship, transaction, contract, or other arrangement:

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2. Has PSI contracted to purchase or lease goods, services, or property from you or from a member of your immediate family or your business associates?

Yes/No. If yes, please describe: __________________________________________________________

____________________________________________________________________________________

____________________________________________________________________________________

\(^1\) An immediate family member is defined to include a spouse, child, grandchild, or household member.
3. Has PSI purchased an ownership interest in or invested in a business entity owned by you or a member of your immediate family or your business associates?

Yes/No. If yes, please describe: __________________________________________________________

_________________________________________________________________________________

4. Have you or a member of your immediate family or your business associates been provided with a gift, gratuity, or favor of a substantial nature from a person or entity that does business or seeks to do business with PSI?

Yes/No. If yes, please describe: ________________________________________________________

_________________________________________________________________________________

5. Please list all charitable or nonprofit organizations for which you or a member of your immediate family serves as a director, trustee, officer, or employee.

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6. In some instances, a common interest may give the appearance of a conflict of interests although no conflict of interests actually exists. Do any of your activities outside of PSI, other than those listed above, give the appearance of a conflict of interests?

Yes/No. If yes, please describe: ________________________________________________________

_________________________________________________________________________________
7. Have you or a member of your household or immediate family (i) applied for assistance from a PSI operated disease fund, or, (ii) does the potential exist for reimbursement from a fund under consideration by the Board? Yes or No. If yes, please describe.
FORM 990 DIRECTOR AND OFFICER DISCLOSURE STATEMENT

In order to allow Patient Services, Inc. (“PSI”) to file an accurate and complete Form 990 with the Internal Revenue Service, I understand that, as a director or officer of PSI, I am obligated to disclose actual or potential conflicts of interest and the existence of certain relationships with PSI and others affiliated with PSI.

All Officers and those Directors with Additional Disclosures\(^2\) - Disclosure of actual or potential conflicts of interest:

Other than reimbursement of reasonable expenses, did you receive in the immediately preceding fiscal year more than $10,000 per year from PSI for services provided as an independent contractor?  
Yes  No

Did you have any interests\(^3\) in a third party that provided goods or services to PSI in the immediately preceding fiscal year?  
Yes  No

Have you received or do you expect to receive any material financial benefit from PSI other than those described above?  
Yes  No

Do you have any family member\(^4\) who receives compensation or material financial benefit from PSI?  
Yes  No

Do you have a family or business relationship\(^5\) with any current or former officer, director, or key employee of PSI (other than an attorney-client, doctor-patient, or clergy relationship)?  
Yes  No

If you answered “Yes” to any of the above, please explain in a separate writing.

Signature ___________________________  Printed Name ___________________________

Date ___________________________

\(^2\) Directors report actual or potential conflicts of interest on a separate Conflict of Interest Disclosure Statement and therefore do not need to complete this Section unless additional information not previously reported should be disclosed.

\(^3\) For purposes of this disclosure, an interest includes an entity more than 35% owned, directly or indirectly, by one or more current or former officers, directors, or key employees or their family members (as defined in note 4 below) or entity in which you serve as an officer, director, trustee, key employee, or partner, member, or shareholder with a direct or indirect ownership interest in excess of 5% (including interests owned by family members).

\(^4\) For purposes of this disclosure, family members include spouses, ancestors, brothers and sisters, children, grandchildren, and great grandchildren, and spouses of brothers and sisters, children, grandchildren, and great grandchildren.

\(^5\) Include business relationships with entities or organizations in which another officer, director, or key employee of PSI serves in a leadership, employment or ownership capacity, but do not include business relationships that occur in the ordinary course of business of either party’s business on the same terms as are generally offered to the public.