

**NEW YORK BLOOD CENTER, INC.
BOARD OF TRUSTEES
CONFLICTS OF INTEREST POLICY**

ARTICLE I.
PURPOSE

Section 1.1 **Purpose.** The purpose of this Conflicts of Interest Policy (“**Policy**”) is to protect the interests of the New York Blood Center, Inc. (“**NYBC**”) when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or Trustee of NYBC or other Interested Person (defined below). The primary benefit of the Policy is that the Board and Board committees can make decisions in an objective manner without undue influence by Interested Persons. This Policy can help to assure that NYBC fulfills its charitable purposes, properly oversees the activities of its officers and Trustees and pays no more than reasonable compensation to NYBC executives and other highly compensated individuals. NYBC encourages individuals to avoid conflicts of interest in appearance and in fact. This Policy is intended to supplement but not replace any applicable state laws governing conflicts of interest applicable to not-for-profit and charitable corporations.

ARTICLE II.
DEFINITIONS

Section 2.1 **Interested Person.** Any Trustee, principal officer, or member of a committee with Board-delegated powers who has a direct or indirect financial interest, as defined below, is an interested person (“**Interested Person**”).

Section 2.2 **Financial Interest.** A person has a financial interest if the person, or a Family member has, directly or indirectly, through business, investment, an actual or potential ownership or investment interest in, or any compensation arrangement with, any entity with which NYBC (i) has a transaction or arrangement, (ii) is in negotiation for a transaction or arrangement or (iii) is likely to be in direct competition.

Compensation includes direct and indirect remuneration, ownership interests, as well as gifts or favors that are substantial in nature (i.e., in excess of \$1,000 in any calendar year). An “ownership or investment” interest shall not include interests of less than 1% in entities whose securities are publicly listed and have \$75 million or more of stockholders equity. A financial interest is not necessarily a conflict of interest. Under Article III, Section 3.2, a person who has a financial interest may have a conflict of interest only if the Board or committee decides that a conflict of interest exists.

Section 2.3. “Family” shall be defined as a spouse, domestic partner, parent or child of the individual.

Section 2.4. “Relative” shall be defined as a spouse, domestic partner, child, grandchild, great-grandchild, sibling, half-sibling, parent, or a spouse of the individual’s child, grandchild, great-grandchild, sibling or parent.

Section 2.5 “Related Party Transaction” shall mean any transaction, agreement or other arrangement in which a related party has a financial interest and in which the NYBC or an affiliate is a participant.

Section 2.6. “Related Party” shall mean any Trustee of the Corporation or an affiliate, any Relative of any such individual; and any entity in which such individual or relative has a 35% or greater ownership or beneficial interest, or in the case of a partnership or professional corporation, a direct or indirect ownership in excess of 5%.

Section 2.7. “Connection With A City or State Official” Shall mean a Trustee who (1) is an employee of the City or State of New York or the States of New Jersey, Pennsylvania or Connecticut (2) is an elected official in the City or State of New York or the States of New Jersey, Pennsylvania or Connecticut; or (3) has a Family member that is an elected official in the City or State of New York or the States of New Jersey, Pennsylvania or Connecticut.

ARTICLE III. **PROCEDURES**

Section 3.1 **Duty to Disclose.** In connection with any actual or possible conflicts of interest, an Interested Person must disclose the existence of his or her Financial interest Related Party Transaction, or Connection with a City or State Official and all material facts to the Trustees, or to the Audit Committee of the Board. Such disclosure shall be made either through an annual questionnaire required under Article VI or when a conflict not disclosed on the questionnaire otherwise arises.

Section 3.2 **Determining Whether a Conflict of Interest Exists.** After disclosure of the Financial Interest, Related Party Transaction or Connection with a City or State Official and all material facts, and after any discussion with the Interested Person to clarify or obtain additional information relevant to the financial interest, he or she shall not participate in any Board or Audit Committee deliberations as to whether a conflict of interest exists and is discussed and voted upon. The remaining Board or Audit Committee members shall decide if a conflict of interest exists and shall document its conclusions as to whether a conflict of interest exists with regard to such disclosure in its meeting minutes.

