

**CONFLICT OF INTEREST POLICY
OF
AMERICAN ACADEMY OF FAMILY PHYSICIANS**

I. Purpose

The purpose of this Conflict of Interest (“Policy”) of the American Academy of Family Physicians (the “Academy”) is to protect the interests of the Academy when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a member of the Board of Directors of the Academy (“Board”); an officer of the Academy (“Officer”); a member of the Academy (“Member Representative”) serving in other organizational capacities, such as members of Academy commissions (“Commissions”) and Academy representatives to external entities (“External Entities”); or any other employee of the Academy who is classified as “exempt” under the DOL regulations (“Employee”).

This Policy is also intended to assist the Board, the Officers, and the Employees as well as Member Representatives serving in other organizational capacities to fulfill their respective obligations to act at all times in the best interest of the Academy. In order to preserve and protect the integrity of the Academy and its decisions, and to foster an open and trusting relationship between and among members of the Board and Employees, this Policy requires such members of the Board, Officers, Member Representatives, and Employees to maintain the highest standard of corporate ethics not only to avoid conflicts of interest in the Academy’s affairs, but also to avoid even the appearance of impropriety that undisclosed dualities of interest can create.

This Policy is intended to supplement, but not replace, any applicable laws governing conflicts of interest and fiduciary duties applicable to not-for-profit corporations.

[NOTE: A separate policy exists for all Academy-produced continuing medical education activities. Individuals participating in these activities are subject to the “CME Policy and Procedures for Full Disclosure and Identification and Resolution of Conflicts of Interest” and should complete the disclosure statement developed specifically for these activities.]

II. Definitions

- A. **Aware:** Aware means actual knowledge without any duty to inquire.
- B. **Compensation:** Compensation is defined as direct and indirect remuneration (whether in cash or in kind), as well as gifts or favors that are substantial in nature.
- C. **Conflict of Interest:** A Conflict of Interest exists with respect to any issue on which the Academy may act where (i) an Interested Person has a Personal or

Private Interest, or (ii) an Interested Person is “aware” that a member of his or her Family has a Personal or Private Interest.

D. **Family:** Family is defined as that person’s spouse, children, parents, or siblings.

E. **Interested Person:** Interested Person is defined as:

1. Any member of the Board;
2. Any Officer of the Academy;
3. Any Member Representative; or
4. Any Employee.

F. **Personal or Private Interest:** A Personal or Private Interest is generally considered to exist when individuals have material interests outside the Academy which could influence them, or could be perceived as influencing them to act contrary to the best interests of the Academy and for their own personal benefit or the benefit of a relative or business associate. More particularly, such an Interest is defined as one or more of the following interests, arising directly or indirectly:

1. An ownership or investment interest in any entity (other than a 5% or less ownership in a publicly-traded corporation) with which the Academy has a transaction or arrangement;
2. A compensation arrangement with the Academy or with any entity or individual with which the Academy has a transaction or arrangement;
3. A position in a public office or institution, whether appointed, elected or employed, which will require participation in matters involving the Academy;
4. An uncompensated consultant, officer, committee member or board member of any entity with which the Academy has a transaction or arrangement; or
5. Any other interest that may compete with or conflict with the interests of the Academy.

III. Conflict of Interest Procedure

A. Procedure for Addressing Conflict of Interest

1. Disclosure of Potential Conflict of Interest

In addition to making the annual disclosure required by this Policy, any Interested Person who has a Personal or Private Interest in a measure, contract, resolution, grant, grant application, or other arrangement or

transaction (collectively, a "Transaction") or any Interested Person who reasonably believes such an Interest exists in another person, the following shall apply:

- a. If the Transaction is to be presented to or otherwise addressed by the Board, Commission or External Entity, as the case may be, for deliberation, authorization, approval, or ratification, the Interested Person must make a prompt, full, and frank disclosure of the Personal or Private Interest, either verbally or in writing, to the Board, Commission or External Entity, as the case may be, prior to its acting on such Transaction.
- b. If the Interested Person is an Employee and the Transaction involves Academy operations, the Interested Person must make a prompt, full, and frank disclosure of the Personal or Private Interest, either verbally or in writing, to his/her Academy Division Director or Vice President, if applicable, otherwise, to the Academy's Executive Vice President, Deputy Executive Vice President or General Counsel, prior to an involvement in the Transaction.

In any event, the Interested Person must disclose the existence of his or her other Personal or Private Interest and all material facts, known to him or her about the Personal or Private Interest and potential Conflict of Interest.

2. Procedures Required for Board or Commission Action When a Conflict of Interest Exists

- a. When an Interested Person has a Personal or Private Interest in any Transaction presented to the Board or a Commission, the Board or Commission must follow the procedures below when acting on the related Transaction.
- b. The Interested Person may make a presentation at the Board or Commission meeting, but after such presentation and discussion, the Interested Person must leave the meeting during the vote on the Transaction that results in the Conflict of Interest.
- c. The Board or Commission may appoint, if appropriate, a disinterested person or committee to investigate alternatives to the proposed Transaction or other Conflict of Interest.
- d. After exercising due diligence, the Board or Commission will determine whether the Academy cannot obtain a more advantageous Transaction with reasonable efforts under the circumstances, from a person or entity that would not give rise to a Conflict of Interest.

- e. If a more advantageous transaction is not reasonably attainable under circumstances that would not give rise to a Conflict of Interest, the Board or Commission shall determine by a majority vote of the disinterested members whether the Transaction is in the Academy's best interest and for its own benefit and whether the Transaction is fair and reasonable to the Academy and will make its decision as to whether to enter into the Transaction in conformity with such determination.
- f. The Board or Commission will further follow all conflicts of interest laws to the extent they apply.

