

CONFLICT OF INTEREST POLICY

The Medical Society of the State of New York

Section 1 *The Medical Society of the State of New York has adopted this Conflict of Interest Policy in order to assist the Council in resolving conflicts of interest between personal interests and the interests of The Medical Society of the State of New York. The Conflict of Interest Policy strives to ensure that councilors, officers, members of committees or key employees will not act to further their own personal benefit in a manner that is contrary to the interests of the organization, but instead, will serve the best interests of the organization.*

Section 2 Definition

- A. Related Party Transaction. *Related Party Transaction means any transaction, agreement or other arrangement in which a related party has a financial interest and in which The Medical Society of the State of New York or any affiliate of The Medical Society of the State of New York is a participant.*

“Related Party” means (i) any director, officer, or key employee of The Medical Society of the State of New York or any affiliate of The Medical Society of the State of New York, (ii) any relative of any director, officer, or key employee of The Medical Society of the State of New York or any affiliate of The Medical Society of the State of New York; or (iii) any entity in which any individual described in clauses (i) or (ii) has a thirty-five percent (35%) or greater ownership or beneficial interest or, in the case of a partnership or professional corporation, a direct or indirect ownership interest in excess of five percent (5%).

“Relative” of an individual means his or her (i) spouse, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses of brothers, sisters, children, grandchildren, and great-grandchildren; or (ii) domestic partner as defined under New York Law.

“Affiliate of The Medical Society of the State of New York” means any entity controlled by, in control of, or under common control with The Medical Society of the State of New York.

“Key Employee” means any person who is in a position to exercise substantial influence over the affairs of The Medical Society of the State of New York. Examples include chief executive officer, chief operating officer or any employee who, regardless of title has ultimate responsibility for implementing the decisions of the governing body or for supervising the management, administration or operation of the organization.

Section 3 Related Party Transaction

The Medical Society of the State of New York shall not enter into any Related Party Transaction unless the transaction is determined by the Council to be fair, reasonable and in the corporation's best interest. Any director, officer, or key employee who has an interest in the Related Party Transaction shall disclose in good faith to the Council, or committee of the organization deciding upon the Related Party Transaction, the material facts concerning such interest.

[The following are required for Charitable Not-for-Profit Corporations, and recommended for non-charitable Not-for-Profit Corporations]

With respect to any Related Party Transaction and in which a related party has a substantial financial interest, the Council or committee, shall:

- 1. Prior to entering into the transaction, consider alternative transactions to the extent available;*
- 2. Approve the Related Party Transaction by not less than a majority vote of the directors or committee members present at the meeting; and*
- 3. Contemporaneously document in writing the basis for the Council's or committee's approval, including its consideration of any alternative transactions.*

Section 4 Conflict of Interest

The Medical Society of the State of New York recognizes that individuals have investments, through stock ownership, mutual funds and similar vehicles, in companies that provide goods and services to the organization. The Medical Society of the State of New York also recognizes that a director, officer, committee member or key employee or a relative of any such individual may be employed by or have a consulting arrangement with or individual or company that does business with The Medical Society of the State of New York. Only those transactions or arrangements that constitute a Related Party Transaction or Material Conflict of Interest raise a concern about a conflict of interest. A Related Party Transaction must comply with the requirements of Section 3 in addition with the requirements of this section.

Section 4.1(a) Material Conflict of Interest

A Material Conflict of Interest does not involve a Related Party Transaction but may nevertheless raise concerns about a conflict of interest.

(a) Material Conflict of Interest may arise if The Medical Society of the State of New York is deciding whether to enter into a transaction or agreement with an entity, and the director, officer, committee member or key employee, or relative of any such individual, serves as a director, officer, or key employee with such entity or receives substantial personal income from such entity. A Material Conflict of Interest also includes a director, officer, committee member or key

employee, or relative of any such individual who holds a financial ownership interest of 5% or more with such entity.

(b) A director, officer, committee member or key employee shall disclose the facts concerning a Related Party Transaction or a Material Conflict of Interest to the Council, the Council Audit Committee, (if any), or to the Committee involved in any deliberation pertaining to any transaction, agreement or other matter that may give rise to a Related Party Transaction or Material Conflict of Interest.

(c) An individual who is a Related Party or who has a Material Conflict of Interest shall not be present at or participate in the Board or Committee deliberation or vote giving rise to a Related Party Transaction or Material Conflict of Interest. (The individual may be present to provide information or to respond to questions but may not be present during the deliberation and vote).

(d) Any individual who is a Related Party or who has a Material Conflict of Interest shall not attempt to influence the deliberation or voting giving rise to the Related Party Transaction or Material Conflict of Interest.

(e) The minutes of meetings of the Council and any committee involved in the deliberation of a transaction, agreement or other matter giving rise to a Related Party Transaction or Material Conflict of Interest shall contain:

- i. Name(s) of the individual who disclosed or otherwise was found to have an interest in a Related Party Transaction or Material Conflict of Interest, any action taken to determine whether a Related Party Transaction or Material Conflict of Interest was present, and the Council's or committee's decision as to whether a Related Party Transaction or Material Conflict of Interest existed.
- ii. The names of individuals who were present during the deliberation and voting relating to the transaction, agreement or other arrangement, the content of the decision and any alternatives to the proposed transaction, and a record of any votes taken in consideration of the matter.
Reminder: A Charitable Corporation must consider alternatives prior to entering into a Related Party Transaction, and must document in the minutes the consideration of alternative arrangements.

Section 5

Conflict of Interest Annual Disclosure Form

Each Councilor must, prior to the initial election, and annually thereafter, complete and submit to the Secretary of The Medical Society of the State of New York the Conflict of Interest Annual Disclosure Form. The Secretary shall provide a copy of the completed form to the Chair of the Board (or Audit Committee of the Board).

The Medical Society of the State of New York

**CONFLICT OF INTEREST
ANNUAL DISCLOSURE FORM**

This form must be completed prior to the initial election of a Councilor and must be updated annually.

To the best of my knowledge, I am an officer, councilor, director, trustee, member, owner (either as a sole proprietor or a partner), or employee of the following entities with which The Medical Society of the State of New York has a relationship, and any transaction in which The Medical Society of the State of New York is a participant and in which I may have a conflicting interest.

Name of Councilor: _____

Signature: _____

Date: _____