

Florida's Blood Centers Conflicts of Interest and Related Party Business Transactions Policy

1. Purpose. The officers, directors, employees, and committee members of Florida's Blood Centers (FBC) owe a duty of loyalty to FBC and have an obligation to ensure that their outside activities and interests are not unreasonably in conflict with their duties and actions with respect to FBC. The officers, employees, Board members and Board committee members, because of their varied interests and backgrounds, may be presented with situations involving a dual interest that might be interpreted as an improperly conflicting interest.

It is the policy of FBC to avoid improper conflicts of interest in conducting its business affairs so that the property and other assets of FBC will be used in full compliance with the laws, regulations, and policies applicable to the environment in which FBC operates. This policy is intended to supplement, but not replace, any applicable state laws governing conflicts of interest applicable to nonprofit corporations.

2. Related party business transactions.

(a) FBC and its affiliates are prohibited from entering into any "business transactions" with any "related party" without authorization, approval or ratification by two-thirds of a quorum of the members of the Board who are not "related parties" with respect to, and will not have a financial interest in, the "business transaction."

(b) Any existing or proposed "business transaction" with any "related party" shall be fully disclosed by the related party in writing to the Board at a Board meeting. The disclosure shall include, at a minimum, the name of the related party, the nature of the relationship, the nature of each transaction, copies of any contracts or agreements and the amount and nature of consideration paid or to be paid by FBC and its affiliates to the related party or by the related party to FBC or its affiliates. The Board may authorize, approve or ratify the "business transaction" by a vote of two-thirds of a quorum of the members of the Board who are not "related parties" with respect to, and will not have a financial interest in, the "business transaction." FBC and its affiliates shall diligently seek to expeditiously terminate any existing unauthorized "business transaction" with any "related party," while mitigating any potential adverse financial or legal impact.

3. Business transactions with former related parties. Business transactions being considered between FBC or its affiliates and any person or entity that constituted a related party during the five-year period immediately preceding the date of consideration (where such former relationship has been identified by any Board member and brought to the attention of the Board) must also be approved by the Board in the manner set forth in paragraph 2(a). In considering such transactions for approval, the Board shall evaluate the relevant facts as well as the disclosures which may be required on federal information returns and other regulatory or public documents.

4. Definitions.

policy: (a) Related Party. The following persons are “related parties” for purposes of this

(1) Any person who is a director, officer, member of a committee with board-delegated powers, management-level employee (above department-head level) of FBC or its affiliates, or any other person who is in a position to exercise significant influence over the affairs of FBC or its affiliates.

(2) The relative or spouse of any person listed in (1) above, or any relative of such spouse, who has the same home as such person.

(3) Any entity which is not a 501(c)(3) organization and in which any person listed in (1) or (2) above serves as an officer, director, trustee, partner, or in which any such person has an ownership interest other than a modest ownership interest in a publicly-traded company as a regular investor.

(i) Example: Board Member L owns 10,000 shares of stock in Amazon.com as a regular investor. L’s ownership interest in Amazon.com does not cause Amazon.com to be a “related party.”

(4) Any entity wherein any person listed in (1) or (2) above would have a financial interest if a “business transaction” were carried out, regardless of the person’s role with the entity.

(i) Example: A real estate brokerage firm from which an FBC Board member would receive a commission or similar payment if FBC used the brokerage firm to sell property would be a “related party” regardless of whether the FBC Board member is an officer, director, trustee, partner or holder of an ownership interest in the real estate brokerage firm.

(ii) Example: Assume XYZ Communications is a provider of cellular telephone service and Board Member A is an employee of XYZ, but not an officer, director or owner. FBC procures cellular telephone service from XYZ in a business transaction in which Board Member A has no financial interest (receives no commission, etc.). A’s employment relationship with XYZ does not cause XYZ to be a “related party.”

(b) Business Transaction.

(1) The term “business transaction” includes any transaction in which FBC or its affiliates is required to make payment of any amount of consideration, whether in

money, services, or property, to another party in exchange for goods, services, or intangible property or rights, regardless of the relationship of the value of such consideration given to the value of goods, services, or intangible property or rights received. The term “business transaction” also includes any transaction in which another party is required to make payment of any amount of consideration, whether in money, services, or property, to FBC or any of its affiliates in exchange for goods, services, or intangible property or rights, regardless of the relationship of the value of such consideration given to the value of goods, services, or intangible property or rights received.

(i) Example: A purchase by FBC of property valued at \$100,000 for which FBC pays \$5,000 is a business transaction.

