

8. All representations and information related to or disclosing related party transactions – including conflict policies and disclosure statements executed by board members, officers or key employees of the seller.

Attached is the Conflicts of Interest Policy for Marquette General Hospital and the Conflict of Interest Questionnaire completed by board members and key employees. I reviewed the completed Questionnaires for 2011 and 2012 and noted no conflicts related to the proposed transaction with Duke LifePoint.

**MARQUETTE GENERAL HOSPITAL, INC.
CORPORATE POLICY**

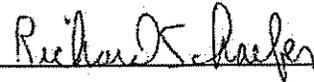
SUBJECT: Conflicts of Interest

POLICY NO: 1000-007

ADOPTED BY THE BOARD OF TRUSTEES: 8/5/1976

REVISION DATE: 12/03, 7/08, 12/09, 11/11

AUTHORIZATION:



Richard Schaefer, Chairman

Purpose

The purpose of the conflicts of interest policy is to protect the Hospital's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Board member, Hospital officer, member of the management staff, appointed medical director of a Hospital department, or Hospital Medical Staff member who holds a leadership position (e.g., officer or committee member). This policy is intended to supplement, but not replace, any applicable state or federal laws governing conflicts of interest applicable to nonprofit and charitable corporations.

Policy

Interested Person – Any trustee, principal officer, member of the management staff, member of the Medical Staff with department head responsibilities, or member of a committee with Board-delegated power (including Medical Staff committees) who has a direct or indirect financial interest, as defined below, is an interested person. Family members of such persons shall also be considered interested persons for purposes of this policy. The family of an individual includes his or her spouse, ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great-grandchildren and spouses of brothers, sisters, children, grandchildren, and great-grandchildren. If a person is an interested person with respect to any entity of the Hospital, he or she is an interested person with respect to all entities of the Hospital.

Financial Interest – A person has a financial interest if the person has, directly or indirectly, through business, investment, or family:

- An ownership or investment interest¹ in any entity with which the Hospital competes or with which the Hospital has a transaction or arrangement, or
- A compensation arrangement with the Hospital or with any entity or individual with which the Hospital competes or with which the Hospital has a transaction or arrangement, or
- A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Hospital competes or is negotiating a transaction or arrangement, or
- Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

Duty to Disclose – In connection with any actual or possible conflicts of interest, an interested person must disclose the existence and nature of his or her financial interest to the trustees and members of committees with Board-delegated powers considering the proposed transaction or arrangement, or if a member of Administration, to the President and Chief Executive Officer. If

¹ This does not apply to stock or other investments held in a publicly traded company, provided the value of the stock or other investments does not exceed five percent (5%) of the company's stock.

there is a question in the mind of an individual as to whether a particular interest should be disclosed, it should be disclosed.

Initial Disclosure – Upon election, appointment, or the beginning of the term of employment, individuals newly affiliated with the Hospital who are subject to this policy shall be oriented on and asked to complete the Conflict of Interest Questionnaire.

Annual Disclosure – The Board shall designate a person within the Hospital to send the Conflict of Interest Questionnaire to all trustees, principal officers, members of the management staff, members of the Medical Staff with department head responsibilities, and members of committees with Board-delegated powers. Persons required to report who have not returned questionnaires will be contacted on a regular basis until all questionnaires have been completed and returned to the Hospital. The information disclosed will be reviewed to identify potential conflicts of interest which shall be reported to the Board, President and Chief Executive Officer and Chief Compliance Officer if appropriate.

Ongoing Duty to Disclose – The duty to identify and disclose potential conflicts of interest is a duty that is ongoing. New information which may give rise to a conflict should be disclosed as soon as the information is available.

Procedure

Addressing the conflict of interest

After disclosure of the financial interest, to the Board or committee, the interested person shall leave the Board or committee meeting while the financial interest is discussed and voted upon. The remaining Board or committee members shall decide if a conflict of interest exists. Provided, however, if the interested person is an Administrative staff employee and the contemplated transaction is at the Administrative level, the decision shall be made by the President and Chief Executive Officer and communicated to the Chief Compliance Officer.

The Chairperson of the Board or committee or if an Administrative staff decision is involved, the President and Chief Executive Officer shall, as appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

After exercising due diligence, the Board or committee, or if an Administrative decision is involved, the President and Chief Executive Officer shall determine whether the Hospital can 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.

If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to the conflict of interest, the Board or committee shall determine by a majority vote of the disinterested directors or, as applicable, the President and Chief Executive Officer, whether the transaction or arrangement is in the Hospital's best interest for its own benefit and whether the transaction is fair and reasonable to the Hospital and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

Any person having a conflict of interest in any matter should not be present during general discussion nor vote or use his/her personal influence on the matter and he/she should not be counted in determining the existence of a quorum for purposes of the matter under discussion.

Violations of the Conflicts of Interest Policy

If the Board or its designee has reasonable cause to believe that a person has failed to disclose actual or possible conflicts of interest, it shall inform the person of the basis for such belief and afford the person an opportunity to explain the alleged failure to disclose.

If, after hearing the response of the person and making such further investigation as may be arranged in the circumstances, the Board or its designee determines that a member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action or, if an Administrative staff member is involved, direct the President and Chief Executive Officer to do so.

Records of Proceedings – The minutes of the Board and all committees with Board-delegated powers shall contain:

- 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 Board's decision as to whether a conflict of interest in fact existed.
- The names of the persons who were present for the 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.

