

IHMC BOARD OF DIRECTORS CONFLICT OF INTEREST POLICY

Intent

This policy is designed to ensure all officers, directors, employees and others having leadership capacity of, for or on behalf of the IHMC Board of Directors (“Directors”) exercise good judgment in dealing with conflicts that could undermine the best interests of IHMC.

Definition

This policy applies to all persons acting in the name of IHMC.

Policy

Directors must avoid and minimize activities and situations that actually, potentially or apparently conflict with IHMC’s interests or interfere with the Directors’ duty to serve IHMC with undivided loyalty (“conflicts”). Conflicts include:

- (1) Having a direct financial or close personal interest in a company, service or product that could be affected (in a positive or negative manner) by a decision of a board, committee or other body on which the Director serves,
- (2) Serving as a partner, director, officer or trustee of another entity that has an interest in a transaction with IHMC,
- (3) Revealing or misusing confidential information,
- (4) Offering or accepting substantial gifts, excessive entertainment favors or payments which may reasonably be construed to constitute undue or otherwise improper influence,
- (5) Breaching any fiduciary duty owed to IHMC,
- (6) Participating in any private inurement transactions, which include transactions where IHMC resources are transferred to an individual solely by virtue of the individual’s relationship with IHMC and without regard to accomplishing IHMC’s purpose,
- (7) Exploiting opportunities for personal or private benefit that could otherwise benefit IHMC,
- (8) Taking direct action on behalf of IHMC that may result in material, personal or private benefit or that may result in a material adverse impact to a personal or private competitor and
- (9) Competing with IHMC, and
- (10) Generally includes transactions where an ‘insider’ receives economic benefits from IHMC greater than the value of the consideration received by IHMC (IRS section 4958).

Directors shall stand in fiduciary relation to IHMC and their fiduciary responsibilities are to perform their duties, including their duties as members of a committee, in good faith, in a manner reasonably believed to be in the best interests of the corporation and with such care, including reasonable inquiry, skill and diligence, as a person of ordinary prudence would use under similar circumstances.

Conflicts are not inherently improper. However, Directors must be conscious of conflicts and use candor and care in dealing with such situations.

Practice and Procedures:

I. Disclosure

- a. Directors must disclose all conflicts of interests to the entire committee or Board as described above (if not previously disclosed) and at any other time immediately following discovery of a conflict, including conflicts related to any item included in any meeting agenda. Disclosures must be written and must include sufficient detail so as to allow a complete and objective assessment of the conflict. (Note: disclosures can be separate written documents attached to the official meeting minutes or can be made verbally and included in the official meeting minutes).
- b. The board is required to review each disclosure immediately and determine whether the interest disclosed results in actual conflict within a specific time frame.
- c. IHMC, as part of the review process mentioned above, should determine the scope of the conflict and limit the restrictions imposed on the Leader in appropriate circumstances.

II. Conduct

After a Director discloses a conflict, the Director may not participate in any voting related to the conflict, but may participate in discussions or answer questions at the discretion of the board.

III. Documentation

All conflict disclosures and actions taken by the Board in connection with such disclosures must be noted for the record in the minutes of the then-current meetings of the board. The group may summarize and catalog conflict situations from time to time for reference purposes.

III. Availability

Copies of this policy are available to all Directors. As new Directors are created, they shall be provided copies of this policy

IV. Disciplinary Action

If IHMC receives a complaint about or becomes aware of a conflict of interest that has not been appropriately disclosed and handled at board level, the board may be asked to resolve the issue. In instances where the breach of this conflict policy has been identified, the person with the conflict may be required to undo the transaction or to return any profits to IHMC.

** The Conflict of Interest Policy was discussed and agreed to by unanimous vote during the 2-8-16 Board of Directors meeting. Each Board member has accepted and signed the policy as of 2-8-16.