

## **CONFLICTS OF INTEREST POLICY**

### **I. Purposes**

The purposes of this Conflict of Interest Policy are:

1. To protect the interests of American College of Prosthodontists (“ACP”) when it is contemplating entering into a transaction or arrangement that has the potential for benefiting the private interests of a corporate officer, member of the Board of Directors, committee member or other “Interested Person” as defined below.

2. To ensure that all individuals who, by virtue of their position, can influence decisions affecting the business, operations, ethical and/or competitive position of ACP, perform their duties in an impartial manner free from any bias created by personal interests of any kind.

3. To clarify the duties and obligations of Interested Persons in the context of potential Conflicts of Interest and, further, to provide such Interested Persons with a method for disclosing and resolving potential Conflicts of Interest.

This policy is intended only to supplement and is not intended to replace any applicable state laws governing conflicts of interest applicable to not-for-profit and charitable organizations.

### **II. Definitions**

1. Conflict of Interest.

An Interested Person has an actual, apparent or potential Conflict of Interest with respect to a contract, transaction or arrangement in which ACP is (or would be, if approved) a party if the person has, directly or indirectly, through a business, investment, family or other relationship:

(a) an ownership or investment interest in any entity involved in such contract, transaction or arrangement;

(b) a compensation arrangement with an individual or entity involved in such contract, transaction or arrangement;

(c) a potential ownership or investment interest in, or compensation arrangement with, an individual or entity with which ACP is negotiating such contract, transaction or arrangement; or

(d) a fiduciary position (*e.g.*, member, officer, Director, committee member) with respect to an entity involved in such contract, transaction or arrangement. An interested Person may also have a Conflict of Interest due to a fiduciary position with another entity due to public positions taken by that other entity, litigation or other factors.

In addition, a person has an actual, apparent or potential Conflict of Interest in any existing or potential compensation arrangement between ACP and that person or any business, investment or family member related to that person. For purposes of this section, compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

An apparent or potential conflict is not necessarily an actual Conflict of Interest. A person who has an apparent or potential Conflict of Interest may be determined to have an actual Conflict of Interest only if the Board decides that an actual Conflict of Interest exists pursuant to Section IV.2 – Determining Whether a Conflict of Interest Exists.

## 2. Interested Person.

For purpose of applying this Policy to any contract, transaction or arrangement involving ACP, the term “Interested Person” shall mean any person in a position to exercise substantial influence over ACP in the five-year period ending on the date the proposed contract, transaction or arrangement is formally presented to the Board for approval. “Interested Person” includes (but is not limited to) any Director, trustee, officer, member of a committee, senior management team member and administrator. The Board also may determine, based upon all the facts and circumstances (and with the advice of legal counsel) that a person other than an “Interested Person” shall be treated as an “Interested Person” with respect to a particular contract, transaction or arrangement or position.

### **III. Policy**

All Interested Persons shall exercise the utmost good faith in all transactions touching upon their duties to ACP and its property. Accordingly, ACP requires that each individual subject to this Policy Statement promptly and fully disclose (in the manner provided herein) any actual, apparent or potential Conflict of Interest for review as provided herein.

ACP will not engage in any contract, transaction or arrangement involving a Conflict of Interest unless the disinterested members of the Board of Directors, acting at a duly constituted meeting thereof, determine by a majority vote that appropriate safeguards to protect the charitable mission of ACP have been implemented.

## IV. Procedures

### 1. Duty to Disclose.

An Interested Person has a continuing obligation to disclose (in the manner provided in this Policy) the existence and nature of any actual, apparent or potential Conflict of Interest he or she may have. “Disclosure” means promptly providing a description of the material facts of the actual, apparent or potential Conflict of Interest to the Board of Directors or any committee with which the Interested Party is working. All Board members shall complete the Conflicts of Interest Questionnaire Form attached as Exhibit A to this Policy. Additional disclosure shall be made promptly any time an actual, apparent or potential Conflict of Interest arises and before the consummation of the contract, transaction or arrangement consideration or discussion of the matter that is the subject of the potential Conflict of Interest.

### 2. Determining Whether a Conflict of Interest Exists.

At any time that an actual, apparent or a potential Conflict of Interest is identified to the Board of Directors or a committee, whether through disclosure by an Interested Person, or by a disclosure by a person other than the subject Interested Person, the remaining Board or committee members shall review the matter and determine whether a Conflict of Interest exists. The subject Interested Person may make a presentation at the Board or committee meeting in which the Board or committee conducts its evaluation, but such Interested Person shall leave the meeting during the discussion of, and the vote on, whether an actual Conflict of Interest exists. The Board or committee may request additional information from all reasonable sources, and may involve legal counsel in its deliberations. Once all necessary information has been obtained and discussed, the Board or committee shall determine whether a Conflict of Interest indeed exists. Only disinterested Directors or committee members may vote to determine whether a Conflict of Interest exists.

### 3. Immaterial Interests.

An immaterial financial or investment interest need not be considered a basis for an actual, apparent or potential Conflict of Interest but must be disclosed. Any questions as to the materiality of an interest should be addressed to the Chair of the Board of Directors or Chair of the affected committee. The Board or committee shall determine materiality.

### 4. Board Procedures for Addressing the Conflict of Interest.

If the Board of Directors or committee determines that an actual approval or potential conflict of interest exists which is material, the Board of Directors or committee shall require the Interested Person to leave the room while the proposed contract, transaction, arrangement or other matter is discussed. The Interested Person shall also leave the room while the matter is voted on; only disinterested Directors may vote to determine whether to approve the transaction or arrangement.

5. Violations of the Conflicts of Interest Policy.

If the Board of Directors or a committee has reason to believe that an Interested Person has failed to comply with the disclosure obligations of this Policy, the Board of Directors shall inform that Interested Person of the basis for its belief and provide that person an opportunity to address the alleged failure to disclose. After hearing the response of such Interested Person and conducting such further investigation as may be warranted under the circumstances, the Board of Directors shall determine whether such Interested Person has, in fact, violated the disclosure requirements of this Conflicts of Interest policy. If the Board determines that there has been a violation, the Board shall take appropriate disciplinary and corrective action, which may include removal pursuant to appropriate process.

**Revised ACP Legal Counsel 2017**