Compensation Committees

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Hospital for services is precluded from any final vote on matters pertaining to that member's compensation, but may serve solely in the capacity of developing and making recommendations.

Except as provided below, physicians who receive compensation, directly or indirectly, from the Hospital, whether as employees or independent contractors, are precluded from membership on any committee whose jurisdiction includes compensation.

- Physicians may participate in a committee for the purpose of making recommendations to a disinterested Board or committee as to compensation matters, provided they act in an advisory capacity only and the disinterested Board or committee has the ultimate authority as to compensation.
- Physicians may participate in a committee for the purpose of making recommendations to a disinterested Board or committee as to financial and other incentives for recruitment of physicians not currently on Hospital's Medical Staff and whose services are needed by the Hospital, provided they act in an advisory capacity only and the disinterested Board or committee has the ultimate authority as to recruitment of physicians.

Periodic Reviews

To ensure that the Hospital operates in a manner consistent with its charitable purposes and that it does not engage in activities that could jeopardize its status as an organization exempt from federal income tax, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- Whether compensation arrangements and benefits are reasonable and are the result of arm's-length bargaining.
- Whether acquisitions of physician practices and other provider services result in inurement or impermissible private benefit.
- Whether partnership and joint venture arrangements and arrangements with management service organizations and physician hospital organizations conform to

written policies, are properly recorded, reflect reasonable payments for goods and services, further the Hospital's charitable purposes and don't result in inurement or impermissible private benefit.

Use of Outside Experts

In conducting the periodic reviews provided for in 3.4, the Hospital may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring that periodic reviews are conducted.

Other Procedures

The Board shall establish or authorize the President and Chief Executive Officer to establish, all other procedures consistent with this Policy, including a designation of what committees and position of the Hospital and its Medical Staff are considered to have Board delegated duties for the purpose of this policy.

End of Policy

CONFLICT OF INTEREST QUESTIONNAIRE
MARQUETTE GENERAL HOSPITAL

Pursuant to the Conflicts of Interest policy adopted by the Board of Trustees requiring disclosure of certain activities and financial interest, I hereby state that I or members of my family have the following affiliations or interests that, when considered in conjunction with my relationship with Marquette General Hospital, may cause a conflict of interest, or the appearance of a conflict of interest.

("Family" includes your spouse, ancestors, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses of brothers, sisters, children, grandchildren, and great-grandchildren.)

1. List and describe, with respect to yourself direct business relationships with Marquette General Hospital (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other interested persons).

() None

2. List and describe, with respect to yourself and your family, any employment or compensation arrangement with any outside concerns which you have reason to believe provide goods or services to Marquette General Hospital, or that provide services competitive with Marquette General Hospital.

() None

3. List and describe, with respect to yourself and your family, all situations in which you have competed, directly or indirectly, with Marquette General Hospital in the purchase, sale, or rental of property or services.

() None

4. Identify any outside activities, of yourself or your family that involves rendering managerial or consultative services to any outside concern that does business with, or competes with Marquette General Hospital.

() None

5. List and describe any situations in which you or any member of your family have accepted gifts, gratuities, or entertainment in excess of One Hundred Dollars (\$100) from outside concerns that do, or are seeking to do business with Marquette General Hospital.

_____ () None

6. List any entity you serve as an officer, director, trustee, key employee, partner, or member of an entity (or shareholder of a professional corporation) doing business with Marquette General Hospital.

_____ () None

7. List any other activities in which you or your family are engaged that might be regarded as constituting a conflict of interest.

_____ () None

8. List and describe any family relationship or business relationship you or your family have with any other trustee, officer, director, or management level employee of Marquette General Hospital.

_____ () None

9. List and describe, with respect to yourself and your family, any employment, compensation, or financial arrangement with Marquette General Hospital.

_____ () None

10. List and describe any compensation or financial arrangement between Marquette General Hospital and any business organization with which you are affiliated as an officer, director, employee, or owner.

_____ () None

11. List and describe, with respect to your family, all direct and indirect business relationships with Marquette General Hospital.

_____ () None

12. List and describe, with respect to yourself or your family, any outstanding loan or advance to or by you with Marquette General Hospital.

_____ () None

13. Indicate whether you received any of the following items from Marquette General Hospital. Check and describe all that apply.

- | | |
|--|--|
| <input type="checkbox"/> First-class or charter travel | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees |
| <input type="checkbox"/> Discretionary spending account | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

_____ () None

14. List and describe any situations in which you or your family has received a grant, Charity Care, financial assistance, scholarship, fellowship, internship, prize or award from Marquette General Hospital.

_____ () None

15. List and describe any compensation between you and our related organizations.

_____ () None

I agree to report, as appropriate, to the Board Chairman or President and Chief Executive Officer of Marquette General Hospital any situations that may develop during the year in regard to a conflict of interest, or possible conflict of interest that would change my responses to the

above listed questions. I have been furnished with a copy of Marquette General Hospital's policy on Conflicts of Interest and have read it. I understand that if at any time there is a matter under consideration which may constitute a conflict of interest it is my obligation to disclose this possible conflict of interest.

Signature

Print Name

Position

Date

PLEASE RETURN THE COMPLETED QUESTIONNAIRE TO THE PRESIDENT AND CHIEF EXECUTIVE OFFICE BY _____.