

CONFLICT OF INTEREST POLICY



nenos Inc. and its Board and Corporate leadership are subject to legal requirements that emphasize preventing conflicts of interest. For example:

- Florida Statute 617.0832 limits transactions between the Corporation and its Directors and requires that a majority of Board Directors approving such transactions be independent from any perceived conflict of interest.
- Principles of not-for-profit Board service generally provide that Directors owe the Corporation a duty of loyalty, meaning that Directors and other officers act in their capacity in the interests of the Corporation rather than their individual interests.
- As restricted by federal law, and outlined in our Articles of Incorporation, no Director, officer, or other private person may benefit financially from the net earnings or assets of nenos Inc.
- To promote adherence to state and federal law, all Board members must complete annual Conflict of Interest forms; nenos Inc. must also submit public disclosures regarding compensation of Board leadership, the independence of the Board, and the relationship between the Corporation and its Board.

To provide clarity and guidance for Board members, the Corporation has adopted this Conflict of Interest Policy ("Policy") with the goal of facilitating compliance with established law and providing procedures for situations that may or may not involve conflicts of interest. The purpose of this Policy is to provide support and awareness for opportunities that may jeopardize the aforementioned duty of loyalty to the Corporation and minimize personal gain achieved through service on the Board.

nenos Inc. understands that this Policy cannot encompass every possible situation, and so Directors should continuously exercise good judgment and common sense when engaging in business activities, votes, or discussions that may potentially create a conflict of interest. In the event that a Director is unsure if something may be a conflict of interest or has additional questions about this Policy, they should immediately notify the Board Chair or Chief Executive Officer.

Definitions

- "Family member" = Any spouse or immediate family (parents, siblings, or natural or adopted children), descendants and ancestors of any spouse (such as in-law parents) or immediate family (grandparents, grandchildren, et cetera), and spouses of any of the aforementioned individuals.
- "Key employee" = Any nenos Inc. employee who (1) has management over at least ten (10) percent of the Corporation's assets, activities, income, or expenditures; or (2) has management over at least ten (10) percent of the Corporation's capital investments, budget, or employee compensation; or (3) has responsibilities, powers, and authority over the Corporation as a whole similar to other Directors, officers, or trustees.
- "Senior leaders" = Board Directors, community members serving on advisory committees, and key employees are all considered as senior leadership within nenos Inc.
- "Conflict of interest" = When a senior leader is involved in making a decision for the Corporation (such as voting, advocating for action, et cetera) that they, or a member of their family, may personally, professionally, or financially benefit. For example, if a Board member has a family member or acquaintance on another Board or as an investor of another organization and advocates for transactional business with that other organization.

Disclosure Requirements

It is imperative that any senior leader and key employee promptly disclose any potential, actual, or apparent conflicts of interest and that no senior leader engage in Board business in a way that may create or promote a conflict of interest. The Corporation will comply with all legal requirements for preventing and recording conflicts of interest and following a documented process for making such decisions on the appearance or actuality of a conflict of interest.

Necessary Disclosures

- Whenever a senior leader is appointed, elected, or hired, and annually thereafter, they must complete a required questionnaire and conflict of interest affirmation to disclose any affiliations, relationships, or other matters that may possibly create a conflict of interest and confirm their commitment to this conflict of interest Policy.
- At any time a senior leader perceives a potential conflict of interest, however minimal, either from themselves or another, they should promptly disclose such a conflict to the Board Chair or Chief Executive Officer.
- Every senior leader has an ongoing responsibility and duty of ensuring that their business, personal, and philanthropic interests do not create possible conflicts of interest, and err on the side of caution when considering potential conflicts that may arise.
- It is important and imperative that every senior leader completes conflict of interest questionnaires and other corresponding documents completely, honestly, and to the best of their ability; at any time a conflict of interest is discovered and was not reported by the senior leader, the Ethics Committee will investigate such a conflict and afford the senior leader an opportunity to explain the alleged failure to disclose. If any investigation results in the finding by the Board that there was a failure to disclose, the Board may take any corrective or disciplinary steps as deemed necessary.

Conflict Review Procedures

The following procedures should be observed and implemented when there is a perceived or actual conflict of interest by a senior leader:

- *Oversight and Review:* Conflicts of interest regarding employees shall be elevated by the Chief Executive Officer to the Board, which may review the conflict without limitation. Conflicts of interest regarding Directors shall be overseen by the Ethics Committee and referred to the Board for any potential corrective or disciplinary action.
- *Abstaining from Business:* Whenever there is a need for disclosure, senior leaders should abstain from Board or committee business—such as voting—other than disclosing any perceived conflicts of interest and provide any additional information required for a disclosure.
- *Actions by Board:* The Board and senior leaders will act in accordance with state and federal conflict of interest laws, this Policy, and the bylaws while conducting business. They may limit review to individual senior leaders or multiple individuals; obtain information when necessary; empower the Ethics Committee to investigate perceived or apparent conflicts of interest; and obtain outside counsel.

Approval of Transactions

While a conflict of interest is discovered or known during the course of Board business, the Board may still pursue this business provided the following steps are taken:

- *Abstention of Business*: If there is a senior leader with a conflict of interest, they will abstain from any business items or activities that may violate this Policy, such as withholding votes on items and resolutions or leaving a Regular, Annual, or Committee meeting while in discussion on a relevant business item.
- *More Favorable Options*: In the event that there is not a more favorable arrangement or transaction available beyond what may cause the conflict of interest, the Board may decide that the transaction is fair, is reasonable, and would benefit the Corporation.

Related Conflicts

- At least 51 per cent of the Board at all times should be individuals who are not: (1) compensated by the Corporation for services rendered within the past twelve months in any capacity or (2) are any family member, as described in this Policy, of another Director or senior leader.
- The Corporation shall never, except when permitted by law, provide loans, compensation, or property to a Director officer.
- Senior leaders may not authorize or use the property of the Corporation (including the name or logo) for their benefit or to the benefit of another individual or organization, and may not personally exploit discovered opportunities through corporate property and assets, obtained information, or through their position, except as permitted by the Corporation.
- Senior leaders may not offer or solicit non-nominal (more than \$100 annually) payments, gifts, loans, or favors from anyone who seeks, or is currently engaging in, business with the Corporation, or as otherwise approved by the Corporation or the Board.
- As provided by Florida Statute 617.0832, no transaction or other contract between the Corporation and any other corporation of which one or more Directors are Directors is voidable because such Director(s) are present at the meeting which approves the transaction or contract, if (1) the material facts as to the transaction and as to such Director's other directorship are completely disclosed to the Board and the Board approves the transaction or contract in good faith by a vote sufficient without counting the vote of the common director(s); or (2) the transaction or contract is reasonable to Corporation at the time it is approved.

Adherence to other Laws

This Policy is complementary to state and federal law, and does not supersede other relevant laws regarding self-dealing, private benefits, or other conflicts. Nothing in this Policy authorizes or approves the Corporation or Board to engage in self-dealing or any other act as prohibited by state or federal law.

Annual Review

The Ethics Committee shall review this Policy annually and consider appropriate processes and actions to bring compliance to this Policy. All amendments shall be proposed to the Board for approval.