

## **Ibis Reproductive Health Conflict of Interest Policy**

Adopted as of 2006

### **Article I** **Purpose**

The purpose of this conflict of interest policy is to protect the interests of Ibis Reproductive Health (the “Organization”) when it contemplates entering into a transaction or arrangement with a Disqualified Person. Conflicts may arise when a Disqualified Person’s interests are or appear to be adverse to the interests of the Organization and if the Disqualified Person is in a position to influence a decision of the Organization in such a way that it will or might appear to benefit the Disqualified Person. This conflict of interest policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit organizations.

### **Article II** **Definitions**

- 1) **Board.** The Board of Directors of the Organization.
- 2) **Disqualified Person.** Any director, member of a committee with powers delegated by the Board of Directors, principal officer, employee having responsibilities similar to a director or principal officer, substantial donor to the Organization, or any person in a position to exercise substantial influence over the affairs of the Organization, regardless of whether such person is compensated by the Organization, and any Family member of such person. If any of the persons described in the preceding sentence, either alone or together with another Disqualified Person, owns or has rights to at least 35 percent of (a) the voting power of a corporation, (b) the profits interest of a partnership, or (c) the beneficial interest of a trust or estate, such corporation, partnership, trust, or estate shall be deemed to be a Disqualified Person.
- 3) **Family.** A person’s brothers and sisters (including half siblings and step-siblings), children, grandchildren, great grandchildren (including step-children, step-grandchildren, and step-great grandchildren), ancestors (parents, grandparents, etc., including step-parents and step-grandparents) and spouses (of the person and any person in the foregoing categories). Family shall include siblings, descendants, and ancestors by adoption.
- 4) **Ownership or Investment Interest.** An Ownership or Investment Interest means direct or indirect control over an entity (e.g. a corporation, partnership, or trust or estate, whether or not organized and operated for profit) through voting power, a profits interest or a beneficial interest.
- 5) **Permitted Interest.** A Permitted Interest means the ownership of (a) shares of stock listed on the New York Stock Exchange, the American Stock Exchange, or any other recognized stock exchange or national market system, so long as the amount of stock held of any one issuer is not in excess of one percent of the issuer’s total outstanding voting shares; (b) shares of mutual funds; (c) an interest in a blind trust; or (d) any debt instruments of companies whose stock is listed on the New York Stock Exchange, the American Stock Exchange, or any other recognized stock exchange or national market system.
- 6) **Related Interest.** A person has a Related Interest if the person has, directly or indirectly:

- a. an Ownership or Investment Interest other than a Permitted Interest in any entity with which the Organization has entered into or is considering a transaction or arrangement;
- b. a compensation arrangement with the Organization or with any entity or individual with which the Organization 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 the Organization is negotiating a transaction or arrangement; or
- d. any association through which the person is in a position to exercise influence over the affairs of a person or entity with which the Organization has a programmatic relationship.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial.

### Article III Procedures

- 1) **Prohibition.** No Disqualified Person may enter into a transaction or arrangement with the Organization unless the facts of the particular Related Interest have been fully disclosed and the transaction has been expressly authorized by a majority of the disinterested members of the Board.
- 2) **Duty to Disclose.** In connection with any transaction or arrangement under consideration by the Organization, a Disqualified Person must disclose the existence of such Disqualified Person's or any other Disqualified Person's Related Interest to the Chair of the Board of Directors. A Disqualified Person must be given the opportunity to disclose all material facts to the Board at a meeting of the Board called for the purpose of considering the transaction or arrangement and such Disqualified Person's Related Interest.
- 3) **Determining Whether an Impermissible Conflict of Interest Exists.** A Related Interest is not necessarily an impermissible conflict of interest. After disclosure of the Related Interest and all material facts to the Board, the Disqualified Person shall leave the meeting while the determination of an impermissible conflict of interest is discussed and voted upon. A majority of the disinterested members of the Board shall determine whether an impermissible conflict of interest exists.
- 4) **Procedures for Addressing the Conflict of Interest.**
  - a. A Disqualified Person may make a presentation to the Board at a meeting of the Board called for the purpose of considering the transaction or arrangement and the Disqualified Person's Related Interest, but after the presentation, the Disqualified Person shall leave the meeting during the discussion of, and the vote on, such transaction or arrangement.
  - b. The chairperson of the Board shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
  - c. After exercising due diligence, including a review of surveys of comparable data where appropriate, the Board shall determine whether the Organization 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.

- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board shall determine by a vote of the majority of the disinterested directors of the Board whether the transaction or arrangement is in the Organization's best interest, for its own benefit, and whether it is fair and reasonable, and therefore whether to enter into such transaction or arrangement.

