

## **STATEMENT OF POLICY ON CONFLICT OF INTEREST**

The affairs of the Colorado Medical Society will be conducted with concern for the avoidance of any real or apparent conflict of interest on the part of its directors and officers, and with the highest integrity in accordance with the fiduciary duties they owe to the Society.

The Board of Directors of the Society encourages all directors and officers to disclose in writing any real or perceived conflict of interest that may affect their fiduciary duties to the Society.

The directors and officers of the Society serve in fiduciary capacity. Generally, a fiduciary is "a person having a duty, created by his undertaking, to act primarily for another's benefit in matters connected with such undertaking." More precisely it is a position of trust.

Fiduciaries own at least the following duties to the Society:

1. The duty to use due care and act in good faith in a manner the fiduciary reasonably believes to be in the best interests of the Society and with such care as an ordinarily prudent person in a like position would use under similar circumstances;
2. Duty to disclose information having an effect on the business affairs of the Society;
3. Duty of loyalty, or a duty to act only in the best interest of the Society;
4. Duty to keep and render accounts; and
5. Duty to act only as authorized, i.e. to act only within the scope of the responsibilities delegated to the director or officer.

Broadly speaking, a conflict of interest exists whenever a director or officer finds that his or her ability to exercise independent judgment concerning the best interests of the Society and his or her duties to the Society are influenced of (a) his or her affiliation with, (b) his or her financial interest in, and/or (c) his or her obligation to another person, company, industry association, charitable organization or government activity.

### Outside Business Affiliation:

If any director or officer has an outside business affiliation where conflict of interest may exist, or may appear to exist, he or she should, in order to avoid the appearance of conflict, disclose such affiliation to the Board.

Gifts:

No director or officer should accept a gift of more than nominal value from anyone, doing business, or negotiating with the Society.

Procedure Concerning Conflict of Interest:

1. A director or officer should, in writing, promptly disclose to the President of the Society and the Board of Directors, any information on any matter which the officer or director believes is or may be perceived to be a conflict of interest with that officer's or director's fiduciary duties to the Society.
2. At a meeting of the Board of Directors, the "interested" director may be counted in determining the presence of a quorum and may participate in any meeting during which the Board of Directors considers, approves or ratifies the contract, transaction or issue in question without affecting the validity of the transaction.
3. The "interested" director may not vote on any issue where he has an actual or potential conflict.

Summary:

In summary, the interest of this policy statement is to provide the Board with knowledge of any situation on the part of directors and officers that is, or appears to be, in conflict with their basic responsibilities to the Society. If instances arise beyond the scope of the statement outside the procedure adopted for disclosure that may nevertheless lie within the spirit of this policy, it will be expected that the individual will resolve such situation through full disclosure as provided. Moreover, to the extent that conflicts arise subsequent to the execution of this statement, the undersigned understands and agrees that his or her duty to disclose shall be continuing and he or she agrees to disclose such conflict in a manner prescribed by this document.

I have read and fully understand the above and declare that I have not engaged in any activity that directly or indirectly would constitute a conflict of interest except as follows:

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Signed: \_\_\_\_\_

Title: \_\_\_\_\_

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