

Good Governance

Local community leaders who govern our organization provide caring and responsible leadership to the community-based organizations that make up UnityPoint Health and its Affiliates provide caring and responsible leadership to the community-based organizations that make up UnityPoint Health.

When individuals choose a UnityPoint Health hospital, clinic, physician, or partner, they can be confident that the organization providing the care or service is organized and governed properly and consistent with the best practices in nonprofit governance. UnityPoint Health has voluntarily adopted many of our industry's governance "best practices." We've done so to further assure our stakeholders that our governance and management is conducted responsibly and warrants the trust you place in us.

In 2003, the Iowa Health Board of Directors voluntarily adopted over 40 changes to its governance structure to better comply with nonprofit governance best practices. Since that time, UnityPoint Health has monitored nonprofit governance best practice developments and has kept pace with applicable developments. These governance best practices include:

1. Annual Statement of Accuracy for financial records to be provided by the CEO and CFO of each operating unit.
2. Senior officers of UnityPoint Health annually certify to their adherence to principles and responsibilities governing professional and ethical conduct as an officer.
3. Policy to preserve the independence of the outside auditor of the financial statement and the integrity of any audit report on these financial statements.
4. The Audit and Compliance Committee confirm with the Internal Auditor of UnityPoint Health that financial reports for the corporation will reflect all material correcting adjustments that are identified by the external audit firm in its annual audit, as well as all material "off balance sheet" transactions and arrangements.
5. Related party / off balance sheet disclosures be disclosed to the Director of Audit Services, the external auditor, or the Audit and Compliance Committee prior to the transaction taking place when the transaction requires Board approval.
6. Each Affiliate of UnityPoint Health has the right to designate a certain number of UnityPoint Health voting Board members, as designated in the Affiliation Agreement between UnityPoint Health and each Affiliate. The Board Development Committee has set forth the following criteria to assist and guide the Affiliates in reviewing the credentials of prospective director candidates for designation to the Board. The criteria will be reviewed periodically by the Board Development Committee.

In determining a candidate's suitability for directorship, the following criteria should be given weight: the relevance of the candidate's experience with the entity and the candidate's understanding of the entity's business;

- enhancing the diversity of the Board;
 - the candidate's independence from conflict or direct economic relationship with the entity;
 - the candidate's physical and mental ability to regularly attend Board meetings and devote an appropriate amount of effort in preparation for those meetings;
 - the candidate's educational and professional background;
 - the candidate's character.
7. The Board Development Committee has established guidelines to assist it in determining director independence. A director will not be independent if, within the preceding five years: (i) the director was employed by UnityPoint Health; (ii) an immediate family member of the director was employed UnityPoint Health as an officer; (iii) the director was employed by or affiliated with UnityPoint Health independent auditor; or (iv) an immediate family member of the director was employed by UnityPoint Health

independent auditor as a partner, principal or manager.

For relationships not covered by the guidelines above, the determination of whether the relationship is material or not, and, therefore, whether the director would be independent or not, shall be made by the directors who satisfy the independence guidelines. Independent directors will determine, after considering all of the relevant circumstances, whether such a relationship is material or immaterial, and whether a director would, therefore, be considered independent.

8. When a director is initially nominated to serve on the Board, the director shall disclose to the Board Development Committee the person's affiliation with other entities and organizations and any investments in, compensation or fees received from, or other business relations with other entities. The obligation to disclose such interests is continuing through the director's term of membership on the Board.
9. The basic responsibility of each Board member is to exercise his or her business judgment to act in what the director reasonably believes is the best interest of UnityPoint Health. The Board is entrusted with the duty to manage the business of UnityPoint Health. The Board may exercise that authority through a delegation of certain matters to committees of the Board and through the delegation of day-to-day operating authority to the Corporation's management, all in accordance with applicable law, the Articles of Incorporation, and the Bylaws of UnityPoint Health.
10. UnityPoint Health is a tax-exempt nonprofit corporation providing services to healthcare entities directly providing healthcare services to patients. The UnityPoint Health Board's fiduciary duties include stewardship of funds and physical assets and the broader role of acting for the benefit of the public with regard to healthcare. UnityPoint Health Board members are also charged with the fiduciary duties of loyalty, care and obedience.
11. Board members shall not disclose, share, copy or transmit confidential information to those not authorized to receive it. At all times, Board members shall protect the integrity, security and confidentiality of confidential information which they may have access to or come into contact with which could be used in any reasonable way to negatively impact UnityPoint Health, its reputation, strategic position, or operations.
12. The Board expects UnityPoint Health directors, as well as officers and employees, to act ethically at all times and to acknowledge their adherence to the policies comprising UnityPoint Health Code of Conduct set forth in UnityPoint Health compliance policies. The Board will not permit any waiver from any policy for any director or executive officer. If an actual or potential conflict of interest exists for a director, the director shall promptly inform the CEO and the Chair of the Board.
13. Anyone who has a concern about UnityPoint Health conduct, or about UnityPoint Health accounting, internal accounting controls or auditing matters, may communicate that concern directly to the Audit and Compliance Committee, Compliance Help-Line or the Law Department. Such communications may be confidential or anonymous and may be emailed, submitted in writing, or reported by phone and a toll-free phone number that is published on UnityPoint Health web site.
14. In periodic and annual reports, Management has a duty to disclose the following information to the Board: the financial performance of UnityPoint Health, including trends, demands, commitments, events, risks or uncertainties that have a material effect on UnityPoint Health financial condition; the liquidity and capital resources of UnityPoint Health; and the results of operations to the UnityPoint Health Board. UnityPoint Health external auditor will be requested to report on, and attest to the external auditor's annual report.
15. The Board has delegated to the Executive Committee composed entirely of independent directors, the responsibility to oversee and advise the Board on executive compensation. This committee:
 - discusses outside the presence of any senior executive officer executive compensation matters;
 - is responsible for making an overall recommendation with respect to the compensation (including executive benefit plans) of the senior executive team; and
 - is authorized and afforded resources sufficient to engage independent executive compensation and legal advisors when determined by the committee to be necessary and appropriate.

In deliberating on the compensation of the CEO, the committee should meet outside the presence of any

senior executive officer. The CEO may, if the committee chooses, participate in the deliberations on the compensation of any other officer.

16. Executive compensation decisions will be made by a committee composed entirely of independent members of the Board of Directors who do not have a conflict of interest with respect to the compensation arrangement or by a designee of the committee who does not have a conflict of interest with respect to the compensation arrangement.