3. Procedures Required for Academy Action When an Employee Conflict of Interest Exists

- a. When an Interested Person is an Employee that has a Personal or Private Interest in any Transaction regarding Academy operations in which the Employee is involved, the Academy's Executive Vice President and Deputy Executive Vice President shall consider and make necessary and appropriate determinations with respect to such Interested Person and the reported Conflict of Interest.
- b. The EVP and the DEVP shall involve such Academy staff as appropriate, including the Interested Person as well as his/her Vice President and Division Director.

B. Enforcement and Violation of the Policy

- 1. On an annual basis, all Board members, Officers, Member Representatives and Employees shall be provided with a copy of this Policy and are required to complete and sign the Acknowledgment Statement below and the Annual Disclosure Information Form attached thereto. The Academy will provide all members of the Board and all Commissions with copies of the Statements for all members of their respective entities; the Academy Human Resources Division shall maintain the Statements for the Employees.
- 2. If the Board or a Commission has reasonable cause to believe that an Interested Person has failed to disclose an actual or possible Personal or Private Interest or has engaged in a Prohibited Action, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose or alleged Prohibited Action.
- 3. If, after hearing the response of the Interested Person and making such further investigation as may be warranted in the circumstances, the Board or Commission determines that the Interested Person has in fact failed to disclose an actual or possible Personal or Private Interest or has engaged

in a Prohibited Action, it shall take appropriate disciplinary and corrective action as outlined herein.

C. Disciplinary and Corrective Action

1. If the Board determines that an Interested Person has failed to disclose an actual or possible Personal or Private Interest or engaged in a Prohibited Action, the Board may do one or more of the following:
 - a. counsel the Interested Person regarding his or her obligations under this Policy;
 - b. exclude the Interested Person from future discussions and voting on the matter at issue and any related matters; and/or
 - c. such other actions not inconsistent with the Academy Bylaws and as determined by the Board.

D. Procedures for Adequate Record Keeping

The minutes of the meetings of the Board and all Commissions must include:

1. The names of the persons who disclosed or otherwise were found to have a Personal or Private Interest in connection with an actual or possible Conflict of Interest, the nature of the Personal or Private Interest, any action taken to determine whether a Conflict of Interest was present, and the Board's or Commission's decision as to whether a Conflict of Interest in fact existed; and
2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement; the content of the discussions, including any alternatives to the proposed transaction or arrangement; and a record of any votes taken in connection therewith.

PLEASE COMPLETE THE ATTACHED STATEMENT

**AMERICAN ACADEMY OF FAMILY PHYSICIANS
CONFLICT OF INTEREST POLICY**

ACKNOWLEDGMENT STATEMENT

I acknowledge that I have received a copy of the Conflict of Interest Policy (“**Policy**”) of the American Academy of Family Physicians (“**Academy**”), and that I have read, understand and agree to comply with the Policy.

In accordance with the Policy, I hereby disclose and make a matter of record the potential conflicts of interest set forth on the Annual Disclosure Information Form attached as Attachment 1. I understand that it is my duty to disclose any of the following with respect to myself, and to update this disclosure as circumstances warrant:

1. An ownership or investment interest in any entity (other than a 5% or less ownership in a publicly-traded corporation) with which the Academy has a transaction or arrangement;
2. A compensation arrangement with the Academy or with any entity or individual with which the Academy has a transaction or arrangement;
3. A position in a public office or institution, whether appointed, elected or employed, which will require participation in matters involving the Academy;
4. A position as an uncompensated consultant, officer, Commission member or board member of any entity with which the Academy has a transaction or arrangement; or
5. Any other interest which may compete with or conflict with the interests of the Academy.
6. I become aware that a member of my Family has a Personal or Private Interest.

Signature: _____ Date: _____

Print Name: _____

Attachment 1

**AMERICAN ACADEMY OF FAMILY PHYSICIANS
CONFLICT OF INTEREST STATEMENT**

ANNUAL DISCLOSURE INFORMATION FORM

NAME: _____

I. List of Boards, Employers, Offices.

- A. (Control) List all of the organizations for which you or your spouse serve or have served as a member of the Board of Directors, Advisory Board, a Commission or in which you have or held the position of an officer during the last three years.

- B. (Compensation interest) List all of the organizations from which you receive directly more than \$5,000.00 per year in compensation in the form of wages, salaries, bonuses or contractual payments for goods or services during the last three years.

- C. (Public office) List any public office held by you in the last three years, whether or not you were paid or are being paid for holding such office.

II. Known Conflicts.

For purposes of this Disclosure, a "Vendor" is defined as any business or organization that you are or become aware of that (i) provides goods or services to, or does any other business with, the Academy or which has sought to do so within the past 3 years or which seeks to do so in the future or (ii) that competes with the Academy, its products or services, or the products or services of any affiliates. With respect to Academy and the Vendors:

- A. Do you have an ownership or investment interest in any entity (other than a 5% or less ownership in a publicly traded corporation) which is a Vendor of the Academy?

Yes No

If yes, please specify:

- B. Do you have a compensation arrangement with the Academy or with any Vendor of the Academy?

Yes No

If yes, please specify:

- C. Are you an uncompensated consultant, officer, Commission member, or board member of any Vendor of the Academy?

Yes No

If yes, please specify:

- D. Are you aware that a member of your Family has an interest with a Vendor the Academy of the nature described above in A through C?

Yes No

If yes, please specify:

- E. Do you hold a position in a public office or institution, whether appointed, elected, or employed, which will require participation in matters involving the Academy?

Yes No

If yes, please specify:

- F. Do you have any other interests that may compete with or conflict with the interests of the Academy?

Yes No

If yes, please specify: