

## CONFLICT OF INTEREST STATEMENT

This conflict of interest statement is designed to help directors, officers, the management team, and members of certain committees of the Association for the Advancement of Medical Instrumentation ("AAMI") identify situations that present conflicts of interest or potential conflicts of interest and to provide AAMI with a procedure which, if observed, will allow a transaction to be treated as valid and binding even though a director, officer, management team person or committee member has or may have a conflict of interest with respect to the transaction. This statement is intended to comply with Virginia law. If there is an inconsistency between the requirements and procedures prescribed herein and Virginia law, Virginia law shall control

### **1. Definitions.**

- a. A "Covered Person" is any person serving as an AAMI director, officer, management team person, or as a member of an AAMI Board or Governance committee.
- b. A "Family Member" is a spouse, domestic partner, or dependent child of a Covered Person.
- c. A "Material Financial Interest" in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Covered Person's or Family Member's judgment with respect to transactions to which the entity is a party. This includes all forms of compensation.
- d. A "Conflict of Interest" is any circumstance described below:
  - (i) A contract or transaction between AAMI and a Covered Person or Family Member except routine, incidental transactions, conducted in the normal course of AAMI business (e.g., payment of membership dues, purchases of services or publications at regular rates; customary honoraria for courses or seminars; travel reimbursement for volunteer services).
  - (ii) A contract or transaction between AAMI and an entity (A) in which a Covered Person or Family Member has a Material Financial Interest or (b) of which a Covered Person or Family Member is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative.
  - (iii) A Covered Person competing with AAMI in the rendering of services or in any contract or transaction with a third party.
  - (iv) A Covered Person's having a Material Financial Interest in an entity that competes with AAMI in the provision of services.

- (v) A Covered Person's serving as a director, officer, employee, agent, partner, associate, trustee or personal representative of an entity that competes with AAMI in the provision of services. (Legal counsel has expressed an opinion that serving on governing bodies of other standards developing organizations could be a conflict of interest. Serving on the Board of another standards developing organization will be a conflict of interest if the association engages in competitive activity.)
- (vi) An AAMI contract or transaction that involves a Covered Person when a reasonable person, with knowledge of all relevant facts, would question the impartiality of the Covered Person with respect to such contract or transaction.

## **2. Procedures.**

- a. Prior to board or committee action on a contract or transaction involving a Conflict of Interest, a director, officer, management team person or committee member having a Conflict of Interest or potential Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.
- b. A director, officer, management team person or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.
- c. A person who has a Conflict of Interest shall not participate in or be permitted to hear the board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- d. A person who has a Conflict of Interest with respect to a contract or transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the vote. The person having a conflict of interest may not vote on the contract or transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting.
- e. Covered Persons who have a Conflict of Interest with respect to a contract or transaction that is not the subject of board or committee action, shall disclose to the chair or the chair's designee any Conflict of Interest that such Covered Person

has with respect to a contract or transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Covered Person. The Covered Person shall refrain from any action that may affect AAMI's participation in such contract or transaction.

- f. If it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict or any other person who becomes aware of the potential conflict may disclose the circumstances to the Executive Committee of the Board of Directors, who shall determine whether there exists a Conflict of Interest that is subject to this statement. The Executive Committee, working with staff and legal counsel, will also advise Board members on the interpretation of this statement.
- g. Statements pertaining to disclosures of conflicts of interest may either be submitted to the Chair of the Board or the President. Such statements will be made available to the Board as necessary for the implementation of this Statement.

**3. Confidentiality.** Each Covered Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of AAMI. Furthermore, a Covered Person shall not disclose or use information relating to the business of AAMI for the personal profit or advantage of the Covered Person or a Family Member.

**4. Review of Statement.**

- a. Each new Covered Person shall be required to annually review a copy of this statement and to be reminded of the obligation to conform to it.
- b. Each Covered Person may annually complete a disclosure form identifying any relationships, positions or circumstances in which the Covered Person is involved that he or she believes could create a Conflict of Interest. Such relationships, positions or circumstances might include service as a director of or consultant to a nonprofit organization that competes with AAMI, or ownership of a business that might provide goods or services to AAMI. Any such information regarding business interests of a Covered Person or a Family Member shall be treated as confidential and shall generally be made available only to the Executive Committee, except to the extent additional disclosure is necessary in connection with the implementation of this Statement.
- c. This statement shall be reviewed annually by the Board of Directors and management team. Any changes to the statement shall be communicated immediately to all Covered Persons.

**AAMI Conflict of Interest Information Form**

Name: \_\_\_\_\_ Date: \_\_\_\_\_

Please describe below any relationships, positions, or circumstances in which you are involved that you believe could create a Conflict of Interest (as defined in AAMI's Statement on Conflicts of Interest).

*I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed the statement on conflict of interest of AAMI that is currently in effect.*

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

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