



CONFLICT OF INTEREST POLICY FOR BAPTIST HEALTH SOUTH FLORIDA, INC. AND ITS AFFILIATES

I. PURPOSE

The purpose of this Conflict of Interest Policy is:

(A) to protect the interests of Baptist Health South Florida, Inc. (“Baptist Health”) and its affiliates and subsidiaries (individually referred to as a “Baptist Entity”, and collectively referred to as the “Baptist Entities”), when contemplating entering into transactions or arrangements that might benefit:

- (i) the private interest of a board member (or his or her immediate family),
- (ii) an organization which is controlled by a board member (or his or her immediate family),
or
- (iii) an organization in which a board member (or his or her immediate family) has a material interest.

And

(B) to protect the interests of the Baptist Entities with regard to competing organizations.

The term “board member” refers to the members of the Board of Trustees of Baptist Health, and the members of the Board of Directors of the affiliates and subsidiaries of Baptist Health. The term “board” refers to the Board of Trustees of Baptist Health, and the Board of Directors of the affiliates and subsidiaries of Baptist Health. The Baptist Entities to which this Conflict of Interest Policy applies are those entities named in Exhibit “A” attached hereto. Special provisions, as stated herein, apply to Baptist Health South Florida Foundation, Inc. and to Bethesda Hospital Foundation, Inc.

Proper governance depends upon board members who give of their time for the benefit of the Baptist Entities. This service carries with it a requirement of loyalty and fidelity to the Baptist Entities. It is the responsibility of the members of the boards to govern the affairs of the Baptist Entities with honesty and integrity, exercising their best care, skill and judgment for the benefit of the Baptist Entities. The giving of this service, because of the varied interests and backgrounds of the board members, may on occasion result in an actual, potential or perceived conflict of interest. It is recognized that the appearance of a conflict of interest can be as damaging to the Baptist Entities as actually permitting a conflict of interest to exist.

The members of the boards of the Baptist Entities also recognize that a conflict of interest may exist when a member of a board is engaged by, employed by, has control¹ of or has a material interest² in an organization which does business with a Baptist Entity, or which competes with a

¹ The term “control” means having the ability to influence the decision making of an organization, including being a director or an officer.

² The term “material interest” means an interest, whether financial or otherwise, that gives the governing board member the ability to exercise more than an insignificant degree of influence over the decision making of an organization.

Baptist Entity. For purposes of this policy, sponsorship, charitable contributions or donations to a not-for-profit organization do not constitute doing business with a Baptist Entity.

II. DUTY TO DISCLOSE

Each board member of a Baptist Entity shall submit to the President of Baptist Health an annual written declaration, which requires each board member to answer questions regarding actual or potential conflicts of interest, and which requires each board member to (i) certify that to the best of the board member's knowledge there are no actual, potential or perceived conflicts of interest with regard to any Baptist Entity, (ii) disclose any actual, potential or perceived conflict of interest, and (iii) answer questions mandated by law, by the Internal Revenue Service or by other governmental agencies. Every potential voting board member will be asked to complete the written disclosure prior to nomination. Additionally, each board member shall promptly notify the President of Baptist Health in writing upon becoming aware of any actual, potential or perceived conflict of interest. All written declarations and notices shall be reviewed by the Baptist Health Chief Compliance Officer (the "Compliance Officer"). If, based on such disclosures or notices, or based on any other information that comes to his or her attention, the Compliance Officer determines that an actual, potential or perceived conflict of interest may exist with regard to any board member, the Compliance Officer shall conduct an appropriate investigation with regard thereto. The Compliance Officer shall provide the information gathered with regard to an actual, potential or perceived conflict of interest to the Ethics Committee of the Board of Trustees of Baptist Health (the "Ethics Committee") at its next regularly scheduled meeting or at a specially called meeting.