5) **Violations of the Conflict of Interest Policy.**

- a. If the Board has reasonable cause to believe a Disqualified Person has failed to disclose actual or possible conflicts of interest, it shall inform the Disqualified Person of the basis for such belief and afford the Disqualified Person an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the Disqualified Person's response and after making further investigation as warranted by the circumstances, the Board determines the Disqualified Person has failed to disclose an actual or possible conflict of interest, the Board shall take appropriate disciplinary and corrective action.

- 6) **Receipt of Gifts.** No Disqualified Person may accept gifts or other favors under circumstances that might lead to the inference that the gift or favor was intended to influence the Disqualified Person's decision-making while serving the Organization. Any gifts that are not insubstantial and are offered by a person or entity with which the Organization has entered into or is considering a transaction or arrangement must be declined, and the offer reported to the Chair of the Board of Directors.

**Article IV**  
**Records of Proceedings**

The minutes of the Board shall be prepared and approved as soon as practicable after the meeting of the Board called for the purpose of considering a transaction or arrangement and shall include:

1. The names of the Disqualified Persons who disclosed or otherwise were found to have a Related Interest in connection with an actual or possible conflict of interest, the nature of the Related Interest, any action taken to determine whether an impermissible conflict of interest existed, and the Board's decision as to whether an impermissible conflict of interest in fact existed.
2. The names of the persons who were present for 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 with the proceedings.

**Article V**  
**Compensation**

- 1) A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- 2) A voting member of any committee of the Board of Directors charged with compensation matters and who receives compensation, directly or indirectly, from the Organization, is precluded from voting on matters pertaining to that member's compensation.

- 3) No voting member of the Board of Directors or any committee of the Board of Directors charged with compensation matters and who receives compensation, directly or indirectly, from the Organization is prohibited from providing information to the Board of Directors or any such committee regarding compensation.

#### **Article VI** **Annual Statements**

Each director, member of a committee with powers delegated by the Board of Directors, principal officer, employee having responsibilities similar to a director or principal officer, substantial donor to the Organization, or any person in a position to exercise substantial influence over the affairs of the Organization shall, upon first acceding to such office or position, and then annually thereafter sign an Acknowledgement Form, in the form attached hereto, which affirms such person:

1. Has received a copy of the conflict of interest policy,
2. Has read and understands the conflict of interest policy,
3. Has agreed to comply with the conflict of interest policy, and
4. Understands the Organization is charitable and in order to maintain its federal tax exemption the Organization must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Persons subject to this policy are also expected to complete a Conflict of Interest Disclosure Statement, in the form attached hereto, and to update the Disclosure Statement immediately following any change in the information requested on the Disclosure Statement.

#### **Article VII** **Periodic Reviews**

To ensure the Organization operates in a manner consistent with its [charitable] purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted by the Board. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information, and the result of arm's length bargaining.
2. Whether transactions and arrangements conform to the Organization's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further the Organization's [charitable] purposes and do not result in inurement, impermissible private benefit or in an "excess benefit" transaction.

#### **Article VIII** **Use of Outside Experts**

When conducting the periodic reviews as provided for in Article VII, the Organization may, but need not, use outside experts. If outside experts are used, their use shall not relieve the Board of its responsibility for ensuring periodic reviews are conducted.

**Ibis Reproductive Health**  
**Conflict of Interest Policy Acknowledgment Form**

Name: \_\_\_\_\_  
(please print)

I acknowledge that I have received a copy of the Conflict of Interest Policy of Ibis Reproductive Health, Inc. (the “Organization”), adopted as of June 19, 2006. I further acknowledge that I have read and understand the terms of the policy, and I agree to abide by its terms. I understand that the Organization 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.

I agree to disclose any personal potential or actual Related Interest to the Chair of the Board of Directors of the Organization, who is the designated conflict of interest officer, and to complete and keep current the attached Conflict of Interest Disclosure Statement. Terms used herein shall have the meaning given to them in the Conflict of Interest Policy.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**Ibis Reproductive Health**  
**Conflict of Interest Disclosure Statement**

The following questions are for the purpose of determining any personal potential or actual Related Interest that you may have regarding the activities of Ibis Reproductive Health, Inc. (the "Organization"). Once you have completed the questions below, please sign and date this Disclosure Statement where indicated and send the executed Disclosure Statement to the Chair of the Board of Directors of the Organization, the designated conflict of interest officer. Terms used herein shall have the meaning given to them in the Conflict of Interest Policy of the Organization dated June 19, 2006.

**1. Offices and Positions**

Are you, or is a member of your Family, in a position to exercise substantial influence over the affairs of an entity with which the Organization or an entity controlled by the Organization now has or may be expected to enter into a financial or programmatic transaction or arrangement in the next year?

Yes                       No

*If yes, please provide the following information:*

<u>Entity</u>	<u>Position</u>	<u>Person with Potential Conflict</u>	<u>Nature of Entity's Business</u>
---------------	-----------------	---	--



Signature Page to Ibis Reproductive Health, Inc. Conflict of Interest Disclosure Statement.

---

Signature

---

Name (please print)

---

Date