(2) A “business transaction” does not include the following:

(i) a unilateral transfer of money, services or property to FBC or its affiliates where no consideration is to be paid by FBC or its affiliates to the transferor;

(ii) the payment by FBC or its affiliates to an employee of reasonable compensation for services rendered as an employee;

(iii) the reimbursement of documented business expenses incurred by an employee or volunteer pursuant to an “accountable plan” as defined in the Internal Revenue Code and related Regulations or

(iv) a transaction that otherwise meets the definition of a “business transaction” in paragraph 4(b)(1) above, but which involves total consideration of less than \$25,000. This exception does not apply to an ongoing or multi-year contract, arrangement or series of transactions likely to ultimately result in an exchange of total consideration of at least \$25,000. Transactions falling within the exception provided by this subparagraph (iv) shall be subject to the disclosure requirements of paragraphs 5(a) and 9, but not subject to the Board approval requirements of paragraph 2.

(c) Conflict of Interest. A conflict of interest is considered to arise at any time a business transaction is entered into, or is being considered, which involves a related party.

5. Procedures.

(a) Duty to Disclose. Prior to commencing the duties that would cause an individual to be covered by this policy, and at least annually thereafter, every person who is a director, officer, member of a committee with board-delegated powers, or management-level employee (above department-head level) of FBC or its affiliates shall submit in writing to the FBC Board of Directors a statement of the type described in paragraph 9 of this policy. Each such person shall have the continuing duty to update such disclosures in the event of a change of facts or knowledge. No party

covered by this policy shall knowingly permit a business transaction to be entered into with a related party in violation of this policy, and parties covered by this policy shall take affirmative steps to disclose in writing to the Board Chair relevant facts if he/she believes a proposed transaction is under consideration that may violate this policy. In the event that a person is not a “related party” by virtue of the exclusion of 501(c)(3) organizations from the definition set forth in paragraph 4(a)(3) above, such person shall nevertheless have the duty to disclose set forth in this paragraph, and any business transaction with such party shall be reviewed by the Governance Committee and approved by the Board of Directors.

(b) Determining Whether a Business Transaction with a Related Party Exists and Procedures for Addressing such Transaction. In the event that any person covered by this policy is unsure as to whether an existing or proposed arrangement constitutes or would constitute a business transaction with a related party, such person(s) may request the Board Chair to have the Governance Committee make a determination of the matter. If the matter is referred by the Board Chair to the Governance Committee, the Governance Committee shall issue a determination on the matter which shall be communicated to the Board and shall be final. In considering the matter, any member of the Governance Committee with an interest in the outcome of the matter shall be recused from the discussion and voting on the matter in his or her capacity as a member of the Governance Committee. However, the Governance Committee may afford any party covered by this policy an opportunity to present arguments as part of its process of making a determination.

(c) Violations of the Related Party Transactions Policy. Upon determination by the Board that a party covered by this policy has violated this policy, the Board shall take appropriate disciplinary and corrective action.

6. Records of Proceedings. The minutes of the board and all committees with board authority shall contain:

- (a) the disclosures required by paragraphs 2(b) and 5(a) of this policy;
- (b) the determinations made by the Governance Committee pursuant paragraph 5(b);
- (c) any actions taken by the Board pursuant to paragraphs 2(b), 3 and 5(c).

7. Periodic Reviews. To ensure that FBC 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, address compliance with the provisions of this policy.

8. Use of Outside Experts. In conducting the periodic reviews provided for in Section 7, FBC 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.

9. Annual Statements. Each director, officer, member of a committee with board-delegated powers, and management-level employee (above department-head level) of FBC or its affiliates shall annually sign a statement which discloses all “business transactions” with “related parties” of which such person is aware and affirms that such person-

(a) has received a copy of this Conflicts of Interest and Related Party Business Transactions Policy;

(b) has received a copy of FBC’s Code of Ethics/Standards of Personal Conduct;

(c) has received a copy of FBC’s Whistleblower Policy;

(d) has received a copy of FBC’s Confidentiality Policy and Agreement for The Board of Directors;

(e) has read and understands the policy documents listed in (a) – (d);

(f) has agreed to comply with policy documents listed in (a) – (d);

(g) is in compliance with the policy documents listed in (a) – (d); and

(h) understands that FBC is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Such person shall have a continuing duty to update his or her statement in the event of a change of facts or knowledge that would affect such answers or affirmations.

10. Employment of Directors. A member of the Board of Directors shall not be eligible for employment with FBC until a period of at least one year shall have elapsed since termination of service as a director; provided, that this restriction shall not apply to employment on an interim basis. Other than the President, no employee of FBC shall be eligible to serve as a director of FBC.