

Independence Policy

Purpose

The purpose of this policy is to set forth the independence requirements that shall apply to the voting members of St. Joseph's Hospitals Foundation Board of Trustees.

The primary objectives of the policy are to:

1. Define the independence requirements applicable to Board Members.
2. Provide a systematic and ongoing method of assisting Board Members in disclosing material relationships with the Foundation, St. Joseph's Hospitals (SJ) and/or BayCare Health System (BayCare) which could present potential independence issues.
3. Formalize the Foundation's commitment to high ethical standards and conduct.

This policy is intended to supplement, but not replace, any applicable state and federal laws governing independence applicable to nonprofit and charitable corporations.

Definitions

The term "independent" is defined as meeting all of the following criteria:

1. Board Member was **not** a Foundation employee and/or did **not** receive total compensation or other payments greater than \$10,000 from the Foundation or from any of its related entities as an employee or independent contractor within the previous year;
2. Board Member's family member did **not** receive total compensation or other payments greater than \$10,000 from the Foundation or from any of its related entities as an independent contractor within the previous year;
3. Board Member's or family member's own compensation was **not** determined by individuals who are executives of the Foundation or any of its related entities;
4. Board Member or family member was **not** an officer, director, trustee, key employee, partner in a partnership or shareholder of professional corporation with an ownership interest in excess of 5%, or owner of more than 35% of the equity securities of any organization that received payments, property, or services from the Foundation, SJ, and/or BayCare in the previous year in an amount which exceeded \$100,000;
5. Board Member or family member was **not** employed as a partner with, employed within the primary audit office of, or otherwise received financial benefits from the present or former internal or external auditor of the Foundation or any of its related entities within any of the previous three years.

For purposes of this document a family member includes a person's spouse, parents, grandparents, great grandparents, brothers and sisters (whether whole or half blood), children (whether natural or adopted), grandchildren, great grandchildren and spouses of brothers, sisters, children, grandchildren, and great-grandchildren.

Policy

Board Members engaged in the governance of the Foundation occupy positions of fiduciary trust and stewardship with respect to the interests of St. Joseph's Hospitals Foundation. Accordingly, Board Members, as well as their family members, shall make full disclosure of any private, business or professional relationships, which could be perceived to impair the independence of the Board Member. Once disclosure is made, procedures for deciding whether a conflict exists shall be followed.

Failure to Disclose

If the Foundation has reason to believe that a Board Member has failed to list all independence disclosures, it shall inform the Board Member of the basis for such belief, and give the Board Member an opportunity to explain the alleged failure to disclose. If, after hearing the response of the Board Member and making such further investigation as may be warranted in the circumstances, the Foundation determines that the member has, in fact, failed to make a complete independence disclosure, the Foundation shall take appropriate corrective action based on the facts and circumstances. This responsibility will be carried out by the Chairman of the Board.

Interpretation

Any questions seeking guidance on interpretation or implementation of this Independence Policy shall be submitted to Foundation's Executive Committee.

Procedures for Compliance with the Independence Policy

Annual Disclosure Statements

Board Members shall complete, sign and file an annual independence disclosure statement detailing any relationships which could be perceived to impair independence and affirm that they have:

1. Received a copy of the Foundation's independence policy,
2. Read and understand the policy, and
3. Agreed to comply with the policy.

The form shall be filed with Foundation Administration. Interim disclosure shall also be required as new or additional independence issues develop subsequent to the annual disclosure. Any newly appointed Board Members shall participate in similar procedure concurrent with assumption of their responsibilities.

Board of Trustees' and Committee Members' Required Action

After receipt of all Board Member's Independence Disclosure Statements, the following procedures for ensuring overall Board and Committee independence will be adhered to without exception:

1. The Foundation Director, Finance and Administration will review the disclosures submitted on each independence statement to determine the independence status of each voting Board Member. Any disclosures requiring further review will be sent to the Executive Committee for a final determination as to the Board Member's independence status.
2. Each Chairperson will verify that one third of the members are independent on the Board and all Committees except the Event Committees for which independence is not required.
3. The minutes of each Board and all Committees shall reflect the results of the independence assessment.
4. The Chairperson of the Board or of any Committee in noncompliance with the established guidelines will have responsibility for achieving compliance including potential replacement of members as necessary, following the Board's established process for appointing new members.

Issued: Aug-09 Approved by BOD: August 25, 2009

Independence Policy modeled from BayCare's policy number CR 1400



St. Joseph's Hospitals Foundation

INDEPENDENCE DISCLOSURE STATEMENT

I, _____, have read and understand St. Joseph's Hospitals Foundation's Independence Policy and am familiar with the disclosure requirements described therein. I understand and agree that I occupy a position of fiduciary trust and stewardship with respect to the Foundation, SJ, and BayCare and, in such capacity, agree to be bound to act in accordance with the Foundation's Independence Policy.

Except as fully disclosed below, I represent that to the best of my knowledge and belief, neither I nor any member of my family has or had a relationship which would require disclosure under the Independence Policy.

1. I was an employee of BayCare or received compensation or other payments greater than \$10,000 from the Foundation or from any of its related entities as an employee or independent contractor within the previous year.

Yes _____ No _____ If yes, please list exceptions below.

2. Family members received direct compensation greater than \$10,000 from the Foundation or any of its related entities within the previous year.

Yes _____ No _____ If yes, please list exceptions below.

3. My compensation or that of my family members was determined by executives of the Foundation or any of its related entities.

Yes _____ No _____ If yes, please list exceptions below.

4. I or one of my family members was an officer, director, trustee, key employee, partner in a partnership or shareholder of a professional corporation with an ownership interest in excess of 5%, or owner of more than 35% of the equity securities of any organization that received payments, property, or services from the Foundation or any of its related entities which in the previous year exceeded \$100,000.

Yes _____ No _____ If yes, please list exceptions below.

5. I or one of my family members was employed as a partner with, employed within the primary audit office of, or otherwise received financial benefits from the present or former internal or external auditor of the Foundation or any of its related entities within any of the previous three years.

Yes _____ No _____ If yes, please list exceptions below.

Signature

Title or Position

Date

Annual Disclosure _____

Interim/Updated Disclosure _____