III. RELATIONSHIPS CONSTITUTING A CONFLICT

A. Voting board members. Voting board members of a Baptist Entity shall not, unless allowed by a specific permitted exemption to this Conflict of Interest Policy:

- (i) be employed by a Baptist Entity;
- (ii) be engaged to do business with or provide service to a Baptist Entity;
- (iii) be engaged to provide services to a Baptist Entity under any exclusive arrangement for which services are billed directly to patients, to third parties or to any Baptist Entity (for example, a hospital based physician);
- (iv) be employed by, have control of or a material interest in organizations engaged to do business with or provide services to a Baptist Entity, including any exclusive arrangement for which services are billed directly to patients, to third parties or to any Baptist Entity (for example, a hospital based physician group);
- (v) be employed by, have control of or a material interest in organizations that compete with a Baptist Entity;
- (vi) currently seek election to a public office or currently hold elected public office.

Voting Member Permitted Exemptions:

1. An individual who is employed by a publicly traded company, or a state operated, county operated or not-for-profit university (a "university") may serve as a voting member of a board of a

Baptist Entity, other than the Board of Trustees of Baptist Health, if the employment relationship is such that the individual, to the satisfaction of the Ethics Committee:

- a) works in a different department or division of the publicly traded company or university from the department or division that does business with a Baptist Entity,
- b) has no involvement or say with regard to the business the publicly traded company or university conducts with a Baptist Entity, and
- c) has no influence over the business the publicly traded company or university conducts with a Baptist Entity.

With this permitted exemption, the voting member may not serve as chairman of a board of a Baptist Entity or on any of the Baptist Health Committees, other than the Committee on Quality & Patient Safety or the Community Benefit Committee.

2. An individual who is employed by, has control of, or a material interest in a company that is the sole community provider of that service or good may serve as a voting member of a board of a Baptist Entity.

B. Immediate family of voting board members. The term “immediate family” means the spouse, parents, step-parents, brothers and sisters, step-brothers and step-sisters, and children and step-children of a governing board member, and the parents, brothers and sisters of the spouse, as well as the spouses of the voting governing board member’s children, brothers and sisters. The immediate family of voting board members shall not, unless allowed by a specific permitted exemption to this Conflict of Interest Policy:

- (i) be employed in a management capacity at a Baptist Entity;
- (ii) be engaged to do business with or provide services to a Baptist Entity;
- (iii) be employed by, have control of or a material interest in organizations engaged to do business with or provide services to any Baptist Entity;
- (iv) be employed in a management capacity by, or have control of or a material interest in an organization that competes with a Baptist Entity.

Immediate Family Permitted Exemptions:

1. An immediate family member of a voting board member may be employed in a management capacity at a Baptist Entity if specifically approved by the Baptist Health Ethics Committee (the “Ethics Committee”), and then only on the condition that the Ethics Committee determines that such person has unique expertise or capabilities in the services to be provided and that the compensation to be paid is reasonable for the services to be provided.

With this permitted exemption, the voting member may not serve on the Ethics Committee or the Baptist Health Compensation Committee (the “Compensation Committee”).

2. An immediate family member of a voting board member may be employed by a publicly traded company or a university engaged to provide services to any Baptist Entity if the employment relationship is such that the immediate family member, to the satisfaction of the Ethics Committee:

- a) works in a different department or division of the publicly traded company or university from the department or division that does business with a Baptist Entity,

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- b) has no involvement or say with regard to the business the publicly traded company or university conducts with a Baptist Entity, and
- c) has no influence over the business the publicly traded company or university conducts with a Baptist Entity.

With this permitted exemption, the voting member may not serve on any of the Baptist Health Committees that deal with the applicable employment relationship or on the Ethics Committee or Compensation Committee.

3. An individual whose family member is employed by, has control of, or a material interest in a company that is the sole community provider of that service or good may serve as a voting member of a board of a Baptist Entity.

C. Medical Staff Officers. A member of the medical staff who serves as a member of a board of a Baptist Entity by reason of having been elected as an officer of the medical staff may continue to provide services or maintain an established business relationship with a Baptist Entity, excepting that no new business relationships or benefits shall be permitted. If new business occurs during his or her term, the medical staff member may remain on the board as a non-voting board member. If the medical staff officer directly or indirectly receives compensation from a Baptist Entity, he or she may provide information relating to such matters, but shall not participate in discussions and shall not vote on such matter.

D. Baptist Health South Florida Foundation, Inc. It is recognized that the sole purpose of Baptist Health South Florida Foundation, Inc. (the "Baptist Foundation") is to raise funds to further the mission of Baptist; that the Baptist Foundation is not an entity with any health care functions and is not involved in the business operations of any Baptist Entity; and that the members of the Board of Directors of the Baptist Foundation, other than the Chairperson of the Baptist Foundation and those directors on the Baptist Foundation Board of Directors who are also members of the governing board of another Baptist Entity, do not exercise any control over the business operations of any Baptist Entity. For these reasons it has been determined that individuals may serve as voting members of the Board of Directors of the Baptist Foundation, provided they comply with the following:

- (i) Voting members of the Board of Directors of the Baptist Foundation may not be employed by a Baptist Entity or the Baptist Foundation;
- (ii) A voting member of the Board of Directors of the Baptist Foundation, his or her family members, and any business they are employed by have control of or a material interest in, may not be engaged to do business with the Baptist Foundation.
- (iii) The immediate family members of a voting member of the Board of Directors of the Baptist Foundation may not be employed in a management capacity by the Baptist Foundation.

Any voting member of the Board of Directors of the Baptist Foundation who has a relationship prohibited in Sections A. or B. above may not serve as the Chairperson of the Baptist Foundation and may not serve on any Baptist Health Committees. Any voting member of the Board of Directors of the Baptist Foundation who is also a voting member of the governing board of any other Baptist Entity must comply with the requirements of Sections A. and B. above.

E. Bethesda Hospital Foundation, Inc. It is recognized that the sole purpose of Bethesda Hospital Foundation, Inc. (the “Bethesda Foundation”) is to raise funds to further the mission of Bethesda Hospital, Inc.; that the Bethesda Foundation is not an entity with any health care functions and is not involved in the business operations of any Baptist Entity; and that the members of the Board of Directors of the Bethesda Foundation, other than the Chairperson of the Bethesda Foundation and those directors on the Foundation Board of Directors who are also members of the governing board of another Baptist Entity, do not exercise any control over the business operations of any Baptist Entity. For these reasons it has been determined that individuals may serve as voting members of the Board of Directors of the Bethesda Foundation, provided they comply with the following:

- (i) Voting members of the Board of Directors of the Bethesda Foundation may not be employed by a Baptist Entity or the Bethesda Foundation;
- (ii) A voting member of the Board of Directors of the Bethesda Foundation, his or her family members, and any business they are employed by have control of or a material interest in, may not be engaged to do business with the Bethesda Foundation.
- (iii) The immediate family members of a voting member of the Board of Directors of the Bethesda Foundation may not be employed in a management capacity by the Bethesda Foundation.

Any voting member of the Board of Directors of the Bethesda Foundation who has a relationship prohibited in Sections A. or B. above may not serve as the Chairperson of the Bethesda Foundation and may not serve on any Baptist Health Committees. Any voting member of the Board of Directors of the Bethesda Foundation who is also a voting member of the governing board of any other Baptist Entity must comply with the requirements of Sections A. and B. above.

F. Gifts and Favors. Members of the boards of the Baptist Entities shall not accept any gifts, favors, or hospitality that might influence their decision making or actions affecting a Baptist Entity. This shall not, however, restrict the accepting of gifts or favors of nominal value³ which are given as tokens of friendship or recognition, provided, however, that under no circumstances shall board members accept gifts of cash or cash equivalent. The term “cash equivalent” shall include, but not be limited to, checks, money orders, gift certificates, and other negotiable instruments.

G. Dealings With Other Not-For-Profit Corporations. It shall not be a conflict of interest for a Baptist Entity to do business with another not-for-profit corporation where a Trustee of Baptist Health or a Director of a Baptist Entity serves on the governing board of such not-for-profit corporation, provided the Trustee of Baptist Health or the Director of a Baptist Entity is not compensated for his or her participation on the governing board of such not-for-profit corporation and such not-for-profit corporation is not a commercial payor or a competitor of any Baptist Entity.

IV. DETERMINING WHETHER A CONFLICT EXISTS

The Baptist Health Ethics Committee (the “Ethics Committee”) shall review and consider the information relating to any actual, potential or perceived conflicts of interest. If the Ethics Committee determines that an actual, potential or perceived conflict of interest exists or may exist, or if a matter is remanded to the Ethics Committee by the Board of Trustees of Baptist Health, the Chairperson of the Ethics Committee, or his or her designee, shall contact the affected board

³ The term “nominal value” means gifts or entertainment with a value of not more than \$150, with a combined total value in any calendar year not to exceed \$300.

member to discuss the actual, potential or perceived conflict of interest. The affected board member may be invited to the next meeting of the Ethics Committee.

If the affected board member attends the Ethics Committee meeting, the Chairperson of the Ethics Committee, or his or her designee, shall discuss with the affected board member the actual, potential or perceived conflict of interest that exists or that may exist, and shall give the affected board member an opportunity to ask questions of and to respond to the members of the Ethics Committee. After having heard the affected board member and considering the relevant information presented, the affected board member shall be excused and the Ethics Committee shall make a determination as to whether an actual, potential or perceived conflict of interest, or the appearance of a conflict of interest exists. The affected board member shall be notified of the final decision of the Ethics Committee.

V. PROCEDURES FOR ADDRESSING A CONFLICT OF INTEREST

If the Ethics Committee determines that a conflict of interest does exist, it shall determine the necessary action(s) to be taken to resolve the conflict of interest, and the time frame within which such action(s) is to be taken. The resolution will be based upon the nature of the conflict. Necessary actions may include, but shall not be limited to the following:

- (i) requiring the board member to eliminate the conflict of interest or resign from the board;
- (ii) eliminating the business or other relationship which gives rise to the conflict of interest;
- (iii) removing the board member from the board;
- (iv) if the affected board member is a member of the Board of Directors Baptist Health South Florida Foundation, Inc. or Bethesda Hospital Foundation, Inc., requiring that the board member become a non-voting honorary board member as a condition of continued membership on the board;
- (v) if an individual becomes a board member by reason of being elected president of a medical staff and the individual receives compensation from a Baptist Entity, requiring the board member serve as a non-voting member;
- (vi) requiring that the board member leave the board or committee meeting at which the issues relating to the matter that gave rise to the conflict of interest are discussed or voted on; or
- (vii) requiring that the situation giving rise to the conflict of interest be modified in a manner such that a conflict of interest no longer exists.

The Chairperson of the Ethics Committee or his/her designee will determine the most appropriate method of communication to the affected board member regarding the decision of the Ethics Committee. If the board member does not take appropriate action to eliminate the conflict of interest in a manner acceptable to the Ethics Committee within the required period of time, the Ethics Committee shall recommend to the Board of Trustees of Baptist Health such action(s) as it deems necessary to address the conflict of interest including, when appropriate, the removal of the affected board member as a board member.

VI. DISTRIBUTION OF CONFLICT OF INTEREST POLICY

A copy of this policy shall be provided to each board member annually and to each potential board member prior to his or her appointment to a board.

VII. REPORTING REQUIREMENTS

Each Trustee and Director of a Baptist Entity shall complete the annual conflict of interest declaration and the background check forms promptly after receipt thereof and shall return the completed forms to the Baptist Health Audit and Compliance Department within the required timeframe. The failure to return the completed forms within the required timeframe shall be deemed to be an automatic suspension of the right of the Trustee or Director to attend meetings of the governing boards of the Baptist Entity upon which the Trustee or Director sits, until such time as the completed forms are returned.

EXHIBIT "A"
BAPTIST ENTITIES

Baptist Health South Florida, Inc.
Baptist Health South Florida Foundation, Inc.
Baptist Hospital of Miami, Inc.
Baptist Health Enterprises, Inc.
Baptist Health Medical Group, Inc.
Baptist Outpatient Services, Inc.
BHSF Real Estate Foundation, Inc.
Doctors Hospital, Inc.
Fishermen's Health, Inc.
Homestead Hospital, Inc.
Mariners Hospital, Inc.
Miami Cancer Institute At Baptist Health, Inc.
South Miami Hospital, Inc.
West Kendall Baptist Hospital, Inc.

Bethesda Health, Inc.
Bethesda Hospital, Inc.
Bethesda Hospital Foundation, Inc.