

ASSOCIATION FOR THE ADVANCEMENT OF MEDICAL INSTRUMENTATION

AAMI Board Policy - Conflict Of Interest

This AAMI Conflict of Interest Policy is designed to help the directors, officers, management team, and members of committees of the Association for the Advancement of Medical Instrumentation (AAMI) identify situations that present a Conflict Of Interest or potential Conflict 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 Policy is intended to comply with Virginia law. If there is an inconsistency between this Policy and Virginia law, Virginia law shall control.

The perception of a Conflict Of Interest can be just as damaging to AAMI, its Board of Directors, or its committees as an actual Conflict Of Interest. For this reason, although the Policy tries to define specific instances that may give rise to a Conflict Of Interest, this Policy should not be considered as covering only those situations. Any situation that gives the appearance of—or suggests the possibility of—a Conflict Of Interest is covered by this Policy and should be disclosed by any Covered Person (defined below) with the knowledge of such appearance of, or possibility of, a Conflict of interest, such individual is the person with the conflict or perceived conflict or someone else.

Most individuals who participate in AAMI activities have a natural potential Conflict Of Interest: their employment with a particular organization. This is understood, expected, and known to all, and for most situations at AAMI this does not trigger anything in this Policy. The primary mechanism for addressing Conflicts Of Interest and potential Conflicts Of Interest is disclosure. For most Conflicts Of Interest, disclosure alone is sufficient because it puts everyone on notice that the individual may look at a specific issue in a particular way because the conflict impacts their perspective. There are some unique circumstances where disclosure alone is not sufficient and an individual should refrain from participating in or acting on a discussion, because the conflict is so serious.

1. Definitions

- a. A "Covered Person" is any person serving as an AAMI director, officer, management team person, or as a member of the AAMI Board of Directors, or their Board committees.
- 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 having a Material Financial Interest in an entity that competes with AAMI in the provision of services.
- (v) A Covered Person 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.
- (vii) A Covered Person is involved in a lawsuit or other legal matter adverse to AAMI, or anticipates being involved in such a lawsuit or matter.
- (viii) A Covered Person has been or is being paid by another Covered Person (other than an employment relationship, which would be obvious through ordinary introductions) in connection with any product or service that is discussed at an AAMI meeting.
- (ix) A Covered Person has, directly or indirectly, through business, consulting, investment, legal, employment or family relationships, an interest in research or other projects conducted, or to be conducted, by or on behalf of AAMI, that (1) may diminish the Covered Person's capacity to give impartial, technically sound, objective assistance or advice, or (2) may result in the Covered Person (or the Covered Person's business, consulting, employer, investment, legal or family relationships) having an unfair advantage.
- (x) Any other situation that gives the appearance of or suggests the possibility of a Conflict Of Interest. These situations should be disclosed by anyone who is participating in a Board of Directors or committee meeting, whether they are the person with the Conflict Of Interest or perceived Conflict Of Interest or are referring to another individual, as described in Section 2 (Procedures), below.

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 of Director's or committee's discussion of the specific matter about which they have a Conflict Of Interest, except to disclose material facts and to respond to questions. An exception can be made if the Board of Directors or committee agrees (and documents such agreement in the minutes of the meeting) that disclosure of the Conflict Of Interest is sufficient for discussion purposes and that the Board of Directors or committee would benefit from the person participating in the discussion (but abstaining from voting) because of the nature of the topic and the expertise that the person brings for the subject at hand. 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 Chair of the applicable body, who shall determine (in conjunction with legal counsel, if applicable) whether there exists an actual, potential, or perceived Conflict of Interest that is subject to this Policy.
- g. Statements pertaining to disclosures of conflicts of interest should be submitted to the Chair of the applicable body and the responsible staff person. 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 Policy

- a. Each new Covered Person shall be required to annually review a copy of this Policy and to be reminded of the obligation to conform to it.
- b. Each Covered Person must 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: (1) promptly after such actual, potential, or perceived Conflict Of Interest arises, and in all events prior to the Board or AAMI committee, as applicable, debating or making any decisions on the contract or transaction related to the Conflict Of Interest; and (2) annually. 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 Policy.
- c. This statement shall be reviewed and updated by the Board of Directors and management team as needed. Any changes to the Policy shall be communicated immediately to all Covered Persons.

5. Violations

The Board of Directors shall have the responsibility of determining what corrective actions to take in the event of a violation of this Policy. By way of example and not by way of limitation, the Board of Directors may ask a person to resign or consider resigning from the Board or committee if there is: (i) repeated, intentional failure by such person to disclose a Conflict Of Interest; or (ii) a single but significant intentional failure by such a person to disclose a Conflict Of Interest.

The AAMI Board of Directors reserves the right to amend, alter and terminate this AAMI Recording Policy at any time

Table - Document Version

Date	Action	Approved By	Notes/Remarks
May 2014	Policy Update	AAMI BoD	
20 Feb 2025	Policy Update	AAMI BoD	Periodic review and update with inputs from outside counsel.