Section 3.3 **Procedures for Addressing a Conflict of Interest or a Related Party Transaction.** Once the disinterested members of the Board of Trustees or Audit Committee have determined that a conflict of interest exists with respect to a particular transaction or arrangement or where a Related Party has disclosed a Related Party Transaction:

(a) The chair of the Board, on his or her own designation or at the request of the Chair of the Audit Committee, shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

(b) After exercising due diligence, the Audit Committee or the Board shall determine whether (i) the proposed transaction is fair, reasonable and in the Corporation’s best interest and (ii) NYBC can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest or a Related Party Transaction.

(c) If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest or a Related Party Transaction, the Board or the Audit Committee shall determine by a majority vote of the disinterested Trustees or committee members whether the transaction or arrangement is in NYBC's best interest and for its own benefit and whether the transaction is fair and reasonable to NYBC and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

(d) The interested person shall leave the room while the matter giving rise to the conflict is deliberated and voted on and only disinterested trustees or committee members may vote to determine whether to approve the transaction or arrangement, although the Interested Person or Related Party may provide the board or committee with information related to such transaction prior to such deliberations. To the extent permitted by applicable state law and NYBC's governing documents, Interested Persons or a Related Party may be counted in determining the presence of a quorum at a meeting of the Board or committee where a potential conflict of interest has been disclosed.

Section 3.4. **Violations of the Conflicts of Interest Policy.**

(a) If the Board or committee has reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest or a Related Party Transaction, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.

(b) If, after hearing the response of the member and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take such action as it considers appropriate, including disciplinary and corrective action if warranted.

ARTICLE IV.
RECORDS OF PROCEEDINGS

Section 4.1 **Records of Proceedings.** The minutes of the Board and all committees with Board-delegated powers shall contain the following:

(a) the names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest or a Related Party Transaction, a general statement as to the nature of the Financial Interest or a Related Party Transaction, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.

(b) the names of the persons who were present for discussions and votes relating to the transaction or arrangement, a summary of the content of the discussion that contains the type of information regularly reported in Board or committee minutes and identifies whether any alternatives to the proposed transaction or arrangement were considered, and a record of any votes taken in connection therewith.

ARTICLE V.
COMPENSATION

Section 5.1 **Voting Member of Board.** A voting member of the Board of Trustees who receives compensation, directly or indirectly, from NYBC for services is precluded from voting on matters pertaining to that member's compensation.

Section 5.2 **Voting Member of Committee.** A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from NYBC for services is precluded from voting on matters pertaining to that member's compensation.

ARTICLE VI.
ANNUAL STATEMENTS

Section 6.1 **Annual Statement.** Each Trustee, principal officer and member of a committee with Board-delegated powers shall annually sign a statement which affirms that such person has complied with the following:

- (a) receives a copy of this Policy;
- (b) reads and understands this Policy;
- (c) agrees to comply with this Policy;
- (d) understands that NYBC 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; and
- (e) discloses activities and Financial Interests which may result in a conflict of interest, any Related Party Transactions, or a Connection with a City or State Official

Section 6.2 **Conflicts of Interest Disclosure Statement.** Each Trustee, principal officer and member of a committee with board delegated powers shall sign the Conflicts of Interest Disclosure Statement then used by the Board of Trustees for purposes of providing the Board with the information needed to implement this Policy. All such annual disclosures shall be presented to the Chair of the Corporation's Audit Committee.

ARTICLE VII.
CONFIDENTIALITY

Section 7.1 **Confidentiality Agreement.** Each trustee, principal officer and member of a committee with Board-delegated powers shall sign the Confidentiality Agreement used by the Board of Trustees to protect the confidentiality of Board deliberations.